

Original Paper

Review of Trademark and Its Enforcement Provisions under TRIPS

Sohaib Mukhtar^{1*}, Zinatul Ashiqin Zainol¹, Sufian Jusoh² & Anowar Zahid¹

¹ Faculty of Law, National University of Malaysia, Bangi, Malaysia

² Institute of Malaysian and International Studies, National University of Malaysia, Bangi, Malaysia

* Sohaib Mukhtar, Faculty of Law, National University of Malaysia, Bangi, Malaysia

Received: March 12, 2018

Accepted: March 16, 2018

Online Published: March 26, 2018

doi:10.22158/jar.v2n2p86

URL: <http://dx.doi.org/10.22158/jar.v2n2p86>

Abstract

Trademark and its enforcement provisions are imbedded in Agreement on Trade Related Aspect of Intellectual Property Rights (TRIPS) for promotion and protection of Intellectual Property (IP) rights in member countries of World Trade Organization (WTO). Compliance with trademark and its enforcement provisions (15-21, 41-61) of TRIPS and implementation are two different things, e.g., enactment of law and its implementation hence more efforts are required for smooth implementation of IP rights in member countries. TRIPS is the only International Treaty containing exhaustive enforcement provisions for enforcement of IP rights in member countries. This article is a qualitative method of research reviewing provisions of TRIPS dealing with trademark (15-21) and its enforcement procedures (41-61) in member countries. Trademark enforcement procedures of member countries must be adequate, expedient and must not be complicated, costly and time consuming. Trademark enforcement procedures must be based upon due process of law and fair trial so that aggrieved party may (i) attain damages and compensation for loss due to trademark infringement, (ii) obtain injunctions to prevent trademark infringement in future, and (iii) punish counterfeiter/infringer with imprisonment and fine. Trademark and its enforcement provisions of TRIPS are required to be complied by member countries as there are hurdles in implementation of enforcement provisions, e.g., lack of IP knowledge, IP experts, long borders, deficiency in man power etc. which are required to be sorted out to promote and protect legitimate trade activities in member countries which is a long process needs to be achieved by positive steps under the light of trademark and its enforcement provisions of TRIPS.

Keywords

intellectual property, trademark, World Trade Organization, agreement on trade related aspects of IP rights

1. Introduction

Trademark enforcement provisions of TRIPS are required to be implemented in member countries as ratification of International Treaty and its comprehensive implementation are two different things, implementation requires positive steps towards elimination of false trade practices and for promotion of good trade activities hence member countries are required to educate relevant administrative authorities in IP and induct more IP experts which would spread knowledge through workshops, seminars, conferences and advertisements through print and electronic media as well as debates and question answer sessions directly with public. Comprehensive enforcement requires time and positive steps towards right path hence member countries need guidance and supervision apart from prescribed guidelines of TRIPS (15-21, 41-61). This article reviews trademark and its enforcement provisions under TRIPS to be implemented in member countries and suggest more guidelines for betterment of trademark and its enforcement procedures in member countries.

WTO and World Intellectual Property Organization (WIPO) are two main International Organizations working for promotion and protection of trademarks all over the world. TRIPS have specific provisions on trademark (15-21) and general provisions (articles 41-61) on IP enforcement in member countries including: (i) general obligations, (ii) civil procedure, (iii) administrative procedure, (iv) provisional measures, (v) border measures, and (vi) criminal procedure. Trademark enforcement procedures of member countries must not be complicated, time consuming and must be based upon justice.

Trademark is one of the component of IP which is that area of law concerning intangible legal rights specially associated with (i) creative efforts, e.g., patent, (ii) literary and artistic work, e.g., copyright, and (iii) commercial reputation, e.g., trademark. Trademark is mark, name, sign, smell or a sound which is used to distinguish goