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# Safeguards For Defendant Rights And Interests In International Intellectual Property Enforcement Treaties

Kimberlee Weatherall

*The University of Sydney, Sydney Law School*, [kimberlee.weatherall@sydney.edu.au](mailto:kimberlee.weatherall@sydney.edu.au)

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# **SAFEGUARDS FOR DEFENDANT RIGHTS AND INTERESTS IN INTERNATIONAL INTELLECTUAL PROPERTY ENFORCEMENT TREATIES**

KIMBERLEE WEATHERALL\*

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## I. INTRODUCTION

A user who gets sued becomes a defendant.<sup>1</sup> My contribution to this symposium on international and comparative user rights in copyright explores how international intellectual property (IP) law protects the rights and interests of defendants in IP enforcement procedures.<sup>2</sup> Procedural rights and safeguards are not a mainstream

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1. . . .or prosecuted. Of course not all defendants are the kinds of ‘user’ whose interests we would wish to protect. But some are. And in a context where many users are potential defendants, furthering the interests of defendants does further the interests of users. ‘Defendant’ is not precisely right as the term here: (1) in some cases, the ‘object’ of legal procedures is not alleged to be liable, but rather, in a position to assist a right holder in taking action against a wrongdoer (e.g. in a preliminary discovery action); (2) in other cases a person may be the object of administrative procedures. However, the more accurate ‘enforcees’ is too astoundingly ugly to use. *See* DENIS JAMES GALLIGAN, *DUE PROCESS AND FAIR PROCEDURES: A STUDY OF ADMINISTRATIVE PROCEDURES* 101–03 (1996) (introducing a general principle that a right is only taken seriously if there are procedures to protect it. First order rights within a legal system justify a claim to such procedures as are necessary to protect and uphold those rights. The litigant in a civil action has a right to procedures by which the law will be applied accurately to the facts, or at least that the contest between the parties be reasonably equal).

2. Defendants are not the only ones with an interest in the framing of legal processes and remedies. Plaintiffs’ interests are discussed below. Moreover, the State is itself a stakeholder in enforcement systems with its own distinct interests, including at least: (1) ensuring the IP system serves intended policy purposes; and (2) value for money invested in enforcement (e.g. court systems, police, customs); as well as (3) promoting other public interests.

part of the discussion of user rights in IP, which tends to focus on exceptions and limitations. However, if we want IP law to account appropriately for interests beyond those of IP right holders, *i.e.* those of users, public institutions, and the society at large, we need to think about IP systems from start to end. This means examining all parts of the system, from the grant or recognition of rights, through rules determining the scope of rights, and the conduct of legal processes,<sup>3</sup> to provisional and final remedies.<sup>4</sup> We need to think about how the framing of both procedures and remedies can protect broader public interests.

This paper offers a mapping and analysis of a range of procedural safeguards found in the international legal framework governing IP enforcement. Within the broader realm of international law, IP is unusual in the extent to which international instruments address the details of domestic legal process in relation to private rights.<sup>5</sup> Therefore, IP provides an interesting case study in the interaction between international law and domestic legal process and remedies.

International IP contains a broad range of procedural safeguards and limits on remedies. These include general principles, such as the requirement that enforcement measures should be fair and equitable, and that procedures provide for safeguards against abuse.<sup>6</sup> There are

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3. This paper is concerned principally with legal processes which have the purpose of applying authoritative legal standards: chiefly, civil and criminal proceedings around IP enforcement, and equivalent administrative systems implicating enforcement of rights (e.g. seizure of goods at the border, which is typically an administrative process). Grant and revocation processes are of less (direct) interest here. See GALLIGAN, *supra* note 1, at 24-31 (asserting “processes are classified according to whether their purpose is: (i) to apply authoritative legal standards; (ii) to decide as the official thinks best; (iii) to reach agreement between the parties; (iv) to decide by voting; (v) to decide by fiat or decree . . . (vi) investigation and inquiry, and (vii) proceduralism and participation.”).

4. See Carys Craig, *The Evolution of Originality in Canadian Copyright Law: Authorship, Reward and the Public Interest*, 2 OTTAWA L. & TECH. J. 425, 425 (2005) (arguing similarly that relying on exceptions to protect the public interest is too late: that public interest considerations must be considered at the stage of subsistence).

5. Apart from specific contexts, such as within the European Union, the author is unaware of other areas of private law where procedures and remedies are similarly dealt with at a supra-national level; see X.E Kramer and C H van Rhee (eds) CIVIL LITIGATION IN A GLOBALISING WORLD (2012) (discussing the challenges of procedural harmonization within the European Union).

6. See Agreement on Trade-Related Aspects of Intellectual Property Rights,

also detailed rules regarding the availability of remedies, the considerations relevant to making court orders, as well as specific built-in protections and rules that directly protect the interests of defendants in legal proceedings.<sup>7</sup> These may seem prosaic, but in the real world of actual and prospective court proceedings, rules of evidence, standards and burdens of proof, the availability of provisional remedies, and final remedies are all important to actual and potential defendants.<sup>8</sup> ‘What happens if I get sued?’ is an obvious question for anyone proposing to interact with IP-protected material. Thus, the framing of procedures and remedies can determine whether users like the transformative artist or the health NGO will fight or, quite rationally, fold at the threat of litigation. They affect the calculations of a risk-averse public institution considering digitizing their archive of wartime photographs and letters. Additionally, procedures govern results that matter from a public interest perspective: whether generic drugs risk being seized en route,<sup>9</sup> or whether a website suddenly disappears.<sup>10</sup> In other words, procedures and remedies can be as significant as the drafting of substantive IP law in determining how punitive IP rules are in practice.<sup>11</sup>

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art. 41 Apr. 15 1994, 33 I.L.M. 81 [hereinafter TRIPS] (“Procedures concerning the enforcement of intellectual property rights shall be fair and equitable. They shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.”).

7. See *infra* Part III.

8. See *Dallas Buyers Club LLC v. iiNet Limited*, No. 1051/2014, Federal Court of Australia [Fed. Ct. of Aust’l] (Apr. 7, 2015) (providing an example of a case where procedural safeguards prevented action being taken against potentially infringing individuals: the court refused to authorize discovery which would have identified alleged infringers as a result of a number of due process-related concerns).

9. See Bryan Mercurio, ‘Seizing’ *Pharmaceuticals in Transit: Analysing the WTO Dispute that Wasn’t*, 61 INT’L & COMP. L.Q. 389, 398, 406-07 (2012) (outlining India’s complaints over European seizures of generic pharmaceuticals, which were raised with the World Trade Organization but ultimately did not proceed to a decision).

10. Annemarie Bridy, *Carpe Omnia: Civil Forfeiture in the War on Drugs and the War on Piracy*, 46 ARIZ. ST. L.J. 683, 687-717 (2014) (describing laws and systems by which the U.S. government has ‘seized’ domain names as a response to infringement).

11. See Kimberlee Weatherall, *Provocations and Challenges Concerning Enforcement and Civil Procedure in IP*, in INTELLECTUAL PROPERTY AND GENERAL LEGAL PRINCIPLES: IS IP A LEX SPECIALIS? 195-96 (Graeme Dinwoodie

This paper also maps the development of safeguards over time, with a focus on international instruments involving the United States. The picture is simultaneously heartening and disturbing. On the positive side, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)<sup>12</sup> sets out a detailed and mostly mandatory framework on IP enforcement that, while implementing an extensive and strong set of remedies, also explicitly respects due process, fair trial, and (to a lesser extent) the framing of appropriate remedies. TRIPS includes both high-level principles pertaining to due process and trial, and specific mandatory rules that ensure fair treatment for the objects of legal and administrative procedures.<sup>13</sup> In relation to remedies, TRIPS requires their existence, but leaves room for legislatures and courts to adjust those remedies to serve the public interest and the exigencies of particular cases.<sup>14</sup> In short, TRIPS contains many safeguards to protect defendant rights and interests. However, more troubling is the fact that, as this article shows, not all of these protections are repeated in more recent international IP instruments.<sup>15</sup> The safeguards are disappearing, and we may risk losing the hard-won balance established in the 1990s.

Part II of this paper outlines the importance of this project: the tendency to include more and more detailed rules relating to enforcement in international legal instruments, and to make IP litigation simpler and cheaper for IP owners. These trends make defendant safeguards more important. Part II also discusses whether procedural safeguards are an appropriate part of the discourse around user rights in copyright. Part III identifies and analyzes key procedural safeguards and limits on remedies found in the various international instruments. Part IV briefly maps the trends around procedural rules and safeguards in recent international instruments, and discusses the legal implications of the tendency to leave certain

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ed. 2015) [hereinafter Weatherall, *Provocations and Challenges*] (claiming that “the rules with the most impact on how punitive IP is in practice could well be rules of evidence, standards and burdens of proof, and provisional remedies, as well as the rules which govern the progress of cases and the conduct of trials”); see generally W. R. Cornish et al, *Procedures and Remedies for Enforcing IPRS: The Proposed Directive*, 25 EUR. INTELL. PROP. REV. 447, 448 (2003).

12. See TRIPS, *supra* note 6.

13. See *id.* Part III.

14. See *infra* Part III.A.

15. See *infra* Part IV.A.

safeguards out, and Part V concludes. Annexure 1 provides a table identifying the various safeguards and whether they are in, or out, of the international instruments discussed in this paper.

## II. WHY WE NEED TO PAY ATTENTION TO DEFENDANT SAFEGUARDS

### A. THE INCREASING IMPORTANCE OF PROCEDURAL AND REMEDIAL SAFEGUARDS

It is important that we focus on safeguards in IP enforcement because developments in international IP law are simultaneously making protecting defendants more important while also putting them at greater risk. Under the shadow of an apparent IP infringement crisis, recent years have seen a massive growth in the number, scope, and geographic reach of international instruments requiring extensive IP protection, as well as civil and criminal enforcement of IP.<sup>16</sup> This trend is neither smooth<sup>17</sup> nor universal. By contrast, the World Intellectual Property Organization has had a significant focus on exceptions and limitations, which to date has seen the successful conclusion of the *Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired or Otherwise Print Disabled*.<sup>18</sup> Nevertheless, it is an important and observable trend.

The inclusion of detailed enforcement provisions in international agreements is a recent phenomenon. The treaties which provided the international IP framework for most of the 20<sup>th</sup> Century, namely the 1886 Berne Convention in copyright and the 1883 Paris Convention

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16. See Peter Yu, *Six Secret (and Now Open) Fears of ACTA*, 64 SMU L. REV. 975 (2011); see also Kimberlee Weatherall, *ACTA as a New Kind of International IP Lawmaking*, 26 AM. U. INT'L L. REV. 839, 876 (2011) [hereinafter Weatherall, *ACTA*] (describing one IP enforcement treaty, the Anti-Counterfeiting Trade Agreement, and situating it as part of a more general trend).

17. See LTC HARMS, *THE ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS: A CASE BOOK* 476-482 (2008) (discussing that the failure of ACTA is one example of a reversal of this trend).

18. *Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired or Otherwise Print Disabled*, June 27, 2013 [hereinafter *Marrakesh Treaty*]. There are also ongoing discussions relating to both library use and educational use of copyright content, and, more broadly, there is WIPO's Development Agenda.

in relation to industrial property, left general enforcement and remedial measures as (mostly) matters for national law.<sup>19</sup> TRIPS changed this two decades ago by mandating a range of procedures and remedies in twenty articles relating to enforcement.<sup>20</sup> It is worth pausing a moment to note how very remarkable this development is. Few treaties, and certainly few global treaties, would descend so far into domestic legal processes, so as to dictate, in detail, procedures and remedies to be accorded in an area of essentially private law. Outside the context of regional instruments, such as those within the European Union (EU), it is difficult to identify equivalent attempts to dictate court and administrative processes.

As will become evident through the course of this paper, the TRIPS enforcement rules were less than IP owner lobbyists had sought, making them from a right holder perspective TRIPS' "Achilles' Heel".<sup>21</sup> The United States in particular has pushed to reinforce and extend these rules through subsequent agreements. In the early 2000s, a series of bilateral and regional preferential trade agreements negotiated by the United States (and EU) contained a scattergun collection of specific TRIPS-plus provisions on enforcement; the EU also developed its own regional text in the form of the EU IP Enforcement Directive.<sup>22</sup> The text of the failed Anti-

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19. See Berne Convention for the Protection of Literary and Artistic Works, *opened for signature* Sept. 9, 1886, 828 U.N.T.S. 221 [hereinafter Berne Convention]; see also Paris Convention for the Protection of Industrial Property, *opened for signature* Mar. 20, 1883, 828 U.N.T.S. 305 [hereinafter Paris Convention]. There is one important exception: both conventions require that Member States give authorities the power to seize infringing copies: Berne Convention art. 16(1) and (2); art. 13(3); Paris Convention art. 10, *10bis*, *10ter*.

20. See TRIPS, *supra* note 6, art. 41-61 (outlining the general obligations, civil and administrative procedures and remedies, provisional measures, special requirements related to border measures and the criminal procedures associated with the enforcement of intellectual property rights).

21. See David Lange & Jerome Reichman, *Bargaining Around the TRIPS Agreement*, 9 DUKE J. COMP. & INT'L L. 11, 34-39 (1998) (criticizing the shortcomings of the enforcement procedures in the TRIPS agreement). *But see* David Fitzpatrick, *Negotiating for Hong Kong*, in THE MAKING OF THE TRIPS AGREEMENT: PERSONAL INSIGHTS FROM THE URUGUAY NEGOTIATIONS 285, 289-91 (Watal Jayashree & Antony Taubman eds. 2015) (praising the enforcement procedures in TRIPS. David Fitzpatrick was involved in the negotiation of the enforcement provisions).

22. See Directive 2004/48 of the European Parliament and of the Council of 29 April 2004 on the Enforcement of Intellectual Property Rights, 2004 O.J. (L 195)



Counterfeiting Trade Agreement (ACTA), concluded in late 2010, was more systematic and comprehensive.<sup>23</sup> Today we appear to have entered what some are calling the Age of the Mega-regionals: proposed deep integration partnerships between countries or regions with a major share of world trade and foreign direct investment.<sup>24</sup> The Trans-Pacific Partnership Agreement (TPP),<sup>25</sup> concluded in late 2015, would apply detailed enforcement obligations to countries in the Asia-Pacific constituting some 40% of global GDP and 25% of global trade.<sup>26</sup> Other mega-regional agreements are currently under negotiation, namely the Trans-Atlantic Trade and Investment Partnership (TTIP)<sup>27</sup> and Regional Comprehensive Economic Partnership (RCEP).<sup>28</sup> Both (if concluded) seem likely to include at

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16, 24 [hereinafter EU Directive 2004/48].

23. See Anti-Counterfeiting Trade Agreement, *opened for signature* Oct. 1, 2011 (not in force) [hereinafter ACTA] (setting out a range of obligations relating to IP enforcement). ACTA was negotiated and signed by Australia, Canada, the EU, Japan, Mexico, Morocco, New Zealand, Singapore, South Korea, and the United States. The European Parliament rejected ACTA, and it appears that ratification has not been actively pursued in other signatories. The ACTA has not reached the number of ratifications required to bring it into force.

24. See Tomas First, *What Are Mega-Regional Trade Agreements?* WORLD ECON. FORUM (July 9, 2014), <https://www.weforum.org/agenda/2014/07/trade-what-are-megaregionals> (defining the concept of mega-regionals).

25. Trans-Pacific Partnership Agreement between the Government of Austl. and the Governments of: Brunei Darussalam, Can., Chile, Japan, Malay., Mex., N.Z., Peru, Sing., the United States and Vietnam, *opened for signature* Feb. 4, 2016 (not in force), ch.18, Office of the U.S. Trade Representative, <https://ustr.gov/trade-agreements/free-trade-agreements/trans-pacific-partnership/tpp-full-text> (last visited June 26, 2016) [hereinafter TPP].

26. *Trans-Pacific Partnership Agreement*, AUSTL. GOV'T DEP'T OF FOREIGN AFFAIRS AND TRADE, <http://dfat.gov.au/trade/agreements/tpp/pages/trans-pacific-partnership-agreement-tpp.aspx> (last visited June 26, 2016) (describing the size and importance of the markets covered by the TPP).

27. See generally *Transatlantic Trade and Investment Partnership (T-TIP)*, OFFICE OF THE U.S. TRADE REPRESENTATIVE, <https://ustr.gov/ttip> (last visited June 26, 2016) [hereinafter TTIP] (describing the TTIP as a trade agreement being negotiated between the United States and the European Union).

28. RCEP is under negotiation between the ten Member States of the Association of Southeast Asian Nations (ASEAN) (Brunei, Burma (Myanmar), Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, Vietnam) and the six states with which ASEAN has existing FTAs (Australia, China, India, Japan, South Korea and New Zealand); See generally *Regional Comprehensive Economic Partnership*, AUSTL. GOV'T DEP'T OF FOREIGN AFFAIRS AND TRADE, <http://dfat.gov.au/trade/agreements/rcep/pages/regional-comprehensiv-e-economic-partnership.aspx> (last visited June 26, 2016) (describing the

least some enforcement-related provisions.<sup>29</sup>

As noted, the process of expanding IP enforcement rules is far from smooth. One reason for undertaking the plurilateral negotiations that led to ACTA was that efforts to initiate detailed enforcement discussions at the multilateral level, in both the World Intellectual Property Organization and World Trade Organization, had stalled in the face of resistance particularly from developing countries.<sup>30</sup> Despite being negotiated among a ‘coalition of the willing’, ACTA failed to garner support sufficient to bring it into force.<sup>31</sup> The TTIP, TPP, and RCEP are all beset by controversy, and at the time of writing it is unclear which, if any, will eventually come into force. Nevertheless, an explicit part of the TPP/TTIP/RCEP agenda is to set future standards for other future negotiations. One negotiator at the 2016 Fordham IP Conference described the TPP IP chapter as ‘the new TRIPS.’<sup>32</sup> These texts also reveal what will be sought in future lobbying efforts and negotiations: despite its failure to come into force, text from ACTA has surfaced in subsequent negotiations, including for the TPP. Therefore, these initiatives warrant critical attention. And every one of them contains extensive enforcement provisions, requiring that the law of Member States recognize a broad range of remedies and increase general deterrence through the growth of punitive measures as a common element in civil remedies.<sup>33</sup> In this context, defendant safeguards are clearly

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membership and purposes of RCEP).

29. See 2015 Oct 15 version: *RCEP IP Chapter*, KNOWLEDGE ECOLOGY INT’L, <http://keionline.org/node/2472> (last visited June 26, 2016) [hereinafter *RCEP Draft*] (mandating, in this leaked draft text, a range of enforcement provisions).

30. See generally Kimberlee Weatherall, *Politics, Compromise, Text and the Failures of the Anti-Counterfeiting Trade Agreement*, 33 SYDNEY L. REV. 229 (2011).

31. See Weatherall, *ACTA*, *supra* note 16, at 893-94 (positing that perceptions toward ACTA have been widely negative despite improvements in transparency and content. This “bad publicity” is due to the early exclusivity of ACTA and a lack of early public involvement).

32. See Kimberlee Weatherall, *Intellectual Property in the TPP: Is Chapter 18 the New TRIPS?*, draft paper on file with author.

33. See, e.g., TPP, *supra* note 25, art. 18.74 (requiring pre-fixed or additional damages), art. 18.74(9) (referring to the need for deterrence), and art. 18.74(12) (detailing the destruction of infringing goods without compensation, as well as implements used in creating infringements); See also Mark C. Stafford & Mark Warr, *The Reconceptualization of General and Specific Deterrence*, 30 CRIMINOLOGY & PENOLOGY 123 (1993) (describing the difference between

important.

Another impact of these international instruments is to adjust procedural rules to make it easier to prosecute an infringement case. For example, various treaty provisions seek to reduce the need to prove elements of the case by presuming that copyright subsists by proving it was authored by the person identified on published copies;<sup>34</sup> these provisions also provide for fixed or quasi-fixed damages (statutory damages) that can be claimed without proof of harm.<sup>35</sup> Recent treaties also mandate that certain measures of damages (such as retail price) be taken into account when assessing damages,<sup>36</sup> and seek to increase the efficiency of enforcement through the use of provisional or pre-emptive seizure.<sup>37</sup> Some of these developments respond to genuine difficulties experienced by IP right holders in effectively enforcing their rights against wrongdoers; others respond to barriers that smaller enterprises in particular encounter in dealing with the IP system. But an inevitable effect of making acquisition and enforcement of rights easier and provisional and final remedies stronger, is to increase the risk of misuse and

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specific deterrence, which refers to the narrower objective of deterring the individual or entity that is before the court from re-offending, versus general deterrence which aims at deterring the population as a whole).

34. See TPP, *supra* note 25, art. 18.72(1) (requiring a presumption of authorship); see also Berne Convention, *supra* note 19, art. 15 (applying a similar presumption). The presumption of authorship addresses the difficulties sometimes experienced in documenting how copyright content was created, in a system in which compulsory registration is not allowed under Berne art. 5(2), which is imported into TRIPS via Article 9.

35. See TPP, *supra* note 25, art. 18.74(6)(b) (requiring statutory damages); Pamela Samuelson & Tara Wheatland, *Statutory Damages in Copyright Law: A Remedy in Need of Reform*, 51 WM. & MARY L. REV. 439, 446 (2009) (discussing how statutory or pre-fixed damages were motivated in part by a desire to help overcome difficulties that copyright owners in particular experience in providing solid evidence of harm caused by copyright infringement).

36. See TPP, *supra* note 25, art. 18.74.4; ACTA, *supra* note 23, art. 9.1; see also United States-Australia Free Trade Agreement, U.S.-Austl., art. 17.11.6(b), Jan. 1, 2005, 43 I.L.M. 1248 [hereinafter AUSFTA]; EU Directive 2004/48, *supra* note 22, art. 13.1 (mandating, in each case, that certain measures of harm, such as retail price, be taken into account when assessing damages).

37. See TPP, *supra* note 25, art. 18.74(17) (requiring provisional measures in relation to anti-circumvention laws); art. 18.75 (mandating provisional measures including seizure of alleged infringements), 18.76 (requiring measures to allow seizure of alleged infringements at the border).

opportunism.<sup>38</sup> Just as not every defendant is harmless or well-intentioned (some are counterfeiters), not every plaintiff is an innovator or creator asserting clear and justifiable IP rights against a competitor who is undermining their incentives to invest in more invention and creation. Some are trolls.<sup>39</sup>

Procedural safeguards and limits on remedies can dramatically influence both the dynamics of enforcement proceedings and their outcomes. This is demonstrated by the recent proceedings in the Australian Federal Court in *Dallas Buyers Club LLC v iiNet Ltd.*<sup>40</sup> This case involved the extended right of information, provided for in many recent international instruments, which allows right holders to seek access to information in the possession of a non-infringing third party such as an online service provider that may identify an alleged infringer.<sup>41</sup> Under Anglo-Australian common law this order has

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38. Cf. Kimberlee Weatherall, *Ignoring the Science: What We Know About Patents Suggests Dire Consequences from ACTA and the TPPA*, in SCIENCE AND TECHNOLOGY IN INTERNATIONAL ECONOMIC LAW: BALANCING COMPETING INTERESTS (Bryan Mercurio & Ni Kuei-Jung eds. 2013) [hereinafter Weatherall, *Ignoring the Science*] (making this argument in a patent context).

39. See Michael Meurer, *Controlling Opportunistic and Anti-competitive Intellectual Property*, 44 B.C.L. REV. 510, 520 (2003) (regarding factors that may encourage 'troll-like behaviour'); see also John Allison et al., *Extreme Value or Trolls on Top – the Characteristics of the Most-litigated Patents*, 158 U. PA. L. REV. 1, 32-33 (2009) (highlighting that remedies such as injunctions and damages for profits lost are derived from consideration of the status of the enforcing party as an active competitor in the market, which trolls are not); see generally Hugh Laddie, *The Insatiable Appetite for Intellectual Property Rights*, 61 CURRENT LEGAL PROBLEMS 415, 415-16 (2008) (offering a brief overview of patent troll proliferation and the reasons for their effectiveness).

40. See *Dallas Buyers Club LLC v. iiNet Limited*, [2015] FCA 838 (holding that it is impermissible for plaintiffs to demand access to users' uploading activity or to demand arbitrary, unnamed damages. Set the precedent that in order for future rights holders to obtain preliminary discovery against ISPs they must follow a stricter set of guidelines and clearly identify the damages sought. Note that because Australia has no constitutional or statutory bill of rights, the Federal Court was entirely reliant on principles relating to fair trial and due process); see also *Golden Eye Int'l. v. Telefonica U.K. Ltd.* [2012] EWHC 723 (addressing similar issues in the UK); *Voltage Pictures LLC v. John Doe*, [2015] F.R. 1364 (Can. Ont.) (holding similarly that access to ISP information must be closely monitored by the court to protect the privacy rights of users).

41. See TRIPS, *supra* note 6, art. 47 (setting out an optional 'right of information' confined to information in the hands of the infringer). ACTA contains a similar optional provision in art. 11, as does the TPP in art. 18.74. An ISP is not necessarily an infringer. But a right to information in the hands of a *non*-infringer

historically been referred to as a *Norwich Pharmacal* order,<sup>42</sup> or preliminary discovery.<sup>43</sup> The case involved an application by Dallas Buyers Club LLC (DBC), which held copyright in the film *Dallas Buyers Club*, for preliminary discovery against six internet service providers (ISPs), and sought the names and addresses of the account holders of 4,726 IP addresses it had detected BitTorrenting the film.<sup>44</sup> The ISPs opposed the application on the basis that it would allow DBC to engage in ‘speculative invoicing.’<sup>45</sup> Justice Perram held that the right holders were entitled to the information, but stayed the order to produce to supervise its use.<sup>46</sup> He foreshadowed imposing conditions meant to protect the privacy of the affected account holders<sup>47</sup> and limit the use to which the information could be put; as a

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is embodied in more recent instruments, including Article 8 of the EU IP Enforcement Directive); *see also* ACTA, *supra* note 23, art. 27.4 (addressing online service providers’ ability to identify infringing subscribers); *see also* TPP, *supra* note 27, art. 18.82.7 (indicating a right to obtain information identifying infringing subscribers, although not all parties would be bound to provide such a right; the Canadian annex 18-E does not include an equivalent provision); *see also* AUSFTA, *supra* note 36, art. 17.11.29(b)(xi) (mandating that both the US and Australia provide for an extended right to information).

42. *See* *Norwich Pharmacal Co v. Customs & Excise Commissioners*, [1973] UKHL 6, [1974] AC (HL) 133 (holding that when a third party has information about unlawful conduct, a court can compel them to reveal that information and assist the person whose rights have been infringed).

43. *See* *Federal Court Rules 2011* (Cth of Aust.) Order 7.22 (allowing order for discovery to ascertain description of respondent, thus allowing rights holders to protect their interests). Australia does not have a specialized mechanism for seeking such information in its copyright law, but relies on pre-existing court procedures. *Cf.* 17 U.S.C. § 512(h) (allowing a copyright holder to petition the court to issue a subpoena to the internet service providers, ordering the release of user information).

44. *See* *Dallas Buyers Club*, *supra* note 40, ¶¶ 84-87, ¶ 93 (holding that litigation could continue against ISP users, however the court imposed strict procedural safeguards to protect the privacy interests of users).

45. *See* *Golden Eye*, *supra* note 40, ¶ 36 (describing ‘speculative invoicing’ as involving the sending of letters to internet subscribers whose IP address is alleged to have been used for copyright infringement and whose names and addresses have been obtained by means of preliminary discovery. The internet subscriber is requested to pay a substantial sum bearing no relation to the actual damage caused or costs, without the sender seeking to confirm that the internet subscriber was the person responsible for infringement).

46. *See* *Dallas Buyers Club*, *supra* note 40.

47. In fact, Perram J never laid out the necessary privacy protections in detail: the order lapsed before any such details were established. *See* *Dallas Buyers Club*, 1051/2014, ¶¶ 84-87, ¶ 93 (holding that the privacy of users is of utmost

preliminary step, these conditions required the applicants to produce drafts of their proposed communications with alleged infringers.<sup>48</sup> Courts in both the UK and Canada have imposed similar conditions.<sup>49</sup> Justice Perram refused to approve the drafts supplied, which referred to additional punitive damages that might or might not be awarded in any subsequent legal proceedings: this uncertainty was problematic in the context of letters to users.<sup>50</sup> The claimants were unable to provide a letter that would both satisfy the judge and achieve their own goals, and the order to produce information ultimately expired without the stay ever being lifted.

#### B. THE ROLE OF PROCEDURAL SAFEGUARDS AND REMEDIAL LIMITS IN USER RIGHTS DISCOURSE

From one perspective, the result in *Dallas Buyers Club* thwarted the effective enforcement of copyright rights and hence undermined the goals of international copyright law.<sup>51</sup> An alternative assessment is that the case demonstrates how procedural safeguards can temper the stringency of over-extensive copyright rights.<sup>52</sup> The gap between these perspectives raises a fundamental question concerning the legitimacy of treating procedural safeguards and limits on remedies as a user rights issue. When applying remedies, should we *only* be concerned with enforcement of substantive law, or can goals of

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importance and therefore mandating that the court closely monitor the plaintiff's correspondence with users).

48. *See id.*

49. *See Voltage Pictures LLC v. John Doe* [2015] F.C. 1364 (Can.) (holding that letters to potential defendants must first be submitted to the court to protect the privacy rights of users); *Golden Eye Int'l. v. Telefonica U.K. Ltd.* [2012] EWHC 723 (imposing a range of conditions to protect users).

50. *See Dallas Buyers Club*, *supra* note 40, ¶¶ 84-87, ¶ 93 (naming additional punitive damages as "impermissible demands" that would not be allowed to continue. The court allowed litigation for compensatory damages for the initial infringement). Note that an implication of this is that the result might have been different had Australian law provided for statutory damages.

51. TRIPS, *supra* note 6, art. 41.1; ACTA, *supra* note 23, art. 6.1; TPP, *supra* note 27, art.18.71.1 (highlighting the obligation to provide 'effective' enforcement); *see also* ACTA, *supra* note 23, art. 27.1; TPP, *supra* note 25, art. 18.82.1 (mandating the obligation to provide for effective enforcement in the online context).

52. *See Dallas Buyers Club LLC v. iiNet Limited*, *supra* note 40 (holding allows for litigation to continue while procedural safeguards aim to prevent frivolous lawsuits).

copyright law such as promoting public access to knowledge and culture be considered alongside the concerns of copyright owners potentially harmed by infringement?

A user rights perspective regarding procedural safeguards and limits on remedies could proceed as follows. Limits on both the availability of enforcement procedures and the remedies granted are necessary to ensure a balanced system of rights in response both to the extension of stronger remedies and procedures in international instruments and to the structure of IP rights. IP legislation frequently grants the same strong exclusive rights and extended term to a broad array of subject matters that we may need to treat differently in practice.<sup>53</sup> For example, copyright law confers the same exclusive rights and the same 100+ years of protection to J. K. Rowling's *Harry Potter* series and yesterday's email to the Dean. However, we would not expect the same level of damages to follow from quantitatively similar levels of infringement of both,<sup>54</sup> nor the same procedures. Preliminary seizure of alleged infringing copies of *Harry Potter and the Philosopher's Stone* and related evidence might be appropriate pending legal action (at least where the infringer appears to be operating commercially), but it would be much harder to justify preliminary seizure of computers allegedly used to infringe an e-mail. Furthermore, because IP rights are proprietary in nature, prima facie liability for infringement is often determined without reference

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53. See Dan Burk and Mark Lemley, *Policy Levers in Patent Law*, 89 VIRGINIA LAW REVIEW 1575 (2003) (describing the general phenomenon of IP rights which do not differentiate between subject matters, but also discussing mechanisms in patent law – policy levers – which enable some tailoring of rights); See Michael Carroll, *One for All: The Problem of Uniformity Cost in Intellectual Property Law*, 55 AMERICAN UNIVERSITY LAW REVIEW 845 (2006) (arguing that intellectual property law protects the owner of each patented invention or copyrighted work of authorship with a largely uniform set of exclusive rights).

54. See Patrick Goold, *Is Copyright Infringement a Strict Liability Tort?*, 30 BERKELEY TECH. L.J. 306, 328 (2014) (arguing that compensatory damages designed to redress harm suffered would be set at a different figure in the case of infringement of these different materials – but 'damages for monetary harm suffered' is the same remedy regardless of the difference in the final figure. The point is more pressing however with non-compensatory remedies: punitive damages might be justified in one case but not the other; other remedies such as seizure and forfeiture of implements used in making infringing copies might also be appropriate in one case but not the other).

to intent or mental state.<sup>55</sup> In short, describing certain conduct as ‘infringement,’ or a person as an ‘infringer,’ tells you very little about the nature of the act, the harm it causes, or the moral culpability involved. In a context where not all infringements are created equal, we need mechanisms for tempering the otherwise undifferentiated impact of substantive IP laws.<sup>56</sup>

An advocate of user rights would also recognize the need to think beyond exceptions and limitations, which while important in tailoring the law’s responses to infringing acts, is not a complete answer to over-extensive IP rights. Leaving public interest considerations until a person has already been branded a free-rider and prima facie infringer, and requiring them to beg for forgiveness, may be too late if the overall goal is to balance interests in the IP system and give recognition to public interests in access to and reuse of content.<sup>57</sup> Exceptions place the onus on the defendant and burden them with legal costs, not all of which are recoverable.<sup>58</sup> As a result, exceptions do not wholly overcome the risk for an impecunious defendant who, faced with costs and procedures that may be stacked against them, will settle unmeritorious claims or potentially avoid questionable activity altogether if sufficiently risk averse.<sup>59</sup> Further, in the many countries which have specific (rather than open-ended) copyright exceptions, factors relevant to the perceived justice of a claim or penalty, such as the defendant’s mental state or intentions, the public benefit, and the degree of harm to the IP owner, may not

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55. This is true in the case of direct infringement; contributory and vicarious liability in the US, or authorization liability in Australia and the UK, does take into account the mental state or the actor. *See id.* (outlining the widespread and orthodox belief that copyright infringement is a strict liability tort, but arguing that this characterization is questionable).

56. Re the use of various ‘policy levers’ to create differentiation within the IP system. *See* Burk & Lemley, *supra* note 53, 1641 (explaining how, in theory, the United States applies a uniform patent system even though technological innovation is anything but uniform).

57. *See* Craig, *supra* note 4, 435–36 (arguing that public interest must play a role in determining the substance of copyright, if we are to balance the interests of the producer and the interests of the public at large).

58. *See* Burk & Lemley, *supra* note 53, at 1638.

59. *See* Burk & Lemley, *supra* note 53, at 1624; *see also* Michael J. Meurer, *supra* note 39, at 512-516 (outlining the various risks facing defendants in IP litigation, and noting that certain problems – like weak but credible plaintiffs, and uncertain rights – are more prevalent in IP litigation).



be considered when determining whether an exception applies.<sup>60</sup> Thus, in order to ensure that copyright enforcement serves the purposes of copyright law, the public interest, and the interests of justice to the infringer, we may require mechanisms other than exceptions for adjusting legal consequences of infringement.

Another reason consideration of procedures and remedies might be attractive for those concerned with user rights is a practical one: international IP law imposes more constraints on States drafting exceptions compared to the application of remedies. Most exceptions across the major areas of IP law, which includes copyright, patent, and trademark, must meet one or more formulations of a three-step test.<sup>61</sup> As discussed below, enforcement provisions in the treaties are drafted quite differently and more flexibly.

For all these reasons, a user rights advocate might argue that states should be able to condition the availability of enforcement procedures and remedies according to their own conception of societal interests in access and reuse of content, and courts and other decision-makers also ought to be allowed to consider such issues in

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60. Although the U.S. copyright exception for fair use (17 U.S.C. §107) takes into account the impact of a defendant's conduct on the market for the protected work, many exceptions in countries like Australia and Europe have no provision for considering this issue. *See* Austl. Law Reform Comm'n, *Copyright and the Digital Economy*, 23, 88 (Nov. 2013), [http://www.alrc.gov.au/sites/default/files/pdfs/publications/final\\_report\\_alrc\\_122\\_2nd\\_december\\_2013\\_.pdf](http://www.alrc.gov.au/sites/default/files/pdfs/publications/final_report_alrc_122_2nd_december_2013_.pdf) (reviewing Australia's specific exceptions regime in copyright and pointing out that while the fair use defence asks the 'right questions' – whether a use impacts on the copyright owner's market; and whether there is social benefit – Australia's exceptions leave no room for these considerations); Council Directive 2001/29, 2001 O.J. (L 167) 10(EC), # 5 [hereinafter EU Directive 2001/29] (setting out an exhaustive list of exceptions which apply to certain copyright exclusive rights in the European Union).

61. *See* TRIPS, *supra* note 6, art. 13 (setting out the three-step test in copyright); *c.f.* Berne, *supra* note 19, art 9 (also setting out a three step test for copyright, but applying that test only to works (not including sound recordings or broadcasts), only to the reproduction right and requiring consideration of the legitimate interests of the author, where TRIPS art 13 requires consideration of the legitimate interests of the right holder). The three-step test in the World Intellectual Property Organization Copyright Treaty, *opened for signature* Dec. 20, 1996, 36 I.L.M. 63 (WCT) (art 10.1) applies to works and protects authors' interests; the World Intellectual Property Organization Performances and Phonograms Treaty, *opened for signature* Dec. 20, 1996, 36 I.L.M. 76 (WPPT) (art 16.2) applies to sound recordings and performances and protects the right holder).

framing appropriate orders in particular cases.<sup>62</sup> However, opponents of such views – such as advocates of strong copyright – might counter that debates over the appropriate scope of IP rights ought to be addressed by the legislature when determining the scope of rights, as opposed to in an *ad hoc* manner by courts.<sup>63</sup> The legislature is arguably better equipped to consider the various stakeholders and determine the settings in substantive IP law, which will best promote the interests of society. On this view, once the substantive law of copyright has been fixed, the goal of legal procedure is *only* the accurate application of copyright law to the facts, and remedies are concerned only with the vindication of copyright owners' duly recognized rights.

In relation to legal process, this paper is not the place to delve into the vast and venerable scholarly literature considering the role and purposes of legal procedure and its relationship to justice and to substantive law.<sup>64</sup> A body of well-established legal theory holds that correct application of the substantive law to the facts is not the only goal or value in legal procedure.<sup>65</sup> Several layers of values are reflected in legal processes.<sup>66</sup> These include ensuring that substantive law (i.e. copyright) is accurately applied<sup>67</sup> and other values such as the following: standards of right treatment for individuals; ensuring equal treatment and respect for all persons involved in legal proceedings;<sup>68</sup> and, at least in common law systems, ensuring that

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62. See Ted Sichelman, *Purging Patent Law of "Private Law" Remedies*, 92 TEX. L. R. 517 (2014) (arguing for the consideration of public policy in framing remedies in patent law, as it has been largely ignored thus far).

63. See Mark McKenna & Mark A. Lemley, *The Scope of IP Rights*, 57 WM. & MARY L. REV. (forthcoming 2016) (presenting this as a possible argument, but presenting an overall argument for court procedures to determine the scope of IP rights, drawing inspiration from the Markman model in U.S. patent litigation).

64. The role of legal process has been a core concern of many of the great legal theorists, including Jeremy Bentham, HLA Hart, Rawls, Finnis, and Dworkin. See generally Galligan, *supra* note 1, (reviewing relevant literature).

65. See *id.* (finding this to be a common, albeit not universal view: there have been scholars, such as Jeremy Bentham who have argued that the sole purpose of procedural law is to enforce substantive law).

66. See *id.* at 6 (setting out a model for thinking about processes, reflecting different values at different 'layers').

67. See *id.* at 58-59 (iterating that this reflects more than one goal in itself: achieving the goals of the substantive law, *and* to serving a more general and fundamental principle that people will be treated according to law).

68. See generally *id.* at Ch. 2 (discussing a range of values relevant to

persons subject to legal proceedings have the opportunity and capacity to participate in those processes.<sup>69</sup> Some of these values are recognized as part of the framework of human right to a fair trial recognized in Article 14 of the International Covenant on Civil and Political Rights (ICCPR)<sup>70</sup> and in other human rights instruments.<sup>71</sup> At times, these other values will be more important than correct application of copyright law. One can agree or disagree whether the scenario in *Dallas Buyers Club* was an example where the courts' obligation to ensure fair use of procedures correctly trumped the copyright owners' desire for effective and efficient enforcement. However, the fact that information was denied, meaning the IP owner could not locate infringers to take action against them, is not necessarily a failure of legal process, or unfair treatment of the copyright owner.

Nevertheless, it might be argued that even if general process values, such as fairness, equal treatment, and absence of bias, are legitimate concerns for the courts, user and societal interests in copyright, such as access to content and its reuse for worthwhile public purposes, are not. On this view, concerns that copyright protects too much, is too easily acquired, or treats as infringement activities the social value of which outweighs any harm to the copyright owner, are irrelevant to framing IP enforcement procedures. Such an argument would be inconsistent, however, with international IP law. TRIPS, ACTA, and the TPP all explicitly reaffirm that:

The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social

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procedure).

69. R. S. Summers, *Evaluating and Improving Legal Processes – A Plea for 'Process Values'*, 60 CORNELL L.R. 1 (1974); Lawrence Solum, *Procedural Justice*, 78 S. CAL. L. REV. 181 (2004); see Galligan, *supra* note 1, at 100 (discussing the value of participation as a value in legal processes).

70. See generally International Covenant on Civil and Political Rights, art. 14, Dec. 16, 1966, 999 U.N.T.S. 171 [hereinafter ICCPR] (including also the notion of “innocent until proven guilty” and several other due process rights many deem fundamental).

71. See, e.g., Summers, *supra* note 69, at 1.

and economic welfare, and to a balance of rights and obligations.<sup>72</sup>

In other words, it is legitimate to consider a full range of interests and stakeholders in framing and applying enforcement provisions (at least within the bounds of any mandatory language).<sup>73</sup> Broader public interests in access are reflected in the fact that provisions sometimes restrict remedies that apply to institutions such as public libraries, museums, and archives.<sup>74</sup> While a state clearly could take the position that its substantive copyright law strikes all the relevant balances, and hence procedures and remedies ought to apply universally, another state could equally take a different view.

It is also notable that both international and domestic IP laws explicitly take into account policy issues close to the heart of copyright owners, such as the need to deter infringement and provide incentives for creativity. For example, international instruments enjoin Member States to ensure that enforcement includes ‘remedies which constitute a deterrent to further infringements.’<sup>75</sup> Domestic copyright law in Australia makes a number of remedies with a punitive element, in which the remedy is conditional on consideration of other aspects of blameworthiness of the defendant as well as the need to deter other infringers.<sup>76</sup> If it is legitimate to

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72. TRIPS, *supra* note 6, art. 7; *see also* TPP, *supra* note 25, art. 18.2; ACTA, *supra* note 23, art. 2.3 (incorporating TRIPS art. 7).

73. *See generally infra* Part III. A.

74. *See, e.g.*, TPP, *supra* note 25, art. 18.68.1 (allowing Member States to limit the criminal liability for circumvention of technological protection measures by public interest institutions such as non-profit libraries, museums, archives, educational institutions, and public non-commercial broadcasting entities).

75. TRIPS, *supra* note 6, art. 41.1; ACTA, *supra* note 23, art. 6.1; *see* TPP, *supra* note 25, art. 18.71.1. Note that ‘deterrence’ here could be interpreted to refer only to specific deterrence – that is, deterring the particular infringer from engaging in further infringements. Domestic systems around the world however also explicitly take into account general deterrence; *see also* Austl. Law Reform Comm’n, *Copyright and the Digital Economy*, 122 (Nov. 2013) (Austl.) (stating that in awarding additional (i.e. punitive) damages, the court is required to take into account ‘the need to deter similar infringements of copyright’); *see also* Panel Report, *China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights*, WT/DS362/R (Jan. 26, 2009) ¶¶ 7.672, 7.679 [hereinafter US-China Panel Report] (outlining third party submissions to the WTO in relation to the dispute between China and the United States over IP enforcement which argued that deterrence in this context meant general deterrence).

76. *See Copyright Act 1968 (Cth)* (stating that in awarding additional (i.e.

take into account some aspects of copyright policy in framing remedies – especially the interest in ensuring incentives for creation by deterring widespread infringement – then it must be legitimate to take into account the full range of public interests in copyright, including by recognizing any public benefits arising from infringing use. The position taken by user rights advocates is that concerns with appropriate access to, and reuse of copyright content for a variety of social and public purposes are as much goals of the copyright system as the protection of creators, and the provision of incentives for investment in creativity.<sup>77</sup> Opponents could reject this premise, but such rejection would fly in the face of widespread recognition by governments and in treaty text that the goals of copyright extend beyond supporting creativity.<sup>78</sup>

### III. A PRELIMINARY MAPPING OF DEFENDANT SAFEGUARDS AT THE INTERNATIONAL LEVEL

If you look carefully and with a broad conception of what kinds of things can operate as safeguards to protect the interests of individuals and companies who become the objects of IP enforcement

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punitive) damages, the court must consider the flagrancy of the infringement (s 115(4)(b)(i)) and the conduct of the defendant following infringement or the allegation of infringement (s 115(4)(b)(ib)).

77. Jeremy Waldron, *From Authors to Copiers: Individual Rights and Social Values in Intellectual Property*, 68 CHICAGO-KENT LAW REVIEW 841, 848-849 (1993) (“The point is not merely that the individual rights of authors must be balanced against the social good. The Constitution stipulates that authors’ rights are created to serve the social good, so any balancing must be done within the overall context of the public good, i.e., between the specific aspect of the public good that is served by intellectual property (‘the Progress of Science and useful Arts’) and other aspects of the public good such as the progressive effects of the free circulation of ideas”).

78. See Michael Blakeney, *Guidebook On Enforcement Of Intellectual Property Rights*, Intellectual Prop. Research Inst., (2005), [http://trade.ec.europa.eu/doclib/docs/2005/april/tradoc\\_122641.pdf](http://trade.ec.europa.eu/doclib/docs/2005/april/tradoc_122641.pdf) (discussing the argument that broader public interests, such as access and reuse, are not a legitimate concern of the copyright system.) It seems unlikely, however, that such an argument would be mounted in the face of numerous multilateral treaties, which affirm the relevance of broader public interests, including most obviously TRIPS Articles 7 and 8, but also recent multilateral efforts such as the World Intellectual Property Organization, *Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired or Otherwise Print Disabled*, 2014 ATNIF 15 (not in force)).

procedures, you will find many relevant rules, principles, and even drafting styles scattered through various international IP instruments which address enforcement-related issues: multilateral (TRIPS), plurilateral (ACTA<sup>79</sup>/TPP), regional (the EU IP Enforcement Directive), and numerous bilateral agreements. These safeguards include the following, discussed in this section:<sup>80</sup>

1. The discretionary structure of the enforcement provisions;
2. Guarantees of fair and equitable process;
3. The principles of proportionality and effectiveness;
4. Other specific procedural rules:

Rights of review;

Rights to have measures expire or be revoked;

Rights to compensation for harm caused by measures wrongfully imposed; and

5. Safeguards against abuse of rights and abuse of process.

It is important to note that some defendant safeguards are stated at the level of general principle, while others are very specific.<sup>81</sup> For example, TRIPS includes a general obligation to ensure that enforcement procedures are ‘fair and equitable;’<sup>82</sup> it also specifies that seizures of allegedly infringing goods at the border must be released unless proceedings on the merits are commenced within 10 working days, extendable once.<sup>83</sup> Both general and specific

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79. See generally ACTA, *supra* note 23. The informed reader may wonder why this paper discusses ACTA, which has not come into force and looks unlikely to do so: *supra* note 23. ACTA is nevertheless worthy of analysis as the most recent negotiation on enforcement in particular between the United States and EU, meaning that it potentially foreshadows the Trans-Atlantic Investment Partnership (TTIP) under negotiation between the United States and EU. The ACTA text also influenced the TPP IP negotiations.

80. Note that the focus of this paper is on safeguards for defendant interests, as more relevant to this symposium and user rights in IP. There are many safeguards throughout the various international instruments promoting plaintiff interests, and a number of the safeguards discussed in this section are equally applicable to plaintiffs and defendants.

81. Guarantees of fair and equitable process, and principles of proportionality and effectiveness, discussed below, are stated at a high level of generality. More specific safeguards include rights of compensation, also discussed further below.

82. See TRIPS, *supra* note 6, art. 41.2.

83. See TRIPS, *supra* note 6, art. 55.

safeguards are important, for while specific safeguards provide unambiguous bright line rules that are easy to implement, due process and the principles pertaining to what constitutes a fair trial are dynamic concepts which can evolve over time.<sup>84</sup> The question addressed in this Part is how these specific rules and general principles protect defendant rights and empower states and domestic courts to achieve justice in particular cases – and what has been happening to these safeguards in more recent texts.

#### A. THE DISCRETIONARY STRUCTURE OF THE IP ENFORCEMENT PROVISIONS

Current international IP enforcement provisions are almost universally drafted in a very particular style to require that national courts have the authority to take certain actions or make certain orders. For example, TRIPS article 45.1 (Damages) states:

1. The judicial authorities *shall have the authority to order* the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of an infringement of that person's intellectual property right by an infringer who knowingly, or with reasonable grounds to know, engaged in infringing activity.<sup>85</sup>

All the enforcement provisions in TRIPS and many in recent international instruments follow this formula, requiring that courts and tribunals 'have the authority' to make orders.<sup>86</sup> This is not an obligation to exercise authority in every case.<sup>87</sup> It is relatively rare for the international provisions to set down when such authority ought to be exercised or what limits a State must or could place on the

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84. See James Spigelman, *The Truth Can Cost Too Much: The Principle of a Fair Trial*, 78 AUSTRALIAN L.J. 29, 41 (2004) (noting that the principle of a fair trial allows courts to remain dynamic in determining what is regarded as fair, especially in a criminal trial).

85. TRIPS, *supra* note 6, art 45.1 (*emphasis added*); see also ACTA, *supra* note 23, art. 9.1-2, 9.4-5; TPP, *supra* note 25, art. 18.74.3 (providing similar damages provisions).

86. ACTA, *supra* at note 23, art. 8.1; see TPP, *supra* note 25, art. 18.75.2-3 (establishing obligations to provide for provisional measures drafted in similar terms), art. 18.74.2 (stating the power to issue injunctions in similar terms); see generally TRIPS, *supra* note 6, art. 44.1, 50.1-3.

87. See US-China Panel Report, *supra* note 75, at ¶ 8.1; see also Appellate Body Report, *United States—Section 211 of the Omnibus Appropriations Act of 1998*, WT/DS176/AB/R (2 January 2002).

exercise of such authority.<sup>88</sup>

This is a deliberate part of the design of enforcement provisions. The open-textured drafting ensures that these enforcement provisions accommodate a wide range of judicial and administrative systems, and avoid the creation of a distinct procedural and remedial system applied only to IP cases within the overall legal system of Member States.<sup>89</sup> Many domestic court systems will have well-established principles to guide the legal process and the application of remedies; these principles generally traverse multiple areas of law. This drafting also represents a compromise between states who wanted to promote genuinely effective enforcement, and states concerned with preventing interference of international legal text, or WTO dispute settlement decisions, into the details of domestic legal, judicial, and penal systems.

The effect of drafting provisions in this way is to dictate the *availability*, not the *application*, of procedures and remedies in domestic courts. Although this does not directly guarantee safeguards for defendants, it does enable a State interested in promoting a balanced IP system to implement such safeguards. How far a State could go in taking advantage of this flexibility is a subject of some dispute. For example, there has been debate about whether provisions requiring courts to have the power to award compensatory

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88. Some provisions have some guidance. *See, e.g.*, TRIPS, *supra* note 6, art. 50.2 (specifying circumstances where provisional measures may be appropriate *inaudita altera parte*: namely, where delay is ‘likely to cause irreparable harm to the right holder’, or where there is a ‘demonstrable risk of evidence being destroyed’).

89. *See* TRIPS, *supra* note 6, art. 41.5 and TPP, *supra* note 25, art. 18.71.4(a) (providing that obligations pertaining to IP enforcement do ‘not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general’); *see also* TRIPS, *supra* note 6, art. 1.1; ACTA, *supra* note 23, art. 2.1 TPP, *supra* note 25, art. 18.5 (providing that each member state is free to determine the appropriate method of implementing IP treaty provisions within its own legal system and practice. Drafting that ensures flexibility in the application of procedures and remedies is consistent with this principle); *see* William R. Cornish et al., *Procedures and Remedies For Enforcing IPRs: The European Commission’s Proposed Directive*, 20 EUR. INTELL. PROP. R. 448 (2003) (arguing that an important consideration here is that principles should be developed consistently across a legal system – i.e. the same principles should govern the application of procedures and remedies across IP and other kinds of private law such as contract, tort, or corporate law).



damages and injunctions for IP infringement<sup>90</sup> require that those remedies be available in all cases of infringement, or whether the State can carve out certain cases. For example, in the U.S. Patents Act, damages and injunctions are not available against a medical practitioner (or related health entity) where the medical practitioner's performance of a medical activity constitutes an infringement of a valid patent.<sup>91</sup> Some commentators have argued that this provision is inconsistent with remedial provisions like those found in TRIPS or the TPP, or would be, except for text in those treaties that allows the exclusion of patents for medical methods.<sup>92</sup>

These debates are important, but cannot be resolved here.<sup>93</sup> Nevertheless, even if a state cannot entirely exclude remedies, the architecture of the enforcement provisions still allows states to protect defendant interests in legal procedures and qualify remedies.

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90. See, e.g., TRIPS, *supra* note 6, arts. 44-45 (requiring Member States to provide courts with the power to issue injunctions against infringers, and to make damages awards to compensate right holders).

91. See Physicians Immunity Statute, 35 U.S.C. §287(c) (providing immunity from suit for patent infringement with respect to a medical practitioner's performance of a medical activity).

92. See, e.g., Krista Cox, *Patents and Doctors and the USTR TPP Text*, KNOWLEDGE ECOLOGY INT'L (2011) (criticizing the TPP draft for failing to include an exception from patentability for surgical procedures, arguing that such failure creates an ethical dilemma for surgeons and is incompatible with U.S. law).

93. Resolution of these arguments would depend both on the language of the various remedial provisions, plus a consideration of other TRIPS Articles, including in particular art. 41.1 of TRIPS, which requires that 'enforcement procedures as specified under this Part are available under their law so as to permit effective action against any act of infringement. . .and remedies which constitute a deterrent to further infringements' (emphasis added). See US-China Panel Report, *supra* note 75, at ¶¶ 8.1-8.5 (considering these provisions). Note that the Panel did not make findings on this and related arguments, as the focus of that dispute was what acts China was required to criminalize (not prosecute, or deter). It might also be possible to argue that absolute limits on remedies in relation to certain infringements ought to be considered 'limitations' on rights that must satisfy the relevant three step test.

As discussed below, they provide policy space for the operation of other safeguards. A state mindful of the need to promote public interests in copyright could direct the courts, when determining final remedies, to take into account factors such as the nature and extent of access that members of the public have to copyright content, or any public benefit arising from infringing use. It is also legitimate for courts (and other decision-makers) to exercise discretion in the course of IP enforcement proceedings.

Even though the open-textured drafting of enforcement provisions may seem well-entrenched, not all international obligations are drafted in this way. There have been occasional encroachments into States' and courts' authority. For example, Article 13.1 of the EU IP Enforcement Directive provides that Member States "*shall ensure that the competent judicial authorities, on application of the injured party, order the infringer*" to pay damages.<sup>94</sup> Similarly, an early U.S. proposal for the IP provisions of the TPP was framed in a way that may have mandated statutory damages on the election of the right holder. The leaked proposal, dated February 2011, included a requirement that "[i]n civil judicial proceedings, each Party *shall*, at least with respect to works, phonograms, and performances protected by copyright or related rights, and in cases of trademark counterfeiting, establish or maintain a system that provides for pre-established damages, *which shall be available upon the election of the right holder.*"<sup>95</sup> In one interpretation, only the plaintiff can decide whether statutory damages will be awarded, although the court will determine the amount awarded.<sup>96</sup> This text was somewhat softened in the final TPP text.<sup>97</sup> Additionally, text in the Australia-United States

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94. See EU Directive 2004/48, *supra* note 22, art. 13.1.

95. See *The complete Feb 10, 2011 text of the U.S. proposal for the TPP IPR chapter*, art. 12.4, KNOWLEDGE ECOLOGY INT'L, March 10, 2011, <http://keionline.org/node/1091>.

96. This assumes that statutory damages are framed as a range (as in the United States), so that even if a plaintiff elects statutory damages the amount remains to be determined. In the United States, a court might have oversight over, rather than determine, damages awards, which are determined by the jury. See TPP, *supra* note 25, art. 18.74.8 (noting that there may be limits to the State's freedom to set statutory damages rates: the Article requires that pre-established damages must be set out "in an amount that would be sufficient to compensate the right holder for the harm caused by the infringement, and with a view to deterring future infringements").

97. See TPP, *supra* note 25, art. 18.74.6-7 (giving a Party the option of

Free Trade Agreement ('AUSFTA') allowed Australia to eschew statutory damages in favor of its existing system of 'additional damages,' but with a qualifier:

A Party may maintain a system of additional damages in civil judicial proceedings involving infringement of copyright in works, phonograms, and performances; provided that if such additional damages, while available, are not regularly awarded in proceedings involving deliberate acts of infringement where needed to deter infringement, that Party shall promptly ensure that such damages are regularly awarded or establish a system of pre-established damages as specified in sub-paragraph (a) with respect to copyright infringement.<sup>98</sup>

It appears that at least some States would like to revisit the historical architecture of enforcement obligations in IP treaties, to ensure more frequent application of the available remedies.

#### B. GENERAL GUARANTEE OF FAIRNESS AND EQUITY OR A FAIR TRIAL

Another safeguard found in TRIPS and in most international IP instruments considered in this paper is a mandatory obligation that procedures concerning the enforcement of IP rights are fair and equitable.<sup>99</sup> The language of fairness and equity is apt to address two fundamental principles<sup>100</sup> commonly recognized in domestic systems

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providing for statutory damages or additional damages. The provision on additional damages retains the 'traditional' form of requiring that judicial authorities *shall have the authority* to award such additional damages as they consider appropriate (which could presumably be zero)); *cf.* TPP, *supra* note 25, art. 18.74.9 (requiring that statutory (pre-established) damages, if provided, must be available on the election of the right holder).

98. See AUSFTA, *supra* note 36, art. 17.11.7(b).

99. TRIPS, *supra* note 6, art. 41.2; ACTA, *supra* note 23; 2004 E.U. Directive, *supra* note 22; TPP, *supra* note 25 (providing provisions with differences in drafting and coverage. ACTA art. 6(2) is confined to the implementation of ACTA itself. TRIPS and the TPP require that any procedures aimed at IP enforcement be 'fair and equitable.' The EU IP Enforcement Directive obliges Member States to 'provide for the measures, procedures and remedies necessary to ensure the enforcement of the intellectual property rights covered by this Directive', and it is these procedures which must be fair and equitable: thus the obligation is not confined to the procedures laid out in the directive itself).

100. See Spigelman, *supra* note 84 (discussing how not all jurisdictions recognize constitutional or statutory human rights as such; thus in Australia, which has neither a constitutional bill of rights nor (at a federal level) a statutory scheme

and international human rights instruments, namely (1) the right to a fair trial, and (2) rights to due process in the making of administrative or executive decisions that affect a person's rights or interests.<sup>101</sup> During the preparatory work on the TRIPS agreement, various terms were used in individual country proposals: 'natural justice' and 'due process' among them; however, the negotiators recognized that, at the time, these were not international law concepts, and that local judicial proceedings would vary considerably.<sup>102</sup> The term 'fair and equitable' is an umbrella term apt across the full range of legal systems.

The necessary features of fair trial or administrative processes cannot be exhaustively enumerated in the abstract: the essence of these principles lies in their application in the infinite variety of actual cases.<sup>103</sup> Fairness in legal procedure is also an evolving concept. It was not so long ago that rights to legal representation or rights to be heard were not considered essential parts of a fair trial;<sup>104</sup> into the future, developing technology will require further evolution.<sup>105</sup> Certain elements are, however, commonly recognized

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for the protection of human rights, it is arguably more appropriate to talk about the principle of a fair trial and due process, recognized in the common law).

101. See, e.g., Human Rights Committee, *General Comment No 32*, art. 14 (providing for equality before courts; reasonable grounds must be provided for any distinctions).

102. During early negotiations, states put forward lists of procedural protections they considered necessary, under various rubrics from 'due process' to 'natural justice and fair play.' See U.S. proposal dated Oct 13, 1988 (MTN.GNG/NG11/W/14/Rev.1) pp12ff; see also European Communities proposal dated May 30, 1989 (MTN.GNG/NG11/W/31) pp4-5; Submission from Canada dated Sept. 5 1989 (MTN.GNG/NG11/W/42); Communication from India dated Sept 5, 1989 (MTN.GNG/NG11/W/40); Proposal by Japan dated 12 September 1989 (MTN.GNG/NG11/W/43); Communication from the Republic of Korea dated Oct. 26, 1989 (MTN.GNG/NG11/W/48); see also the Synoptic Table produced by the Secretariat on enforcement provisions dated June 7, 1989 (collecting and synthesizing the early Japanese, EC and U.S. proposals).

103. Spigelman, *supra* note 84; Galligan, *supra* note 1.

104. See, e.g., J. H. BAKER, AN INTRODUCTION TO ENGLISH LEGAL HISTORY 417–18 (1971) (noting the considerable disadvantages suffered by defendants prior to the 19<sup>th</sup> century and outlining gradual introduction of pro-defendant reforms in England, such as the right to representation (1836), the right to call witnesses (1867) and even the right to give their own sworn evidence (1898)).

105. For example, expectations of documents being provided in electronic, rather than paper form so that electronic search and analysis tools can be used during trial preparation. More futuristically, to the extent that tools using artificial

attributes of fairness: including an independent and impartial court or tribunal; a public trial; notice of any charge, civil claim, or proposed action affecting rights; time and facilities to prepare; access to relevant evidence or information; rights to legal representation or counsel; and rights to be heard and offer evidence in response to the claim, charge, or proposed administrative action and any evidence which may be the basis of a decision affecting a person's rights.<sup>106</sup>

Some of these specific elements of fair trial and due process are reflected in the specific provisions in TRIPS in Articles 41 through 43.<sup>107</sup> Under Article 41 TRIPS, decisions on the merits (1) should preferably be in writing and reasoned; (2) must be based only on evidence on which the parties were offered the opportunity to be heard; and (3) must be made available at least to parties without undue delay.<sup>108</sup> Judicial review must be available in respect of final administrative decisions, and appeals from trial court decisions are also required at least on points of law.<sup>109</sup> Article 42, entitled 'Fair and Equitable Procedures,'<sup>110</sup> requires that defendants have the right to written notice of any claim, and timely and sufficiently detailed information inclusive of relevant facts, and the legal basis for the claim.<sup>111</sup> It also requires that all parties have the right to independently selected legal representation for all activities and in all procedural stages, and prohibits onerous requirements for personal appearances for any party.<sup>112</sup> Parties must have the right to present relevant evidence; and confidential information must be protected

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intelligence or data mining are developed to predict wrongdoing, process rights and remedial limits will also need to evolve.

106. This incomplete list is drawn from Article 14 of the ICCPR (*supra* note 70), as well as the recent discussions in a recent report of the Australian Law Reform Commission. See Australian L. Reform Comm'n, *Traditional Rights and Freedoms – Encroachments by Commonwealth Laws*, Report No. 129 (2016) (focusing on chapters 8 (Fair Trial) and 14 (Procedural Fairness)).

107. See TRIPS, *supra* note 6, arts. 41-43.

108. See TRIPS, *supra* note 6, art. 41.

109. See Spigelman, *supra* note 84 (arguing that parties to a proceeding shall have the opportunity for judicial authority subject to jurisdictional provisions in national laws concerning the importance of a case).

110. See TRIPS, *supra* note 6, art. 42 (setting out the obligation to provide fair and equitable procedures for the enforcement of IP rights).

111. See *id.*

112. See *id.*

subject to any contrary constitutional requirements.<sup>113</sup> Article 43 TRIPS guarantees access to evidence in the hands of another party. Taken together, Articles 41–43 TRIPS protect many internationally recognized elements of the right to a fair trial and due process, and ensure that a defendant can effectively participate in proceedings.<sup>114</sup>

As I have noted elsewhere,<sup>115</sup> the specific elaborations in Articles 41–43 TRIPS do not fully reflect commonly accepted elements of a fair trial.<sup>116</sup> A procedure could be compliant with these specific rules yet unfair by the international standards established in Article 14 of the ICCPR.<sup>117</sup> Article 14 states that fair trial in civil proceedings requires equality before courts and tribunals for all persons whose rights and obligations are to be determined.<sup>118</sup> Equality before the law has been articulated as requiring even-handed treatment of parties:

The machinery of justice, the process by which rights are enforced, must not . . . confer an advantage on one litigant at the expense of another

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113. Compare *id.* with Sascha Vander, Section 1: General Obligations, in *TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS 707* (Peter-Tobias Stroll, et al. eds., 2009) (explaining that mandating a prohibition against secrecy in civil procedures has a constitutional basis in some South American countries and in South East Asia).

114. Summers, *supra* note 69, at 742; see Lawrence Solum, *Procedural Justice*, 78 S. CAL. L. REV. 181 (2004) (highlighting how effective participation is a fundamental element of procedural justice as conceived by modern scholars working on legal systems and procedure).

115. Weatherall, *Provocations and Challenges*, *supra* note 16, at 192-93.

116. Note also that the relevant principles are applied, not just to court trials, but to equivalent administrative processes: see e.g., TRIPS, *supra* note 6, art. 49, 50.8, 62.4; see Daniel J. Gervais, *THE TRIPS AGREEMENT: DRAFTING HISTORY AND ANALYSIS* 461–62 (Sweet & Maxwell/Thomson Reuters 3rd ed. 2008) (showing how international IP instruments frequently include one or more provisions that allow parties to use administrative rather than judicial procedures in some or all circumstances, but which state that administrative proceedings must meet the same standards of fairness etc. as judicial proceedings); see also TPP, *supra* note 25, art. 18.31(a), 18.74.16 (including provisions of this kind; a number of TPP provisions also refer to ‘competent authorities’ which would include administrative, judicial or executive authorities but subject them to requirements of fairness or transparency).

117. See *supra* note 70 and accompanying text.

118. See ICCPR, *supra* note 70, art. 14 (stating also that all persons shall be entitled to a fair and public hearing by an independent and impartial tribunal established by law, and in the determination of criminal charges everyone shall be awarded minimum guarantees).

litigant, who has a claim to equal respect. It must not favor defendants over plaintiffs, or vice versa, just as it must not favor the state over private litigants.<sup>119</sup>

Article 14 also requires a hearing before a competent, independent, and impartial tribunal established by law.<sup>120</sup> The better view is that these elements of a fair trial, although not explicitly stated in Article 42, are essential to providing procedures that meet the standard set by Article 41.2.<sup>121</sup> A Panel considering the scope of fair and equitable procedures could be expected to take notice of the ICCPR's conception of the requirements of a fair trial.

In summary, the obligation to ensure that IP enforcement procedures are fair and equitable is an important safeguard for the rights of defendants and prospective defendants. It obliges Member States to provide, within the context of their own legal system and consistent with the importance of any case and the interests and amount of money or other rights at stake, procedures that accord even-handed treatment to parties to litigation. Additionally, it requires mechanisms for ascertaining rights before competent, independent, and impartial tribunals, as well as the basic factors of fair trial: notice, legal representation, opportunities to make a case, and answer evidence put by other parties.

Thus conceptualized, Articles 41–43 of TRIPS (and equivalents in later instruments) provide a useful benchmark against which to judge IP enforcement reforms. In recent times, a number of countries have moved to allow for blocking of overseas websites:<sup>122</sup> a right to

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119. A.A.S. Zuckerman, *Interlocutory Remedies in Quest of Procedural Fairness*, 56 THE MODERN L. REV. 325, 325 (1993).

120. See ICCPR, *supra* note 70 (setting out this requirement. Note that this idea is partially reflected in TRIPS art. 41.4 which requires review by a judicial authority of final administrative decisions; and even if a tribunal failed to meet the ICCPR standard, the judicial authority on appeal may comply).

121. See TRIPS, *supra* note 6, art. 41.2 (requiring that procedures must be “fair and equitable, and shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or delays”).

122. Court orders of this kind have become commonplace in the UK under § 97A of the Copyright Designs and Patents Act 1998 (UK). See *Twentieth Century Fox Film Corp v. British Telecommunications Plc* [2011] EWHC 1981; *Cartier International v. British Sky Broadcasting Ltd* [2014] EWHC 3354. In Europe, see *UPC Telekabel Wien GmbH v. Constantin Film Verleih GmbH and Wega Filmproduktionsgesellschaft mbH*, Case C-314/12, March 27, 2014; in Australia,

written notice and timely and sufficiently-detailed information inclusive of relevant facts and the legal basis of any claim, ought to limit the temptation to wholly automate such processes and deny notice provided to targeted websites.<sup>123</sup> Reforms that apply overly strong presumptions regarding subsistence, validity, or infringement of rights, or which place the burden of proof on the less resourced party, could be seen as undue favoritism towards one party, imperiling equality before courts and tribunals.<sup>124</sup> The requirement of a ‘competent, independent, and impartial tribunal’ could be breached by some streamlined structures for online copyright enforcement, in particular those using private forms of arbitration.<sup>125</sup> Much would

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*see* Copyright Act 1968 (Cth) § 115A (providing for blocking of websites engaged in flagrant infringement); *see also* Copyright Act 1987 (Singapore) s193DDA (allowing for website blocking of websites engaged in flagrant infringement).

123. It should be noted that the TRIPS text in Articles 41–43 refers only to defendants. In an (overseas) website blocking case, the ‘defendant’ is ordinarily an internet service provider providing transmission services to customers: any targeted website is a third party to the action. It is worth noting therefore that the ICCPR (quoted immediately below) is more capacious in its language, and in fact the legislative systems in both Singapore and Australia do require rights holders to attempt to provide notice to affected websites. *See* Copyright Act 1968 (Cth) § 115A(4); Copyright Amendment Act 2014 (Singapore) 193DDB(1)(a).

124. The impact of presumptions on equality of treatment depends significantly on the details of implementation: a presumption that can only be rebutted by clear and convincing evidence will have a far greater impact on a defendant than one which requires they raise a prima facie case. Another example of procedures that may increasingly be tilted towards right holders is provisions on seizure of allegedly infringing goods at the border. *See* Weatherall, *Provocations and Challenges*, *supra* note 11, at 192-93 (suggesting, that Australia, for example, has revised its criminal provisions in copyright and trademark broadened the available presumptions for proving subsistence and ownership of IP, tilting the balance against defendants. Australia has also advantaged copyright owners by revising its border measures to allow for the seizure and destruction of alleged infringing goods without any formal court process).

125. *See* Annemarie Bridy, *Graduated Response American Style: “Six Strikes” Measured Against Five Norms*, 23 FORDHAM INTELL. PROP. L.J. 1, 4, 25, 54 (2013) [hereinafter Bridy, *Graduated Response*] (suggesting that corporate copyright owners have been trying to get ISPs to play a more active role in online copyright enforcement where the ISPs promptly remove the content when they become aware of it, and are situated to remove or disable access to it); *see also* Mary LaFrance, *Graduate Response by Industry Compact: Piercing the Black Box*, 30 CARDOZO ARTS & ENT. L.J. 165, 166 (2012); *see generally* Nicolas Suzor & Brian Fitzgerald, *The Legitimacy of Graduate Response Schemes in Copyright Law*, 36 UNSW L.J. 1, 18 (2011) (highlighting how many copyright owners are enlisting the assistance of Internet Service Providers (ISP’s), via processes in which the ISP



depend on the particular rules and whether they preserve access to the courts.<sup>126</sup> It is not hard to imagine circumstances in which policymakers might skirt the border between expertise and partiality by appointing experts to tribunals who have a real or perceived interest in the subject matter of enforcement.

Important as it is, the obligation to provide fair and equitable IP enforcement procedures has not been included in all recent international IP instruments dealing with enforcement. In particular, it was not routinely included in the U.S. bilateral trade agreements concluded in the first decade and a half of the 21<sup>st</sup> Century (like AUSFTA), nor was it part of the early U.S. proposals for the IP chapter of the TPP,<sup>127</sup> although it was part of the final text.<sup>128</sup> Further, the specific elaborations in TRIPS as to factors included in fair and equitable treatment are not repeated in the TPP (Art. 18.71.3), ACTA (Art. 6.2), or the EU IP Enforcement Directive (Art. 3.1).<sup>129</sup> The legal

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takes action against users suspected of infringing copyright including issuing warnings, reporting copyright owners, suspension and eventual termination of service).

126. Bridy, *Graduated Response*, *supra* note 125, at 18-19 (discussing a decision of the French Constitutional Court ruling that a user's internet access could not be suspended solely on the authority of an administrative body without court order. This argument could instead be reframed as breaching the requirement for a competent, independent and impartial tribunal); *see also* Weatherall, *Provocations and Challenges*, *supra* note 11, at 8 (suggesting that a key potential limitation of the obligation to ensure fair and equitable enforcement procedures is that it likely does not apply to procedures which are entirely private – such as enforcement disciplines imposed by internet service providers as part of any service contract); *see also* Suzor, *supra* note 125, at 33 (arguing for fair trial and due process rights to private procedures).

127. There is no such provision, for example, in the leaked U.S. proposal for the TPP IP chapter dated February 10, 2011. *Trans-Pacific Partnership Intellectual Property Chapter Draft*, KNOWLEDGE ECOLOGY INT'L (Feb. 10, 2011), <http://keionline.org/sites/default/files/tpp-10feb2011-us-text-ipr-chapter.pdf> [hereinafter TPP Draft] (lacking a similar provision).

128. *See* TPP, *supra* note 25, art. 18.71.3 (requiring procedures and remedies that shall be fair and equitable, shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays).

129. More recent instruments do not enumerate all of these elements of a fair and equitable system for enforcement. The TPP includes requirements for decisions and reasons to be given in writing (TPP, art. 18.73.1(a)), but neither the TPP nor ACTA makes any reference to the right to present or be heard on evidence. *See* TPP, *supra* note 25, art. 18.73.1(a) (holding only that these procedures shall not be unnecessarily complicated, costly or entail unreasonable time limits or unwarranted delays).

impact of such changes is discussed further below: in short, as I argue below,<sup>130</sup> omission of mandatory standards from TRIPS does not change Parties' obligation under international law to provide these safeguards. Nevertheless, the absence of this rule and its 'slimming down' is potentially disturbing, if it is taken to suggest that the specific protections in TRIPS are not important.

### C. OTHER GENERAL PRINCIPLES: PROPORTIONALITY AND EFFECTIVENESS

Other general principles stated in the various IP instruments provide potential safeguards for defendant interests. One important limit on both procedures and remedies is the requirement that they be proportionate to the seriousness of the infringement. The threat of grossly disproportionate damages is likely to chill creative and inventive activity and other interactions with IP-protected material.<sup>131</sup> Unfortunately, proportionality is addressed inconsistently and the relevant treaty language is typically weak.

Although in most respects TRIPS provides the 'gold standard' in defendant safeguards, the proportionality is one exception. The TRIPS text contains no general requirement of proportionality. However, it does include a number of specific references to the concept in the provisions on destruction of infringing copies and implements (Art. 46) and the right of information (Art. 47).<sup>132</sup> In both cases, TRIPS does not mandate proportionate responses or orders. In relation to destruction of infringing copies, TRIPS requires that the 'need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties *shall be taken into account*.'<sup>133</sup> In the case of the right of information,

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130. See discussion, *infra* Part IV.A.

131. See Samuelson & Wheatland, *Statutory Damages*, *supra* note 35 (discussing the impacts of disproportionate statutory damages awards).

132. See TRIPS, *supra* note 6, art. 46 (requiring that courts considering requests for orders for destruction of infringing goods, materials and implements consider the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties shall be taken into account); see also TRIPS, *supra* note 6, art. 47 (requiring that courts have the power to order infringers to reveal the identity of third persons involved in production and distribution of infringements, unless this would be disproportionate to the infringement).

133. TRIPS, *supra* note 6, art. 46.

Article 47 states that:

Members may provide that the judicial authorities shall have the authority, unless this would be out of proportion to the seriousness of the infringement, to order the infringer to inform the right holder of the identity of third persons involved in the production and distribution of the infringing goods or services and of their channels of distribution.<sup>134</sup>

Although the drafting of this provision is not clear, it suggests that proportionality is something that courts should consider in deciding whether to require the production of information from an infringer.<sup>135</sup>

The TPP, ACTA, and the EU IP Enforcement Directive all refer to proportionality, although the language varies significantly. The EU Directive is the most forceful: it requires that measures, procedures, and remedies shall be ‘effective, proportionate and dissuasive.’<sup>136</sup> This has been interpreted as requiring that measures adopted “do not exceed the limits of what is appropriate and necessary in order to obtain the objectives legitimately pursued by the legislation in question; where there is a choice between several appropriate measures, recourse must be had to the least onerous.”<sup>137</sup> The nature

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134. TRIPS, *supra* note 6, art. 47.

135. The combination of an optional provision with a limitation based on proportionality could be interpreted another way: namely as allowing for a right of information but only in those cases where it would not be out of proportion to the seriousness of the infringement. This reading, however, seems to be inconsistent with subsequent developments in international IP instruments, which have expanded the right of information while retaining proportionality as a consideration, but not a limit, on the application of the procedure. EU Directive 2001/29, *supra* note 60, at art. 3; Compare ACTA, *supra* note 23, art. 11 (setting out a right of information), with ACTA, *supra* note 23, art. 6.3 (allowing for the consideration of proportionality, but not as a mandatory limit on the availability of procedures and remedies); see also TPP, *supra* note 25, arts. 18.74.13, 18.71.5 (requiring a right of information and requiring consideration (but not achievement) of proportionality in granting remedies and penalties). The 2004 EU IP Enforcement Directive is different: as noted, that directive mandates that enforcement measures be ‘effective, proportionate and dissuasive’ (EU Directive 2004/48, *supra* note 22, Art. 3.1) and underlines this requirement of proportionality in the art. 8 right of information by stating that Member States must ensure that judicial authorities may order the production of information ‘in response to a justified and proportionate request of the claimant’: art. 8.1.

136. EU Directive 2001/29, *supra* note 60.

137. See generally *Cartier Int'l AG v. British Sky Broad. Ltd.*, [2014] EWHC (Ch) 3354 (Eng.) (discussing proportionality in the context of website blocking orders, relying on principles from EU case law outside the area of IP).

and importance of other rights (such as rights to freedom of expression) affected by a remedy and the cost and difficulty of complying with orders are all relevant in assessing proportionality.<sup>138</sup> In Europe, therefore, the requirement of proportionality provides a specific avenue for considering the importance of other rights (including human rights) affected by a given enforcement measure.<sup>139</sup>

By comparison, ACTA and the TPP contain a lesser obligation that Parties implementing the provisions “take into account the need for proportionality.”<sup>140</sup> This suggests that a disproportionate remedy or order could fail the standard set by the EU Directive but comply with that in the TPP if proportionality was considered but prioritized below other goals such as deterrence.<sup>141</sup> It is also important to note that the obligation in ACTA and the TPP is an obligation for *parties to the treaty* to take proportionality into account in implementation.<sup>142</sup> Unlike the TRIPS requirements or the EU text,

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138. See *id.* at ¶ 181 (holding that “limitations to rights may be made only if they are necessary and meet the objectives of general interest recognized by the Union or the need to protect the rights and freedoms of others”); see also *Golden Eye Int’l. v. Telefonica U.K. Ltd.* [2012] EWHC 723 (ruling that courts shall take into account the applicable remedies, penalties, and interests of third parties).

139. See EU Directive 2001/29, *supra* note 60, Initial Provisions and General Definitions (asserting that the obligations created by the directive co-exist with their international agreements and existing rights and obligations).

140. See ACTA, *supra* note 23 (affirming that when determining proportionality each party must consider the seriousness of the infringement, the interests of third parties, the applicable measures, remedies and penalties); See also Initial Provisions and General Definitions (providing various party-specific definitions qualifying key terms).

141. Of course this is a moot point: no party bound by the EU Directive is or is likely to be a party to the TPP which is a mega-regional agreement covering only countries in the Asia-Pacific. On the other hand, the difference between the EU Directive and the text of the TPP may reflect a difference between the United States and EU which could be interesting to watch in the context of the TTIP negotiations. Compare TPP, *supra* note 25, art. 18.71 (adopting only that each party shall take the need for proportionality into consideration and that these procedures shall be applied in a manner that avoids the creation of barriers to legitimate trade), with EU Directive 2001/29, *supra* note 60, recital 22 (holding that it is “essential that provisional measures for the immediate termination of infringements without awaiting a decision on the substance of a case, while observing the rights of the defence, ensuring the proportionality of the provisional measures” be provided).

142. See TPP, *supra* note 25, art. 18.71 (mandating that *in implementing the provisions* of the TPP *each Party* shall take into account the need for proportionality); see also ACTA, *supra* note 23, art. 6.3 (drafted in almost identical

individual courts in particular cases are not required to take proportionality into account.<sup>143</sup> It is also noteworthy that the scope contemplated for a principle of proportionality varies from treaty to treaty. The ACTA applies this requirement to ‘measures, remedies and penalties.’<sup>144</sup> By contrast the TPP only applies a requirement of proportionality to ‘applicable remedies and penalties.’<sup>145</sup> Both ACTA and TPP require consideration of the need for proportionality between these measures or remedies, the seriousness of the infringement, and the interests of third parties.<sup>146</sup> ACTA further articulates an additional general requirement that procedures ‘provide for the rights of all participants subject to such procedures to be appropriately protected’ (without elaborating further on which ‘rights’ might be relevant, although the ICCPR’s right to a fair trial is an obvious candidate, as are the various rights to notice, etc., set out in TRIPS Articles 41–43).<sup>147</sup>

Even aside from the relative weakness of this language on proportionality contained in international IP instruments, proportionality has inherent limits as a constraint on enforcement procedures which have been well-explained by legal theorists. For example, recent work of legal philosopher Nicola Lacey<sup>148</sup> points out that proportionality is not a naturally existing relationship between, say, a wrong and a punishment.<sup>149</sup> Nor, according to empirical studies cited by Lacey, is there a general consensus about what

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language).

143. See TRIPS, *supra* note 6, arts. 46, 47 (addressing, in each case, the requirement of proportionality to powers exercised by judicial authorities); see also EU Directive 2001/29, *supra* note 60, art. 10.3 (requiring that courts consider the need for proportionality when considering a request for corrective measures).

144. See ACTA, *supra* note 23, art. 1.

145. See TPP, *supra* note 25, art. 18.71.

146. TPP, *supra* note 25, art. 18.71.5; see ACTA, *supra* note 23, art. 6.3.

147. See TRIPS, *supra* note 6, art. 41 (establishing procedures that ensure enforcement will not be complicated or costly, written decisions, and an opportunity for judicial review).

148. See Nicola Lacey & Hanna Pickard, *The Chimera of Proportionality: Institutionalizing Limits on Punishment in Contemporary Social and Political Systems*, 78 MOD. L. REV. 216 (2015); see also Nicola Lacey, *The Metaphor of Proportionality*, 43 J.L. SOC’Y 27, 38 (2016).

149. See Lacey, *supra* note 162, at 38 (arguing that proportionality is a product of social and political considerations, cultural components and institution building).

constitutes a ‘proportionate’ punishment or remedy.<sup>150</sup> While there may be a fair degree of consensus regarding the relative seriousness of ‘standard’ criminal offenses, there is far less consensus regarding what this implies in terms of what penalty is suitable. There may be no agreement on the relative seriousness of regulatory offenses, which would include IP offenses. Following the logic of the WTO Panel decision in the *US-China* dispute,<sup>151</sup> what constitutes proportionate punishment is highly likely to be determined by reference to the broader legal system and societal context within a given country. It would be legitimate for significant differences in remedies and penalties to exist from country to country for all kinds of reasons. Indeed, this principle is commonly reflected in international IP text relating to criminal penalties, such as Article 61 TRIPS, which requires that:

Remedies available [for criminal IP offenses] shall include imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity.<sup>152</sup>

Given Lacey’s work, it is far from clear how to interpret the last phrase of this provision; exactly what kinds of offenses would be of ‘corresponding gravity?’<sup>153</sup> Even acknowledging all these limitations, recognizing proportionality as a consideration is better than having no such consideration to counter the requirement that measures be ‘deterrent.’<sup>154</sup> Such a requirement at least provides space to consider

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150. See *id.*, at 40 (suggesting a difference between ordinal proportionality in which there is a noteworthy degree of consensus and cardinal proportionality, which reveals no consensus regarding suitable penalties).

151. See generally US-China Panel Report, *supra* note 75 at ¶ 7.514..

152. Accord TPP, *supra* note 25, art. 18.77.6(a). The EU IP Enforcement Directive does not address criminal enforcement; the EU did not, at the time the Directive was drafted, have jurisdiction to address matters of national criminal law; see ACTA, *supra* note 23, art. 24 (establishing that it is understood that there is no obligation for a party to provide for the possibility of imprisonment and monetary fines to be imposed in parallel); see also EU Directive 2001/29, *supra* note 60, recital 28 (stating only that “criminal sanctions also constitute, in appropriate cases, a means of ensuring the enforcement of intellectual property rights”).

153. It may be that, consistent with the reasoning in US–China, the determination of what kinds of offenses are of ‘corresponding gravity’ is a matter for a particular State to determine. See TRIPS, *supra* note 6, art. 41.

154. Modern IP treaties often put effectiveness and deterrence at the forefront of the enforcement calculus. Compare TRIPS, *supra* note 6, art. 41.1, with ACTA, *supra* note 23, art. 6.1, and TPP, *supra* note 25, art. 18.71.1, with EU Directive

whether a damage award in six figures awarded against an individual engaged in file-sharing, while undoubtedly a 'deterrent,' is appropriate.<sup>155</sup> Where deterrence rules over proportionality, there is considerable risk of creating both scapegoats and significant chilling effects.

TRIPS and other instruments also require that enforcement measures must be effective. The EU IP Enforcement Directive requires that "measures, procedures and remedies shall . . . be effective."<sup>156</sup> TRIPS, ACTA, and the TPP all oblige parties to:

ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement . . . .<sup>157</sup>

This requirement has the capacity to limit the availability of measures because it may rule out measures, such as remedies, which would be futile. We are perhaps accustomed to thinking about 'effectiveness' as requiring implementation of IP owner rights almost at all costs on the basis that a requirement to provide 'effective' enforcement measures means that the measures provided must work and reduce infringement. But decisions from the UK suggest that measures such as website blocking are less likely to be considered effective or proportionate if there are a large number of alternative websites that are equally accessible and appealing.<sup>158</sup>

A final general safeguard is the protection of privacy and

2001/29, *supra* note 60 (establishing similar but slightly different language; requiring that 'measures, procedures and remedies shall . . . be effective, proportionate and dissuasive'). This latter trifecta is particularly telling: where the obligation is that measures be effective, proportionate and dissuasive, the concept of proportionality stands out as the factor most likely to provide safeguards for defendant users.

155. *See, e.g.*, *Capitol Records, Inc. v. Thomas-Rasset*, 692 F.3d 899, 899 (8th Cir. 2012) (suggesting damages equivalent to USD \$222,000 for 24 songs made available on peer-to-peer networks).

156. EU Directive 2001/29, *supra* note 60, art. 3.2.

157. TRIPS, *supra* note 6, art. 41.1; ACTA, *supra* note 23, art. 6.1; TPP, *supra* note 25, art. 18.71.1.

158. *See Cartier Int'l AG, EWHC (Ch) 3354*, ¶¶ 175-176 (holding that UK courts have the power to grant injunctions against an ISP if it has "actual knowledge" that an operator was using its service to infringe copyright, but noting also the relevance of how readily available other means of infringement are).

confidentiality. Privacy and confidentiality are particularly important in the context of enforcement procedures for securing evidence (which may involve the seizure or provision of private, or commercially sensitive, information). They are also important to the ‘right of information’ – that is, the power granted in a number of international IP instruments for courts to order (or authorities to provide) information in the hands of an infringer, alleged infringer, or third party that may identify other infringers of IP for the purposes of bringing proceedings.<sup>159</sup> TRIPS makes a number of references to confidentiality.<sup>160</sup> Article 42 requires that IP enforcement procedures ‘provide a means to identify and protect confidential information’;<sup>161</sup> and Article 43, which relates to the production of reasonably available evidence, is subject to ‘conditions which ensure the protection of confidential information.’<sup>162</sup> The protection of confidential information is also referenced in Article 57, which provides for inspection of goods detained at the border.<sup>163</sup> ACTA and the TPP also both make numerous references to confidentiality.<sup>164</sup> However, it is important to note that most of these provisions allow for the application of a State’s laws regarding privacy or confidentiality, rather than imposing an independent international obligation to protect confidentiality or privacy.<sup>165</sup> Such provisions,

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159. See, e.g., TRIPS, *supra* note 6, art. 47 (detailing the right of information).

160. See generally *id.* art. 42-43, 57 (including confidentiality references under the fair and equitable procedures, evidence, and right of inspection and information articles).

161. *Id.* art. 42 (indicating the procedures are to be followed unless this would be contrary to existing constitutional requirements).

162. *Id.* art. 43 (indicating that judicial authorities have the authority to order the evidence be subject to such conditions of confidentiality).

163. See *id.* art. 57 (providing for border seizure of alleged infringing items in certain circumstances).

164. See TPP, *supra* note 25, art. 18 (referencing Article 18.74.13 on the qualification on the right of information, Article 18.74.14 on the power to sanction parties, counsel and experts for breach of rules concerning protection of confidential information, and Article 18.76.4 on the qualification on provisions of information about goods suspended at the border); see also ACTA, *supra* note 23, art. 4, 11, 22 (referencing in Article 4 the general qualifications of privacy and disclosure of information, and in Article 11 the qualification on the right of information related to infringement, and in Article 22 the disclosure of information related to shipments of goods).

165. See ACTA, *supra* note 23, art. 4 (making the various obligations in ACTA subject to considerations of privacy and confidentiality, but qualifying those considerations by reference to *domestic* legal principles).



therefore, empower States to act to secure privacy interests and confidential information if they so choose, or, for States recognizing a constitutional right to privacy, ensure consistency between their Constitution and international IP obligations.

#### D. OTHER SPECIFIC SAFEGUARDS FOR DEFENDANTS

This Part has so far focused on potential sources of safeguards for defendant rights and interests that are framed at the level of general principle. These are important sources of protection for defendants, in part because principles are dynamic and have the capacity to adjust with and respond to changes in technology or the strategies of IP owners. However, it is important to be aware of very specific rules that are contained especially in TRIPS, and which oblige states to protect, or provide the capacity to protect, specific defendant interests during IP enforcement proceedings.

A number of provisions provide for rights of review:<sup>166</sup> a right to review final administrative decisions (Art. 41.4); a right to review of any suspension of (alleged infringing) goods by customs even if proceedings on the merits are commenced (in order to determine whether the suspension should be modified, revoked or confirmed) (Art. 55); and rights to the review of any provisional measures adopted *inaudita altera parte* (Art. 50.4).<sup>167</sup> Other TRIPS provisions require expiry of provisional measures in the absence of an action on the merits: border measures expire if no proceedings are commenced within ten working days (extendable once) (Art. 55); TRIPS also requires that provisional measures be revoked on request if proceedings are not commenced within twenty working days (Art. 50.6).<sup>168</sup>

Finally, a number of provisions provide for compensation for a

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166. Unsurprisingly, rights of review are not confined to protecting defendants: TRIPS contains a number of rights of review for the benefit of IP owners and applicants: *See* TRIPS, *supra* note 6, art. 31(g), 32, 62.5 (suggesting that the competent authorities such as judicial officers have the right of review. This power is not confined to protecting defendants as it is for the benefit of IP owners and applicants).

167. *See id.* art. 41.4, 50.4, 55; *see generally* EU Directive 2004/48, *supra* note 22, art. 7.1, 9.4 (similarly providing for rights to review such as orders for preservation of evidence and provisional and precautionary measures).

168. *See* TRIPS, *supra* note 6, art. 50.6, 55.

defendant for costs or harms incurred as a result of enforcement action. TRIPS requires that if provisional or border measures lapse or are revoked, or if no infringement or threat of infringement is found, courts will have the authority to order appropriate compensation for any injury suffered.<sup>169</sup> The EU IP Enforcement Directive (Art. 7.4) and ACTA (Art. 12.5) both include a similar provision.<sup>170</sup> Relatedly, TRIPS Articles 50 (provisional measures) and 53 (border measures) both require that when applying these procedures, competent authorities must have the power to order the applicant to provide a security or equivalent assurance sufficient to protect the defendant and to prevent abuse.<sup>171</sup>

The importance of these specific safeguards lies in what they contribute to the protection of defendant rights and interests through their precision and clarity. While the principles discussed earlier in this paper are important for their ability to evolve and address new situations, these protections are clear and easy to implement. This is why it is once again disturbing to see how many have disappeared from certain recent international instruments dealing with IP enforcement: although the legal effect of their non-inclusion may be limited (as discussed further below), there is an element of ‘out of

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169. See *TRIPS supra note 6*, art. 50.7 (providing for compensation in relation to provisional measures); *TRIPS supra note 6*, art. 56 (providing for the indemnification of the importer and of the owner of the goods wrongly seized at the border).

170. Regulation No. 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of intellectual property rights and repealing Council Regulation (EC) No. 1383/2003, O.J. (L. 181) 15, 15 [hereinafter EU Regulation]. Within the EU, IP border measures are dealt with via a separate regulation which provides for compensation for harm in Article 28; see ACTA, *supra note 23*, art. 12.5 (providing for provisional measures and although ACTA contains no specific obligation regarding compensation, Article 18 does allow the competent authorities to require security sufficient to ‘protect the defendant’); see also EU Directive 2004/48, *supra note 22*, art. 7.4 (setting out measures to preserve evidence and compensation); see generally TPP, *supra note 25*, art. 18.74.15 (failing to provide for compensation akin to that available in the EU, but providing for judicial authorities to have authority to order compensation where a party requesting measures has abused enforcement procedures).

171. Daniel Gervais, *supra note 116*, at 470 (describing that a security or such an assurance may be in the form of a credit or bank reference or local guarantor); see TRIPS, *supra note 6*, arts. 50, 53; see also TPP, *supra note 25*, arts. 18.75.2, 18.76.3 (setting out provisional measures and special requirements relating to border measures).

sight, out of mind,' and it is important that these rules not be ignored when reforming IP enforcement procedures. It is arguable that some attempts to make enforcement measures more 'efficient' and 'effective,' such as moves to allow for automated forfeiture of goods seized by customs, contravene the spirit if not the text of the TRIPS rules on border measures.<sup>172</sup>

#### E. SAFEGUARDS AGAINST ABUSE OF IP RIGHTS

A final source of power for states to limit IP enforcement procedures and remedies lies in a set of Articles addressing abuse of rights, found in both general and specific forms in various international IP instruments.<sup>173</sup> The most complete set of provisions is found in TRIPS, which incorporates three general provisions relating to the prevention of abuse IP rights (Art. 8), of market power (Art. 8.2 & 40), and of enforcement procedures (chiefly Art. 41).<sup>174</sup>

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172. See Weatherall, *Provocations and Challenges*, *supra* note 11, at 195-96; see also Thomas Jaeger et al., *Statement of the Max Planck Institute for Intellectual Property, Competition and Tax Law on the Review of EU Legislation on Customs Enforcement of Intellectual Property Rights*, MAX PLANCK INSTITUTE FOR INTELLECTUAL PROPERTY, COMPETITION & TAX LAW RESEARCH PAPER NO. 10-08 (2010) (elaborating on international enforcement measures of intellectual property rights). 'Automated forfeiture' approaches are used in both the EU (Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of Intellectual property rights and repealing Council Regulation (EC) No 1383/2003, OJ L 181/15 (29.6.2013) and in Australia. An importer whose goods are seized is required actively to object to seizure and claim the goods, or they are deemed to have consented to forfeiture. This is very different from the TRIPS model, which assumes that right holders must act within a given period to commence proceedings on the merits.

173. See Gervais, *supra* note 116, at 2.404 (discussing the TRIPS agreement provisions on abuse); see also TPP, *supra* note 25, art. 18.3.2 (including language very similar to that in TRIPS, recognizing that appropriate measures "may be needed to prevent the abuse of intellectual property rights by right holders"); see generally ACTA, *supra* note 23, art. 6.1 (Requiring that IP enforcement procedures be applied 'in such a manner as to . . . provide for safeguards against their abuse'). Notably it is not unusual for the US bilateral FTAs to eschew general safeguards against abuse of IP rights, which raises some interesting questions of interpretation.

174. TRIPS, *supra* note 6, arts. 8, 40, 41. These are not the only provisions that mention abuse: less relevant to individual enforcement proceedings are art. 63 (transparency), which requires the publication of laws, regulations, court decisions and administrative rulings pertaining to (inter alia) the prevention of the abuse of IP rights; and art. 67 (technical cooperation), which requires that developed countries provide developing and least-developed countries with assistance in the

Consideration of Article 40 (abuse of market power) raises competition law/antitrust issues and is beyond the scope of this paper,<sup>175</sup> but abuse of rights, and abuse of process, both warrant more detailed discussion because both can be the basis for potential safeguards for defendants and broader public interests in IP enforcement cases.

### *1. Preventing abuse of IP rights*

TRIPS Art. 8.2 recognizes that:

Appropriate measures, provided that they are consistent with the provisions of this Agreement, may be needed to prevent the abuse of intellectual property rights by right holders or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology.<sup>176</sup>

Article 8 does not create an obligation to take action to prevent the abuse of IP rights, but it does empower States to take action and provides a basis for interpreting other TRIPS provisions, including the (flexibly drafted) enforcement provisions.<sup>177</sup> Similar to the concept of a fair trial, ‘abuse’ of IP rights is a dynamic concept

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preparation of laws and regulations dealing with (inter alia) the prevention of the abuse of IP rights.

175. See TRIPS, *supra* note 6, art. 40 (elaborating on the control of anti-competitive practices in contractual licenses).

176. TRIPS, *supra* note 6, art. 8.2; see also TPP, *supra* note 25, art. 18.3.2 (setting forth identical text as in the TRIPS agreement).

177. CARLOS MARIA CORREA, TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS: A COMMENTARY ON THE TRIPS AGREEMENT 108–12 (2007) (noting that Article 8.2 is also important for the discussion of transfer of technology in the context of the TRIPS Agreement); Gervais, *supra* note 116, at 2.85 (suggesting that the limitation “consistent with the provisions of this agreement” in this article is likely to confine the article to an “interpretive function” rather than a direct obligation); see TRIPS, *supra* note 6, art. 8 (discussing general principles for adopting appropriate measures); see generally Communication from the European Communities and their Member States, *Council for Trade-Related Aspects of Intellectual Property Rights—The Relationship Between the Provisions of the TRIPS Agreement and Access to Medicines*, WTO Doc. IP/C/W/280 (June 22, 2001) [hereinafter Communication from the European Communities and their Member States] (noting that “although Articles 7 and 8 were not drafted as general exception clauses, they are important for interpreting other provisions of the Agreement, including where measures are taken by Members to meet health objectives”).

capable of evolving to meet the creative antics of IP owners; therefore, it is neither necessary nor possible to provide an exhaustive definition. However, we can explore the potential of this concept. The question of interest is whether the general principle which allows State action against abuse of rights allows for some limits on IP enforcement procedures or remedies which may, by protecting the rights or interests of a defendant, promote broader public interests (and user rights) in IP. Abuse of rights may not immediately spring to mind as providing a means of safeguarding defendant and broader public interests. In fact, however, there is a long international and national history of limiting a plaintiff's access to remedies for abuse of rights.

At the national level, the longstanding Roman and civilian law concept of abuse of right (*abus de droit*)<sup>178</sup> can operate as a defense to an action or a basis for refusing at least some remedies in an IP action. Abuse of right as applied in different jurisdictions varies significantly, and a detailed consideration is beyond the scope of this paper.<sup>179</sup> Broadly, abuse of right refers to situations in which a right

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178. E.g. Christophe Geiger, THE SOCIAL FUNCTION OF INTELLECTUAL PROPERTY RIGHTS, OR HOW ETHICS CAN INFLUENCE THE SHAPE AND USE OF IP LAW IN METHODS AND PERSPECTIVES IN INTELLECTUAL PROPERTY 171–74 (Graeme Dinwoodie ed. 2013) (discussing the potential of abuse of right or analogous doctrines in domestic proceedings); see Mark Lemley, *Beyond Preemption: The Law and Policy of Intellectual Property*, 87 CALIF. L. REV. 111, 151–58 (1999) (elaborating on the potential of copyright misuse in domestic proceedings); see also Alison Slade, *Good Faith and the TRIPS Agreement: Putting Flesh on the bones of TRIPS “Objectives”*, 63 INT'L & COMP. L.Q. 353 (2014) (discussing abuse of right as it is relevant to assessing state decisions regarding implementation of TRIPS and considering whether a State could abuse its rights in relation to treatment of IP). With the exception of Slade, these discussions are targeted at the level of *domestic* law: that is, they discuss the potential of *abuse of right* or analogous doctrines in domestic proceedings. Slade discusses abuse of right as it is relevant to assessing State decisions regarding implementation of TRIPS: that is, she considers whether a State could abuse *its* rights in relation to treatment of IP. The present discussion departs from this literature, in that it is concerned with ways that a State might justify certain implementations or adjustments to IP rights or, in particular, remedies within the text of TRIPS, in order to address alleged abuse of right by right holders.

179. See Annkatrinen Lenaerts, *The General Principle of the Prohibition of Abuse of Rights: A Critical Position on Its Role in a Codified European Contract Law*, 18 EUR. REV. PRIV. L. 1121, 1122 (2010) (explaining abuse of right analysis within the European contract law system); see generally Michael Byers, *Abuse of Rights: An Old Principle, A New Age*, 47 MCGILL L.J. 389, 391 (2002) (examining

is formally exercised in conformity with the conditions laid down in the rule granting the right, but where the legal outcome is against the objective of that rule. In other words, there is a ‘tension between the strict application of a rule and the true spirit of that rule.’<sup>180</sup> U.S. law also recognizes the doctrine of copyright misuse, which is said to arise where a copyright owner seeks to leverage their limited monopoly to allow them to control areas outside the monopoly.<sup>181</sup> Such use is inconsistent with the purpose and ‘spirit’ of copyright. A finding of copyright misuse in the United States renders the copyright unenforceable but not void.<sup>182</sup> U.S. courts have also recognized a doctrine of patent misuse, which is applied mostly where patents are used to violate antitrust law<sup>183</sup> and similarly renders a patent unenforceable.<sup>184</sup>

At the international level, one kind of right holder conduct, which has historically been viewed as an abuse of IP rights by a sizeable proportion of countries, is failure to work a granted patent, sometimes referred to as non-working of the patent. A patent is ‘worked’ when it is exploited, although it can be exploited in two different ways. The absence of working *at all*, i.e. the failure to exploit the patent through either local manufacture of the invention *or* importation of products embodying the invention, is perhaps the obvious case where a patent might be ‘abused’. In such a case, use of the right to exclude is in tension with the overall objectives of IP,

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the origins, historical applications, and contemporary limitations of abuse of rights and demonstrating how the principle remains relevant).

180. Lenaerts, *supra* note 179, at 1122; see Pierre Catala & John Antony Weir, *Delict and Torts: A Study in Parallel, Part II*, 38 TUL. L. REV. 221, 237–38 (1964) (noting that in cases where rights are framed in relatively general and generous terms commentators declare that it is particularly appropriate and may be particularly necessary).

181. See *Lasercomb America, Inc. v. Reynolds*, 911 F.2d 970, 972-79 (4th Cir. 1990) (holding that the misuse of copyright defense is a valid defense); see also Jason Mazzone, *Copyfraud*, 81 N.Y.U. L. REV. 1026, 1087 (2006) (analyzing United States courts and copyright misuse); see generally *Alcatel USA, Inc. v. DGI Techs., Inc.*, 166 F.3d 772, 792-94 (5th Cir. 1999) (discussing the copyright misuse defense).

182. Lemley, *supra* note 178, at 151.

183. See *Hartford-Empire Co. v. United States*, 323 U.S. 386, 386 (1945); see also Lemley, *supra* note 178, at 152-53 (discussing the difference between copyright and patent misuse such that patent misuse is largely co-extensive with antitrust analysis and copyright misuse is not).

184. *Hartford-Empire Co.*, at 386.

which include access to technology.<sup>185</sup> But a failure to work locally (local non-working) – ie where the patent holder has exploited their exclusivity *only* through importation of the patented goods, and not through local manufacture – has also been conceived of as an abuse of right. For many developing countries, part of the quid pro quo of the patent system is that the grant of rights facilitates disclosure and encourages diffusion of technical information in a way that supports innovation including local innovation.<sup>186</sup> This aspect of the quid pro quo of IP is reflected in TRIPS, specifically in Article 7's references to transfer and dissemination of technology.<sup>187</sup> Arguably, it is impossible for a developing country to 'upskill' the local population and, hence, create the foundation for future local innovation, without local practicing (through manufacture) of patented technology.<sup>188</sup>

Non-working as described in the previous paragraph is specifically recognized as a potential abuse of patent rights and a legitimate basis for carefully circumscribed State action in Article 5(a) of the Paris Convention.<sup>189</sup> During the TRIPS negotiations, developing nations proposed wording suggesting that rights holders owed positive

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185. See TRIPS, *supra* note 6, art. 7 (elaborating on the objectives of the protection and enforcement of intellectual property rights).

186. See TRIPS, *supra* note 6, art. 66 (requiring developed country members to "provide incentives . . . or the purpose of promoting and encouraging technology transfer to least-developed country Members in order to enable them to create a sound and viable technological base").

187. See TRIPS, *supra* note 6, art. 7 (declaring that one of the objectives of the protection and enforcement of intellectual property should contribute to the promotion of technological innovation and to the transfer and dissemination of technology).

188. See GRAEME DINWOODIE & ROCHELLE DREYFUSS, A NEOFEDERALIST VISION OF TRIPS: THE RESILIENCE OF INTERNATIONAL INTELLECTUAL PROPERTY RIGHTS 43–44 (2012); see generally WORLD INTELLECTUAL PROPERTY ORGANIZATION, INTELLECTUAL PROPERTY HANDBOOK: POLICY, LAW AND USE, ¶ 5.46 (2d ed. 2004) (discussing the importance of local working for technology transfer). This argument would be stronger when mounted by countries needing to increase local scientific and innovative capacity: countries with advanced local research and innovation scenes and infrastructure does not have equivalent need to ensure local working in order to promote local innovative capacity.

189. Paris Convention, *supra* note 19, art. 5(a); see Dinwoodie, *supra* note 188, at 43-45 (illustrating an example between the United States and Brazil to enforce local working requirements); see generally Paul Champ & Amir Attaran, *Patent Rights and Local Working under the WTO TRIPS Agreement: An Analysis of the U.S.-Brazil Patent Dispute*, 27 YALE J. INT'L L. 365, 375 (2002) (exploring the non-working phenomenon in the United States and Brazil patent dispute).

obligations to the State granting an IP right, such as actually utilizing granted patents. This language was ultimately not adopted in TRIPS,<sup>190</sup> raising a question whether the Paris Convention's conceptualization of non-working as abuse will survive.<sup>191</sup> This was almost put to the test in the early days of TRIPS when the United States commenced dispute settlement procedures after Brazil awarded a compulsory license to a local manufacturer in order to ensure an adequate, affordable, reliable, and local supply of AIDS drugs. Brazil was relying on Article 31 and the provision in Article 8 allowing members to take measures to protect public health.<sup>192</sup> The parties reached a mutually agreeable solution which left the question of the legality of non-working requirements open.<sup>193</sup> However, scholars have mounted a convincing argument based on a range of TRIPS articles that local working requirements are consistent with TRIPS.<sup>194</sup> This suggests that States could enact a TRIPS-compliant system allowing defendants in infringement actions to counterclaim demanding some form of compulsory license in appropriate

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190. See TRIPS, *supra* note 6, art. 2.1 (noting that TRIPS Article 2.1 requires that Members of TRIPS “comply with Articles 1 through 12, and Article 19, of the Paris Convention”); see generally Bryan Mercurio & Mitali Tyagi, *Treaty Interpretation in WTO Dispute Settlement: The Outstanding Question of the Legality of Local Working Requirements*, 19 MINN. J. INT'L L. 275, 325 (2010) (elaborating on how the pharmaceutical industry lobbied for, but did not obtain, a prohibition on local working requirements).

191. See Mercurio, *supra* note 190, at 286 (stating that a key question was whether local working requirements violate TRIPS Article 27, which requires that “patents shall be available and patent rights enjoyable without discrimination as to the place of invention, the field of technology and whether products are imported or locally produced”).

192. See Request for Consultations by the United States, Brazil—Measures Affecting Patent Protection, WTO Doc. WT/DS199/4, G/L/454, IP/D/23/Add.1 (July 19, 2001) [hereinafter Request for Consultations by the United States] (setting out the request by the United States to consult with Brazil over local working requirements).

193. See Notification of a Mutually Agreed Solution, Brazil—Measures Affecting Patent Protection, WTO Doc. WT/DS199/4, G/L/454, IP/D/23/Add.1 (July 19, 2001) [hereinafter Notification of a Mutually Agreed Solution] (relaying the communications between Brazil and the United States that an agreed solution has been reached in the patent dispute over local working requirements).

194. See Dinwoodie, *supra* note 188, at 43-45 (arguing that the language suggests that countries can require local working); see also Mercurio, *supra* note 190, at 275-76 (arguing that working requirements are consistent with the TRIPS agreement).



circumstances of non-working.<sup>195</sup>

What about decisions not to supply or to delay supply of copyright content as opposed to patented inventions? It is much harder to argue that a failure to supply copyright content is an abuse of IP rights. First, because unlike in the case of non-working for a patent, there is no treaty text recognizing 'non-working' of copyright as an abuse.<sup>196</sup> Second, because a societal quid pro quo is less central to copyright law: natural rights-based reasoning, which emphasizes the right of authors to control their authored works, and downgrades the theoretical role of the public interest in access to content and societal benefit, is stronger in copyright than in patent. Further, where the interaction between patent law and development is clear and reflected in Article 7 TRIPS, copyright's development role is less clearly articulated in most international instruments. However, there is domestic precedent in the form of the U.S. copyright misuse doctrine; some international law scholars mention high royalties as a potential abuse of IP rights.<sup>197</sup> Further, Article 8 is concerned generally with practices which 'unreasonably restrain trade or adversely affect the international transfer of technology,' which could be an effect of denying access to copyrighted content.<sup>198</sup> Internationally there is also some history of developing countries arguing that copyright, like patent, involves a quid pro quo so that a State ought to be entitled to take action if effective access is denied, especially in the context of developing countries' demand for mechanisms to allow translations of copyright content, as well as access for the purposes of educating their populations.<sup>199</sup>

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195. Dinwoodie, *supra* note 188, at 43-45.

196. See General Agreement on Tariffs and Trade, U.S. Manufacturing Clause, Basic Instruments and Selected Documents at 74 (31st Supp. 1985) [hereinafter GATT] (holding that the US' extension of the local manufacturing clause violated the US' obligations under the GATT, despite a long (US) history of requiring local manufacturing (printing) as a precondition of full copyright protection. Requiring local printing however is quite different to requiring local supply of copyright content).

197. See Correa, *supra* note 177, at 105 (indicating that the regulation of royalty rates is one measure that can be taken to promote the public interest).

198. See TRIPS, *supra* note 6, art. 8.

199. SAM RICKETSON & JANE C. GINSBURG, INTERNATIONAL COPYRIGHT AND NEIGHBOURING RIGHTS: THE BERNE CONVENTION AND BEYOND Vol. II, Ch. 14 (2006) (outlining the Berne Appendix, which allows developing nations certain narrow (and cumbersome) flexibilities over translation and reproduction of printed

Further, recent international instruments also suggest an emerging view that copyright, too, has a role in promoting development, and that a legitimate objective of copyright is access to created works. The best multilateral demonstration of this growing consensus is found in the *Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired or Otherwise Print Disabled*, which explicitly recognizes in its Preamble ‘the need to maintain a balance between the effective protection of the rights of authors and the larger public interest, particularly education, research, and access to information, and that such balance *must facilitate effective and timely access to works* for the benefit of persons with visual impairments or with other print disabilities.’<sup>200</sup> TPP Article 18.4 (‘Understandings in Respect of this Chapter’) also recognizes the need to facilitate the diffusion of information, knowledge, technology, culture and the arts through IP systems, and to take into account ‘the interests of relevant stakeholders, including right holders, service providers, *users and the public*’ (emphasis added).<sup>201</sup> Taken together, these various points may justify a State’s view that at least some copyright owner’s decisions that have the effect of denying access to copyright material constitute an abuse of rights justifying mitigating measures by the State.

What about situations where access to copyright content is delayed

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works); see Lionel Bently, *Copyright, Translations, and Relations between Britain and India in the Nineteenth and early Twentieth Centuries* 82(3) CHI-KENT L. REV. 1181, 1182 (2007) (examining the historical background of the copyright relations between Britain and India in terms of the 1914 Act, in particular around rights of translation, as an example of an early attempt to accommodate a claim to local difference in a regime of both international and imperial standards. India’s conduct in positively allowing translations is an example of the longstanding demand for translation rights by certain developing countries).

200. Henning Grosse Ruse-Khan, *The (Non) Use of Treaty Object and Purpose in Intellectual Property Disputes in the WTO*, Max Planck Institute for Intellectual Property and Competition Law Research Paper No. 11-15, in SUSTAINABLE DEVELOPMENT PRINCIPLES IN THE DECISIONS OF INTERNATIONAL COURTS AND TRIBUNALS 1992-2012 (Josef Drexler et al. eds., 2012).

201. TPP, *supra* note 25, art. 18.4; see generally Kimberlee Weatherall, *Section by Section Commentary on the TPP Final IP Chapter Published 5 November 2015—Part 1—General Provisions, Trade mark, GIs, Designs* (2015), <http://works.bepress.com/kimweatherall/31/> (elaborating on the TPP final IP chapter and discussing that this is one area where it is arguable that some of the language of the TPP is more progressive and modern than TRIPS).

or unreasonably priced?<sup>202</sup> In recent times, Australia has had an active debate over the delays its residents experienced in gaining access to movies and television shows.<sup>203</sup> However, States are not entitled to sit in judgment over every pricing or marketing decision of copyright owners, even where inconvenient.<sup>204</sup> Price and access decisions are of the essence of copyright as conceived as an exclusive right: at its heart, copyright depends on facilitating markets for copyrighted works. IP owners argue strongly that they are entitled to make decisions about price, and the date they will enter a market, with the overall purpose of maximizing profits. It would be inappropriate to describe situations where copyright content is delayed in the short term as 'abuse': a creator planning to exploit their material ought, in general, to be the first one to release material publicly and gain the benefits of well-timed, well-promoted first release. Further, not every price differential between countries is unjustified: it is not illegitimate that copyright content is more expensive in Australia, with its high annual average income, as compared to Vietnam; costs of marketing copyright content may well vary from country to country.<sup>205</sup>

The concept of abuse of right is aimed at conduct that injuriously

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202. See generally Paris Convention, *supra* note 19, art. 5(a) (noting that as the discussion shades from denial of access to IP-protected products into denial of *reasonable or timely* access to IP-protected products, it is worth remembering that Article 5A of the Paris Convention refers to the abuses which might result from the exercise of the exclusive rights conferred by the patent, *for example*, failure to work: thus clearly contemplating the concept of abuse extends to situations beyond non-working).

203. See House of Representatives Standing Committee on Infrastructure and Communications, Parliament of Australia, *At What Cost? IT Pricing and the Australia Tax* 92 (2013) (Austl.) [hereinafter *Australia Tax*] (examining alleged price and access differences suffered by Australians in gaining access to content, when compared against populations in other countries at similar levels of development).

204. See Weatherall, *supra* note 201, at 1 (elaborating that there are many shades of grey at the level of copyright principle elsewhere).

205. See *Australia Tax*, *supra* note 203, at vii (noting that the Australian Parliamentary Committee found that copyright owners did not, and likely could not, justify at least some of the price premiums which the Committee labelled "the Australia tax"); see generally JOE KARAGANIS, *RETHINKING PIRACY IN MEDIA PIRACY IN EMERGING ECONOMIES*, 56-63 (2011) (suggesting some methods that could be used to determine whether pricing is reasonable as well as evidence that in some cases in developing countries pricing is entirely unreasonable).

affects the interests of the community, or where the exercise of the right is inconsistent with the objectives of that right. It is appropriate to egregious, not everyday cases. A delay in seeing the latest Hollywood or HBO blockbuster is a #firstworldproblem. But evidence before an Australian Parliamentary Committee suggested there are more serious problems that can arise even for a developed country in relation to access to copyright material.<sup>206</sup> The Committee found, for example, that business-essential software was priced significantly (and unjustifiably) higher in Australia than in the United States, creating an impediment to Australian small and medium enterprises' ability to compete on a level playing field – an issue that could be seen as a quintessential trade issue.<sup>207</sup> By analogy, if a country finds that copyright content, essential to the development of local capacity (for example, scientific journals or basic texts), was priced out of reach of, say, 90% of its population, then perhaps this might justify a conclusion that rights were being abused.

Even a strong argument that certain practices constitute abuse does not, under TRIPS (or the TPP), give rise to a right in the State to take action contrary to other provisions of the agreement; recall that TRIPS Articles 8 and 18.3.2 are interpretive principles.<sup>208</sup> However, the open-ended drafting of the enforcement provisions provides avenues for acting on abuse.<sup>209</sup> That is, understanding certain practices of IP owners as abuse may assist a state to conceptualize

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206. See generally Australia Tax, *supra* note 203.

207. See *id.* 24-26 (outlining cost differentials for professional software), 26-27 (similar evidence regarding other specialist software).

208. See Gervais, *supra* note 116, at 2.404.

209. See Dinwoodie and Dreyfuss *supra* note 188, 72-78 (discussing the US Supreme Court in *eBay Inc. v MercExchange, LLC*, 547 U.S. 388, 391 (2006). In *eBay*, the Supreme Court discussed the principles on which an injunction against patent infringement might be withheld, putting a greater burden on patent holders to establish irreparable injury and allowing for consideration whether the grant of an injunction would disserve the public interest: *ibid* at 391. Dinwoodie & Dreyfuss consider whether *eBay* is consistent with article 44 of TRIPS, and in defending it, fall back on some quite general arguments about state discretion in TRIPS' enforcement provisions, and the difficulties for any challenger posed by the burden of proof established in the WTO in US-China Panel Report, *supra* note 75). Although noting that one possible defence for the *eBay* decision is that it creates a compulsory licence to correct an abuse of IP rights, they do not appear to consider whether characterising IP owner activity as 'abuse' could be used to support an approach to implementing article 44 of TRIPS, as contemplated here.

and defend principles designed to tailor remedies for IP infringement in a way that is sensitive to the overall objectives of IP rights. For example, a State might legislate to require courts to consider the absence or degree of public access to copyright content in determining remedies. The Copyright Principles Project led by intellectual property professor Pamela Samuelson suggested that availability should be relevant to court decisions to grant or refuse injunctions,<sup>210</sup> but such factors could also be relevant to the award of damages.<sup>211</sup> Recent IP instruments often require that courts assessing damages for IP infringement have the authority to consider ‘any legitimate measure of value the right holder submits, which may include lost profits, the value of the infringed goods or services measured by the market price, or the suggested retail price.’<sup>212</sup> There is nothing, however, in the text concerning damages that prevents a State from adding other relevant considerations, such as accessibility of IP-protected content, in terms both of whether it is available at all, and whether it is affordable. Similar considerations could also be relevant to prosecutors’ decisions whether to commence criminal proceedings: public authorities might wish to prioritize the spending of public enforcement resources on copyright material made widely available to the public, or even refuse to spend public resources where materials are not available, or negotiate for better public access as a precondition of devoting public resources to enforcement.<sup>213</sup>

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210. See Pamela Samuelson et al, *The Copyright Principles Project: Directions for Reform*, 25 BERKELEY TECH. L.J. 1175, 1223–26 (2010) (recommending that courts should have discretion to issue injunctions in copyright infringement cases. The Copyright Principles project was designed to bring together experts with a range of views and perspectives to consider whether ‘common ground’ on certain amendments to copyright law could be reached).

211. TRIPS, *supra* note 6, art. 45.1 (setting out the power judicial authorities have in awarding damages); ACTA, *supra* note 23, art. 9.1 (establishing principles for damages and the enforcement through civil judicial proceedings); EU Directive 2004/48, *supra* note 22, art. 13 (establishing principles relating to damages and the power judicial authorities have to order them); *see, e.g.*, TPP, *supra* note 25, arts. 18.74.3-18.74.4 (bearing considerable resemblance to the provisions referenced here).

212. See TPP, *supra* note 25, art. 18.74.4 (setting out measures of damages judicial authorities may utilize); *see also* ACTA, *supra* note 23, art. 9.1 (bearing considerable resemblance to the provisions referenced here).

213. See Kimberlee Weatherall, *A Reimagined Approach to Enforcement from a Regulator’s Perspective in What if we could reimagine copyright?* (Rebecca Giblin

Similar to other safeguards discussed in this paper, principles regarding States' rights to take action against abuse of rights have been under pressure and are at some risk of disappearing. Gervais has traced the dilution of language on abuse in TRIPS, and a review of the iterations of the IP chapter of the TPP show a similar process. While the TRIPS provisions have been repeated in the TPP, the United States and Japan resisted proposals supported by all other parties to the negotiation that would have inserted stronger language supporting States' rights to address abuse of rights.<sup>214</sup> IP chapters in U.S. bilateral trade agreements in the period 2000–2010 tended not to include general safeguards against abuse akin to those found in TRIPS Article 8 at all.

*Preventing abuse of enforcement procedures.*

A second kind of abuse recognized in TRIPS is abuse of process, specifically in Article 41.1:

1. Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against

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& Kimberlee Weatherall eds., forthcoming 2016) (arguing that this latter idea is consistent with TRIPS. Governments have discretion as to the direction of public enforcement resources, including prosecutor time, and most international instruments are quite explicit in affirming that international instruments do not create obligations to direct public law enforcement resources in any particular way: see TPP art 18.71.4 (stating that the IP chapter does 'not create any obligation . . . with respect to the distribution as between the enforcement of intellectual property rights and the enforcement of law in general', nor does it 'affect the capacity of each Party to enforce law in general'). There is no specific principle in the TPP requiring non-discrimination in the application of public law enforcement resources. Similar provisions may be found in TRIPS art. 41.5 and ACTA art. 2.2. Nevertheless, we could expect that a State that prioritises certain kinds of copyright content over others in its prosecution decisions would be criticised, and part of the purpose here is to articulate the kinds of arguments that can be used to justify such decisions.) *See also* Fitzpatrick, *supra* note 21, at 289-91 (giving an alternate perspective on whether one emerging problem with TRIPS is a tendency of local prosecutors favoring local copyright owners).

214. *See* June Park, *Striking the Twenty-First Century Trade Agreement: The Case of Intellectual Property in the Trans-Pacific Partnership and US-Northeast Asian Economic Relations*, OPEN FORUM May-June 2016, Vol.4, No. 3 (August 18, 2015), <http://www.theasanforum.org/striking-the-twenty-first-century-trade-agreement-the-case-of-ip-in-the-tpp-and-us-northeast-asian-economic-relations/> (investigating the complexities in implementing the IP chapter of the TPP with respect to U.S. relations with Japan, South Korea, and China).

any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures *shall be* applied in such a manner as to avoid the creation of barriers to legitimate trade *and to provide for safeguards against their abuse.*<sup>215</sup>

A number of TRIPS provisions also allow for recovery by a defendant who suffers harm as a result of abuse of process. The most important provision in this context is Article 48, which provides that:

The judicial authorities shall have the authority to order a party at whose request measures were taken and who has abused enforcement procedures to provide to a party wrongfully enjoined or restrained adequate compensation for the injury suffered because of such abuse. The judicial authorities shall also have the authority to order the applicant to pay the defendant expenses, which may include appropriate attorney's fees.<sup>216</sup>

Abuse of process, like fair trial or due process, is a dynamic concept that is developed through application to particular sets of facts arising in particular proceedings. TRIPS expert and IP professor Daniel Gervais identifies a number of actions that might count as abuse of process: strategic lawsuits to gain an illegal or unfair advantage, or using procedures primarily for the purposes of obtaining information, or to force a settlement of an action where the other party cannot financially sustain the action.<sup>217</sup> Other uses of

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215. TRIPS, *supra* note 6, art. 41.1.

216. *See* TRIPS, *supra* note 6, art. 48 (providing for compensation, but notably lacking a requirement that a right vests in victims of enforcers before claiming against an enforcer who has abused enforcement procedures, unlike the 23 July 1990 draft (W/76) of Article 48); *see also* Gervais, *supra* note 116, at 460 (highlighting that the choice of the descriptor 'abusive' cases rather than 'unfounded' cases, especially in light of the use of the descriptor 'wrongful' in other TRIPS articles, confines the application of Article 48 such that even a defendant that ultimately defeats the plaintiff is not by default entitled to Article 48 protection).

217. *See* Gervais, *supra* note 116, at 460 (explaining that abuse of procedures occurs when the circumstances and facts available to the plaintiff show that there has been a serious departure from reasonable use of the legal process); *see also* Goldsmith v. Sperrings Ltd. [1977] 1 WLR 478 (UK) (discussing the notion that bringing proceedings for an ulterior, collateral advantage constitutes an abuse of process); *see also* Williams v. Spautz (1992) 174 CLR 509 (Austl.) (discussing whether bringing a case for an ulterior motive may be an abuse of process and thus undeserving of a decision on the merits); *see generally* Fitzpatrick, *supra* note 21,

enforcement procedures have been identified by domestic courts as abuses of process and may (on further research) provide a longer list.<sup>218</sup>

Proving abuse of process can be a challenge; for example, in Anglo-Australian jurisdictions courts the heavy onus of proving a collateral purpose lies on the party alleging it.<sup>219</sup> However, TRIPS at least makes it clear that judicial authorities *must* have the power to act and compensate a wronged party. While Article 48 is concerned with compensation, other responses are available to courts where processes are being abused.<sup>220</sup> Furthermore, it is common at a domestic level for courts to stay proceedings found to be an abuse of process; alternatively, a court in a jurisdiction that applies the English loser-pays rule regarding legal costs might deny recovery of costs to a plaintiff that has engaged in abuse.

The U.S. bilateral trade agreements of the 2000s tended to not include any references to abuse by IP owners or how States might respond to them. The obligation to implement procedures in a way that provides for safeguards against abuse is, however, part of the EU IP Enforcement Directive, and of ACTA and the TPP.<sup>221</sup>

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at 289-91 (providing first-person insight on the TRIPS negotiation proceedings particularly regarding forthcoming problems with enforcement, criminal jurisdiction, and civil and administrative remedies).

218. *E.g.*, *Jones v. Sutton (No 2)* [2005] NSWCA 203 (Austl.) (considering proceedings an abuse of process where parties sought to relitigate matters already finally determined by a court and limiting the recovery costs in abuse of process cases where the judgment amount and the cost of proceedings is significantly disproportionate); *see Goldsmith v. Sperrings Ltd.* [1977] 1 WLR 478, 496 (UK) (finding abuse of process where parties seek to litigate a patent that will inevitably be held invalid).

219. *Goldsmith v. Sperrings Ltd.* [1977] 1 WLR 478 (UK); *Williams v. Spautz* (1992) 174 CLR 509 (Austl.).

220. *See TRIPS, supra* note 6, art. 48 (stating that parties who have abused enforcement procedures may be ordered to compensate the injured party who was wrongfully enjoined or restrained, including defendant expenses).

221. *See EU Directive 2004/48, supra* note 22, art. 3(2) (obliging Member States to provide safeguards against the abuse of measures, procedures, and remedies); *see also ACTA, supra* note 23, art. 6(1) (requiring procedures be applied “in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse”); *see also TPP, supra* note 25, art. 18.71 (mirroring the language of ACTA and directing parties provide safeguards against abuse of procedures).



#### IV. TRENDS IN RELATION TO SAFEGUARDS, AND THE LEGAL (AND OTHER) IMPLICATIONS OF THOSE TRENDS

In Part III, I identified and analyzed a series of safeguards in TRIPS and certain recent international instruments dealing with IP enforcement: both those that specifically limit the availability of processes or remedies, and those which empower States to actively frame procedures and remedies in order to achieve policy goals. These safeguards provide scope, to protect the rights and interests of individuals and companies that are objected to IP enforcement procedures, and, potentially, to promote underlying policy goals of IP rights, including user interests. In the course of that discussion, I noted that certain of these safeguards appeared to be under pressure, or were absent from one international text or another. I turn now to mapping these trends, and analyzing their legal effects.

##### A. NOW YOU SEE THEM, NOW YOU DON'T: THE AMAZING DISAPPEARING SAFEGUARDS

The best way to illustrate the changing position on defendant safeguards is visually. ANNEXURE 1 tabulates the trends, and makes for a striking picture.

First, it demonstrates the extensive and detailed set of safeguards found in TRIPS. In academic writing about TRIPS, the enforcement provisions of TRIPS have often been remarked upon for their inclusion of detailed and strong procedures and remedies. As noted earlier in this paper, the inclusion of these provisions represented a significant departure from past treaties on IP protection, and an unusual incursion by an international law treaty into domestic court processes. What is less often the subject of comment is the way TRIPS mandates a reasonably comprehensive set of procedural safeguards, with rights to be notified of the basis of claims, rights to present evidence, to be heard, to be represented by legal counsel, and to appeal decisions on the merits.<sup>222</sup> As this article has outlined, TRIPS' safeguards are stated both at the level of principle, and in

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222. See generally Fitzpatrick, *supra* note 21 (constituting an exception to this general rule in the literature, and discussing safeguards built into TRIPS by design).

very detailed and specific form. Subject to comments below regarding TRIPS' more extreme remedies, TRIPS is conspicuously less interventionist when it comes to limiting remedies; for example, TRIPS leaves room for limits without mandating even basic considerations, such as proportionality except in certain confined circumstances or protection for innocent infringers (although there is nothing to stop a State considering such issues, especially given the significant discretion reserved to States in the *application* of remedies, as opposed to their availability).

Equally striking is the absence of safeguards in AUSFTA, which acts here as an exemplar of the U.S. model bilateral agreement.<sup>223</sup> Admittedly, the AUSFTA section on enforcement is far from comprehensive; it contains no provision, for example, to require the presence of injunctions as a remedy. It would appear that, perhaps unlike later agreements like ACTA or the TPP, it did not aim at covering the field, but rather was focused on elaborations of particular articles of interest to the United States.<sup>224</sup> But it does set out a range of procedures and remedies, and includes only a very limited number of TRIPS safeguards, such as the requirement of evidence and security to support both provisional and border measures.<sup>225</sup> Overall, AUSFTA clearly deserves its reputation as a text aimed almost exclusively at the interests of right holders. This becomes even more striking when AUSFTA is compared side by side with the contemporaneous EU IP Enforcement Directive, which also aimed to raise and harmonize enforcement standards. By contrast with AUSFTA, the Directive contains an extensive set of safeguards, including TRIPS safeguards, and even expands on the TRIPS model by imposing some limits on remedies, particularly the

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223. I have not drawn a detailed comparison of the different U.S. trade agreements from the period 2000–2015 in order to determine (a) whether there has been any significant evolution in the U.S. model, or (b) whether individual countries incorporated additional safeguards into enforcement provisions in their negotiations with the United States. A full comparison is beyond the scope of this paper.

224. See AUSFTA, *supra* note 36, art. 17.11 (requiring civil and criminal remedies including compensation for right holders, seizure of infringing goods, imprisonment, and monetary fines high enough to deter future infringement).

225. See *id.* arts. 17.11.17, 17.11.19-20 (qualifying said requirements in that they shall not unreasonably block applicant's recourse to procedures).

requirement that they be effective, proportionate, and dissuasive.<sup>226</sup>

ACTA and the TPP are interesting because they represent enforcement texts heavily influenced by U.S. demands, but in circumstances of plurilateral negotiations where American preferences were inevitably less likely to prevail. ACTA involved the EU, United States, and Japan as *demandeurs* of stronger procedures and remedies; the TPP included Japan and the United States, but not Europe.<sup>227</sup> Looking at the table, the TPP includes a wide range of safeguards not found in past U.S. bilateral models, most of which have an equivalent in ACTA; in other words, we can clearly see the influence of ACTA in the TPP.<sup>228</sup> Perhaps the most interesting developments lie in areas where ACTA safeguards are *not* found in the TPP: representing areas where U.S. demands were perhaps more pressing, or the absence of the EU was important. For example, where the ACTA applies the principle of proportionality to 'measures, remedies, and penalties,' the TPP applies it only to remedies and penalties.<sup>229</sup> This is an unfortunate retreat, given that there is no doubt that procedures, equally with remedies and penalties, can be disproportionate.<sup>230</sup> Although not considered in

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226. See EU Directive 2004/48, *supra* note 22, art. 3 (specifying that remedies must be applied without raising barriers to trade).

227. See Emily Ayoob, *Recent Development: The Anti-Counterfeiting Trade Agreement*, 28 CARDOZO ARTS & ENT. L.J. 175, 176 (2011) (recounting the history of ACTA negotiations including EU, Japan, and United States influences); see also Taylor Washburn, *Getting Copyright Right in the Trans-Pacific Partnership*, 7 YALE J. INT'L AFF. 117, 117 (2012) (listing then current members and likely new members, including the United States and Japan but excluding the EU).

228. See *infra* annexure 1. This does not reflect any kind of change of heart by the US, whose early (leaked) proposals for the TPP did not include most of these safeguards but were based on the old U.S. bilateral model. Other countries, however, including Australia and New Zealand, appear to have drawn on the ACTA text during negotiations. See ACTA, *supra* note 23, art. 6(3) (mirroring the language of the TPP directing the parties to take into account the seriousness of the infringement, interest of third parties, and applicable measures, remedies, and penalties); see also TPP, *supra* note 25, art. 18.71(5) (mirroring the language of ACTA directing parties to take into account the seriousness of the infringement, interest of third parties, and applicable measures, remedies, and penalties).

229. See TPP, *supra* note 25, art. 18.71(5) (stating as a general obligation that each Party should consider proportionality between the infringement and the applicable remedy and penalty).

230. Indeed, the right of information (TRIPS, *supra* note 6, art. 47) is one of the few provisions in TRIPS to consider proportionality – and it is neither penalty nor remedy, but better described as a 'measure'.

detail here, the expansion of criminal liability in the TPP compared to ACTA is also striking – and problematic.<sup>231</sup>

The legal effect of failing to include mandatory TRIPS safeguards in these later instruments is limited.<sup>232</sup> Many of the TRIPS safeguards omitted from the TPP text are mandatory rules in TRIPS,<sup>233</sup> so they bind TPP parties despite their non-inclusion in the TPP text.<sup>234</sup> In addition, TRIPS obligations generally are explicitly reaffirmed in the TPP,<sup>235</sup> ACTA,<sup>236</sup> and EU Directive.<sup>237</sup> These later instruments expand the set of cases where remedies and procedures may apply: for example, from counterfeiting/piracy cases to all IP infringement cases; or from commercial scale infringement to all commercial infringement. They also elaborate on considerations relevant to the award of damages (such as consideration of retail price); and, in the case of seizure, expand the range of money and materials that can be seized or forfeited. But they cannot contract defendant safeguards.

It is, nevertheless, odd that the safeguards have not been included in later texts. After all, many provisions from TRIPS are repeated across the instruments, and the imbalance in *which* provisions are and are not repeated is striking: exclusive rights are repeated; defendant and other third party protections are not. There is a striking contrast, too, with the EU IP Enforcement Directive, which includes, and even expands on, the TRIPS safeguards. It is legitimate to be

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231. See also Michael A. Carrier, *SOPA, PIPA, ACTA, TPP: An Alphabet Soup of Innovation-Stifling Copyright Legislation and Agreements*, 11 NW. J. TECH. & INTELL. PROP. 21, 25 (2013) (arguing that some requirements that provide for overbroad criminal remedies in the TPP and ACTA would punish even legitimate conduct).

232. See Weatherall, *Politics, Compromise, Text*, *supra* note 30, at 259-60 (discussing the debate on this point).

233. See *infra* annexure 1.

234. See TPP, *supra* note 25, art. 1.2. (recognizing and affirming the parties' intentions and obligations to coexist with existing international agreements).

235. See TPP, *supra* note 25, art. 1.2 (affirming explicitly each Party's 'rights and obligations with respect to the other Parties . . . in relation to existing international agreements to which all Parties are party, including the WTO Agreement').

236. See ACTA, *supra* note 23, art. 1 (emphasizing that obligations of Parties within ACTA shall not derogate those within existing agreements).

237. See EU Directive 2004/48, *supra* note 22, art. 2.3(b) (noting specifically that the Directive shall not affect "Member States' international obligations, notably the TRIPS Agreement").

concerned that when it comes to safeguards, out of sight is out of mind. In the absence of the TRIPS protections, the later instruments might be interpreted as overriding them, or simply forgotten by States focused on the newest and most detailed rules.

#### B. TENUOUS PROTECTION

A second theme to emerge from the discussion above, and annexure 1 below, is that the international instruments provide principles that will enable the safeguard of defendant interests – but do not ensure such a result. The international instruments state principles of fairness, and frame most procedures and remedies to allow for decision-maker discretion in their application. Whether defendant users are treated fairly and equitably in practice, however, will depend on how that discretion is exercised. We are unlikely to see, and likely do not want, more detailed guidance on the exercise of discretion in the treaties themselves. Respect for differences in system of justice, and the need to ensure room for dynamic development of concepts of fair trial and due process, limits our ability to usefully draft more specific protections for international instruments. The implication, nevertheless, is that we need to think about how else we can seek to inform the exercise of that discretion.

This paper is itself a partial response. Mapping the safeguards that protect, or could protect, defendant interests in international instruments is one step towards defending the interests of users as the prospective or actual objects of legal procedures. Hopefully, such elaborations can assist court systems with less experience. Where particular remedies are new, the mapping presented here could assist local legislatures, executive, and courts by providing guidance on some of the issues that can arise in relation to certain remedies. Further elaboration on safeguards could also help where States are under pressure to increase action against IP infringement. The United States has a history in trade negotiations of seeking guarantees from other States, that certain remedies are not only available, but also applied in practice.<sup>238</sup> The articulation of internationally accepted

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238. See AUSFTA, *supra* note 36, art. 17.117(b) (providing a striking textual example that allows Australia to eschew statutory damages, but also states that ‘if such additional damages . . . are not *regularly awarded* in proceedings involving deliberate acts of infringement where needed to deter infringement, that Party *shall*

limiting principles is one tool for assisting States to withstand this kind of pressure.<sup>239</sup>

A second key source of guidance in this respect is the actions and applications of rules at a domestic level. The more we unearth and highlight the measured approach real courts often take in the pursuit of justice and fairness, the more we can develop a narrative protective of defendant and user interests. Ideally, this will help counter a one-eyed ‘policing and deterrence’ narrative that otherwise dominates international and policymaker discussion, and empower other courts and decision-makers to focus on a fair trial and due process.

### C. EXCEPTIONAL OR ORDINARY?

A final discernible evolution is the way that newer international instruments are arguably normalizing remedies which, in TRIPS, were exceptional and draconian.<sup>240</sup> One example of this trend is the

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*promptly ensure that such damages are regularly awarded or establish a system of pre-established damages’ (emphasis added).*

239. There are limits to this argument. Excepting perhaps within the EU via a claim concerning compliance with the EU IP Enforcement Directive, it would be difficult to enforce a State’s obligation to provide sufficiently ‘fair’ IP enforcement procedures. It would be similarly difficult to claim that a State had been too harsh on defendants, unless such harshness was somehow coupled with a claim for nationality-based discrimination. *See* US-China Panel Report, *supra* note 75, at ¶ 7.513 (emphasizing what is already clear from the text of TRIPS: that the enforcement provisions of TRIPS give considerable leeway to States in implementation); *see also* Appellate Body Report, *United States - Section 211 Omnibus Appropriations Act of 1998*, ¶¶ 215-16, WT/DS176/AB/R (Jan. 2, 2002) [hereinafter *Havana Club*] (defining ‘available’ as ‘having access’ and acknowledging the wide variety of civil judicial procedures among Members).

240. This assertion begs the question what remedies or procedures would count as ‘extraordinary’. It is not possible here to elaborate further on exactly which remedies or procedures are extraordinary, or not, since such an assertion requires far more detailed engagement with domestic developments in a range of jurisdictions both in IP and beyond. However, provisional measures (discussed here) are not the only remedies or procedures provided for in various international IP instruments that may warrant designation as ‘exceptional.’ Pre-fixed damages, also known as statutory damages may be another example of a fairly ‘extraordinary’ remedy. A brief review of the U.S. Code suggests that such damages are relatively rare and more commonly set at a much lower level than is found in the U.S. Copyright Act. However, further research and comparisons with other countries are required to confirm this. *See generally* 17 U.S.C. §§ 103, 504 (1976) (defining ‘copyright’ and prefixing damages ranging from \$100 to

provisions relating to provisional measures. It is widely acknowledged that provisional measures warrant particular scrutiny, especially when they involve the seizure of alleged infringing goods or other evidence. Such orders have the potential to be especially disruptive to affected businesses, and, if granted *ex parte*, are open to abuse.<sup>241</sup>

Article 50 TRIPS requires that judges have authority to order 'prompt and effective' provisional measures to preserve evidence, and to prevent infringement.<sup>242</sup> Article 50 does not in terms state that such measures (or any subset of them) are confined to extreme cases. But the text is hedged about with restrictions and safeguards which strongly suggest that the remedy, especially when ordered *inaudita altera parte*, is to be considered exceptional. The applicant for a measure can be required to provide evidence, not just of infringement, but enough for judges to satisfy themselves of imminent infringement 'with a sufficient degree of certainty.'<sup>243</sup> The applicant can be required to provide security 'sufficient to protect the defendant and to prevent abuse.'<sup>244</sup> The defendant has a right to a review, measures must cease to have effect if proceedings are not initiated, and there is provision for compensation for any injury.<sup>245</sup> In relation to orders *inaudita altera parte*, TRIPS identifies limited circumstances where this might be appropriate: 'where any delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable risk of evidence being destroyed.'<sup>246</sup>

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\$150,000).

241. See *Universal Thermosensors Ltd. v. Hibben* [1992] 1 WLR 840 (UK) (finding that an injunction restraining a defendant from dealing with customers when there was a misuse of information should not go beyond what is required to protect the plaintiff); see also *Columbia Picture Indus. Inc. v. Robinson* [1987] Ch 38 (UK) (emphasizing that *ex parte* applications for an Anton Piller order requires disclosure of all relevant matters); see also *Lock Int'l Plc. v. Beswick* [1989] 1 WLR 1268 (UK) (holding that an employer must be specific as to the range of what is being protected as a trade secret when it seeks to prevent a former employee using information obtained during his employment).

242. See TRIPS, *supra* note 6, art. 50.3 (specifying that authorities may require applicants produce any readily available evidence to show infringement or imminent infringement, to provide security, and to prevent abuse).

243. TRIPS, *supra* note 6, art. 50.3.

244. See *id.*

245. See *id.* arts. 50.4–50.8.

246. See TRIPS, *supra* note 6, art. 50.2.

By contrast, Article 18.75 of the TPP is much less hedged about. The TPP requires that ‘Each Party’s authorities shall act on a request for relief in respect of an intellectual property right *inaudita altera parte* expeditiously.’<sup>247</sup> Unlike TRIPS, the TPP does not make any mention when such orders might be appropriate. Judicial authorities may require evidence and security against harm, although in the TPP, the security ‘shall not unreasonably deter recourse to those procedures.’<sup>248</sup> But none of the other safeguards are present in the TPP: no right of review; no requirement that the measures be revoked or cease to have effect; no provision to grant defendants compensation.<sup>249</sup> Further, the TPP text explicitly requires that judicial authorities have the power to order the most extreme version of a provisional order to preserve evidence or prevent infringement, which is not required by TRIPS: the provisional *ex parte* order for seizure or other taking into custody of suspected infringing goods, materials and implements relevant to the infringement, and documentary evidence relevant to the infringement.<sup>250</sup>

A similar evolution may be seen in the provisions on border measures. Border interception in defense of private rights is

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247. See TPP, *supra* note 25, art. 18.75.1.

248. See *id.* art. 18.75.2.

249. See TPP, *supra* note 25, art. 18.75.3 (lacking said safeguards with author suggesting that the power to order compensation to a wrongly restrained defendant is implicit in the provision of security. If this were true, however, TRIPS would then not require reference to compensation, since TRIPS also includes the potential for the court to require security sufficient to protect the defendant’s interests). *cf.* ACTA, *supra* note 23, art. 12 (falling somewhere between TRIPS and the TPP by retaining more of TRIPS safeguards but adding some of the TPP qualifications. ACTA art. 12 specifies when provisional measures might be appropriate and also provides for compensation to a defendant where no infringement is subsequently found. But, like the TPP, it also requires that the provision of security should not deter recourse to provisional measures, and does not make provision for revocation of provisional measures within any fixed period).

250. See TPP, *supra* note 25, art. 18.75.3; see also TRIPS, *supra* note 6, art. 50 (missing specific reference to impoundment of infringing goods and implements. It is perhaps arguable that such orders could fall within the concept of measures to preserve evidence, in which case the various safeguards provided within article 50 would apply. However, TRIPS art. 50 would be satisfied if a member state granted courts the power to order a party to retain or not destroy or not sell infringing material: such a limited approach to the preservation of evidence would not satisfy the TPP); compare ACTA, *supra* note 23, art. 12.3 (which has similar drafting to the TPP, *supra* note 25, art. 18.75.3).



unusual,<sup>251</sup> and the TRIPS provisions on border measures<sup>252</sup> are confined to trademark counterfeit goods and copyright piracy.<sup>253</sup> A right holder applicant must be required to provide 'adequate' evidence of prima facie infringement,<sup>254</sup> and can be required to provide security sufficient to protect the defendant and the competent authorities and to prevent abuse.<sup>255</sup> TRIPS states that proceedings on the merits must be commenced within a particular time period<sup>256</sup> and that there must be provision for compensation to importers and others harmed by suspension of goods.<sup>257</sup>

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251. Impoundment of goods at the border to enforce *private* rights is rare: in fact, in Australia this only occurs in relation to certain kinds of intellectual property. Seizure and impoundment at the border does occur to enforce public laws in Australia: seizure of goods without a warrant is allowed. *See Customs Act 1901*, § 203CB (Cth) (Austl.) (allowing seizure of goods without a warrant); *see also Customs Act 1901*, § 183UA (including narcotic goods, prohibited psychoactive substances, and prohibited serious drug alternatives); *see also Customs Act 1901*, § 203 (including alleged IP infringements as goods that may be seized without a warrant on the basis of a Notice of Objection lodged with customs); *Customs Act 1901*, § 203B (relating to 'special forfeited goods'); *see also Customs Act 1901*, § 203C (relating to narcotic goods, giving some indication of the kinds of serious infractions that can lead to instant, ex officio, and warrantless seizure by customs); *see also Customs Act 1901*, § 203T (including moveable cultural property among other provisions allowing for seizure). What is striking about these provisions is the seriousness of the offenses that may lead to seizure of goods at the border: in allowing for such a remedy, IP law is placed in company with drug and national security offences and special cases like cultural property: *see generally* Annemarie Bridy, *Carpe Omnia: Civil Forfeiture in the War on Drugs and the War on Piracy*, 46 ARIZ. ST. L.J. 683 (2014) (discussing another link between IP enforcement and drug enforcement).

252. *See* TRIPS, *supra* note 6, arts. 51–60.

253. *See* TRIPS, *supra* note 6, art. 51 (noting that Members are allowed to extend the measures beyond these cases and to other IP rights, provided similar safeguards are provided); *see also* TRIPS, *supra* note 6, art. 53 (qualifying this rule by providing that goods allegedly infringing on designs, patents, layout designs or trade secrets must be released after a certain period unless a judge makes the order requiring their continued suspension).

254. *See* TRIPS, *supra* note 6, art. 52 (requiring further that a right holder provide detail description of goods making them readily recognizable by customs authorities).

255. *See* TRIPS, *supra* note 6, art. 53.

256. *See* TRIPS, *supra* note 6, art. 55 (limiting detention of goods to ten days, with a possible extension of ten more days, when proceedings leading to a decision on the merits have not been initiated).

257. *See* TRIPS, *supra* note 6, art. 56 (giving relevant authorities the power to order indemnification of importer and owner of goods following a wrongful detention of goods).

Again, the TPP text has ‘evolved’ from TRIPS. The TPP extends such measures to cases of trade mark infringement, not only counterfeiting.<sup>258</sup> The TRIPS requirement that proceedings on the merits be commenced within a particular timeframe is not included. Although the TPP is more specific on what may be done with infringing goods, including destruction, plus mechanisms for administrative penalties or sanctions including fines,<sup>259</sup> there is no reference to compensation for a wronged importer or consignee. The non-inclusion of a series of safeguards in the TPP text changes the tone of the provision entirely, and communicates the impression, at least, that remedies of this kind should be considered an ordinary tool within the enforcement toolkit available to a right holder. This is undesirable if we wish to ensure that exceptional remedies are applied with care, and appropriate safeguards.<sup>260</sup> The evolution of IP enforcement provisions may make this harder – while these exceptional remedies are heavily qualified in TRIPS, the disappearance of safeguards highlighted above tends to detract from any suggestion that certain remedies might not be appropriate in the ordinary case.

## V. CONCLUSIONS

This paper has sought to explore user interests beyond the usual focus on exceptions and limitations, delving into the apparently prosaic area of remedies and procedure. As I have argued, if we wish to promote user interests within IP systems, we must engage equally across the full range of issues in the IP system – including enforcement. These aspects of the legal system will affect whether users can fight for their rights, or must rationally fold at the threat of litigation. I have also identified and analyzed the various safeguards

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258. See TPP, *supra* note 25, art. 18.76.1 (requiring Parties to provide applications to suspend or detain suspected counterfeit *or confusingly similar* imported mark or good).

259. See TPP, *supra* note 25, art. 18.76.6-7 (requiring parties to authorize administrative penalties and destruction of goods upon a determination of infringing goods).

260. See Eric Goldman, *Ex Parte Seizures and the Defend Trade Secrets Act*, 72 WASH. & LEE L. REV. 284, 307 (2015) (recommending that U.S. legislation specifically provide that certain ex parte seizure provisions are extraordinary, while simultaneously arguing that ex parte seizure for alleged trade secrets breaches are inappropriate).

found in certain key international IP instruments, and mapped their development over time. The overall picture is a complex one. There is certainly a very strong foundation for due process and appropriate and just remedies laid out in TRIPS; many of the procedural safeguards are mandatory and hence persist despite TRIPS' displacement with bilateral and plurilateral agreements, and both States and courts have the freedom within the architecture of the provisions to frame remedies in a way that promotes the full range of IP policy goals. However, there are also risks; for example, that safeguards will not be used out of neglect, intimidation or contestation from IP owner stakeholders, or simple lack of awareness, or even that States will fail to take full advantage of the flexibilities in enforcement just as too many have in the enactment of substantive IP law post-TRIPS. I hope that this paper will be one small contribution to ensure that this part of the flexibility of the IP system is remembered, used, and further developed.

## ANNEXURE 1: CONSOLIDATED TABLE OF DEFENDANT SAFEGUARDS IN INTERNATIONAL IP ENFORCEMENT INSTRUMENTS

### Notes:

Numbers indicate the articles/provisions where relevant safeguards may be found. A dash indicates that the safeguard is not present.

\* indicates a safeguard which is mandatory in TRIPS. ‘Mandatory’ includes where TRIPS requires that judicial or other authorities ‘shall have authority’ to make certain orders.

SAFEGUARD	TRIPS (1995)	AUSFTA (2004)	IPRED (2004)	ACTA (2010)	TPP (2015)
INTERPRETIVE PRINCIPLES					
Objective that enforcement should contribute to promotion of innovation and technology transfer	7	-	Innovation (no ref to technology transfer) <sup>261</sup> Recital 1, art 18	2.3 (incorporates TRIPS art. 7)	18.2
Members may adopt measures to protect public health and nutrition	8.1	-	<sup>262</sup> -	2.3 (incorporates TRIPS art. 8.1). Also <i>Doha Declaration</i> recognized in Preamble.	18.3. Also art 18.6 recognizes <i>Doha Declaration</i> .

261. Reference to technology transfer is clearly less critical and appropriate within the EU, which is comprised of developed countries.

262. Concerns about public health are ordinarily more associated with developing countries (such as, for example, via the Doha Declaration). *See* Charter of Fundamental Rights of the European Union, Dec. 7, 2000, 2000 O.J. (C 364) 1 [hereinafter Charter of Fundamental Rights] (simply stating that intellectual property shall be protected without mentioning safeguards); *see also* EU Directive 2004/48, *supra* note 22, ¶ 32 (aligning with the Charter of Fundamental Rights of the European Union with respect to intellectual property specifically).

Recognize the need to facilitate diffusion of information, knowledge, technology, culture and the arts	-	-	-	-	18.4
Recognizing the principles of transparency and due process	-	-	-	-	18.4
Taking into account interests of relevant stakeholders, including right holders, service providers, users and the public	-	-	-	Some reference to interests of third parties and consumers: recital 24	18.4
FAIR AND EQUITABLE PROCEDURES GENERALLY					
Fair and equitable IP enforcement procedures*	41.2	-	3.1	6.2	18.71.3
Decisions on merits in writing and reasoned	41.3	17.11.29	-	-	18.73.1
Decisions based only on evidence on which parties are heard*	41.3	-	-	-	-
Review of decisions (judicial/administrative)*	41.4, 50.4, 55	Appeal from refusals to register TM only: 17.2.7	7 (measures to preserve evidence), 9 (prov. measures)	-	Appeal from refusals to register TM only: 18.23(d)
Written and timely notice of the basis of the claims*	42	-	-	-	-
Right to independent legal counsel*	42	-	EU Charter of Fundamental Rights <sup>263</sup> art. 47	-	-
Right to substantiate claims and present evidence*	42	-	-	-	-
Production of evidence to the	43.1	-	-	-	-

263. See Charter of Fundamental Rights of the European Union (stating the fundamental rights protected in the EU. The Charter was proclaimed in 2000, and became legally binding on the EU with the entry into force of the Treaty of Lisbon, in December 2009. The Charter applies when EU countries adopt or apply a national law implementing an EU directive, including the IP Enforcement Directive. The Charter is referred to in Recital 32 of the IP Enforcement Directive).

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## SAFEGUARDS FOR DEFENDANT RIGHTS

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other side*					
Proportionality of procedures	Only in 47 (right of information)	-	Required: 3.2	Considered: 6.3	-
<b>LIMITS ON REMEDIES (GENERAL)</b>					
Limits on availability of injunctions where injunction is inconsistent with Member's law	44.2	n/a (no requirement re injunctions)	-	8	18.74.2
Proportionality of remedies (at least a consideration)	Only in 46, in application (destruction of implements)	-	Required in application: 3.2	Considered in implementing: 6.3	Considered in implementing: 18.71.5
Requirement that remedies/procedures be effective <sup>264</sup>	41.1	-	Required in application: 3.2	6.1	18.71.1
Protection for privacy / confidentiality	42, 43, 57	17.11.12 only (sanctions for violation of orders protecting confidentiality)	6, 7, 8	4, 11, 22	18.74.13, 18.74.14, 18.76.4.
Seizure of materials & implements used in infringement – only where <i>predominantly</i> used in <i>creation of infringing goods</i>	46	17.11.10 Use in creation & manufacture, not <i>predominant</i> use. But for © piracy and TM counterfeiting only	10 <i>principle</i> use in creation & manufacture only, but all IPR infringements	10 predominant use only; pirated copyright and TM counterfeiting only	18.74.12 any use in creation or creation of infringing goods, any IPR
<b>PROVISIONAL MEASURES</b>					
Court power to require sufficient evidence before order made*	50.3	17.11.17	9.3	12.4	18.75.2
Court power to require security to prevent abuse and protect defendant*	50.3	17.11.17	9.6	12.4	18.75.2
Requirement that provisional measures expire if proceedings not pursued within 20 working days*	50.6	-	7.3, 9	-	-
Compensation for costs or harms	50.7	-	7.4, 9.7	12.5	Compensation only for <i>abuse</i>

264. See TRIPS, *supra* note 6, art. 41.1 (stating “Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement”. ‘Effective’ here is both a required (effective enforcement must be provided for) but also a limit (Parties would not be required, under this provision, to provide remedies or procedures that would be futile)).

caused by provisional remedies *					of procedure: 18.74.15.
<b>BORDER MEASURES</b>					
Required only for counterfeit TM and pirated copyright goods	51	17.11.19 Extended also to TM infringement	EU Customs Regulation 4 available for infringement of all IPRs	13 Extended, with parties required not to 'discriminate unjustifiably' between IPRs	18.76 Extended also to TM infringement
Authorities must require sufficient evidence before seizure*	52	17.11.19	EU Customs Regulation 6, 17	17.1	18.76.2
Authorities' power to require security to prevent abuse and protect owner/importer of goods*	53	17.11.20	EU Customs Regulation 6.3(o) undertaking	18	18.76.3
Requirement that border measures expire if proceedings not commenced within 10 days (extendable once)*	55	-	EU Customs Regulation 23.3– <sup>265</sup> 23.5	-	-
Compensation for costs or harms caused by border measures*	56	-	EU Customs <sup>266</sup> Regulation 28; also 30 (penalties)	-	-
<b>ABUSE</b>					
Recognition of possible need for State action to prevent abuse of <sup>267</sup> rights	8.2	-	-	2.3 (incorporates TRIPS art. 8)	18.3.2

265. Note that the EU Customs Regulation has an additional step however: once goods are seized, the importer/owner is notified and must, within 10 days, notify customs of their objection to destruction. If they fail to do so they may be deemed to have consented to destruction without any determination of infringement: 23.1(c).

266. Within the EU IP Border Measures are dealt with via regulations separate to the EU IP Enforcement Directive: Regulation (EU) No 608/2013 of the European Parliament and of the Council of 12 June 2013 concerning customs enforcement of Intellectual property rights and repealing Council Regulation (EC) No 1383/2003, OJ L 181/15 (29.6.2013).

267. Note that it is not surprising that abuse of right does not form part of instruments concerned chiefly with enforcement, such as the EU IP Enforcement Directive.

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## SAFEGUARDS FOR DEFENDANT RIGHTS

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Reference to action to prevent abuse of procedures/ process*	41, also 63, 67	-	3.2	6.1	18.71.1
Compensation for abuse of procedures*	48	-	-	-	18.74.15
<b>CRIMINAL LAW</b>					
Limits on applicability of criminal law: willful, commercial scale copyright piracy and TM counterfeiting only	61	17.11.26 extended to significant non-commercial infringement, <i>and any</i> commercial infringement	[not addressed]	23 extended to commercial activities for direct or indirect economic or commercial advantage	18.77 extended to acts for commercial purposes, and significant non-commercial acts with substantial prejudicial impact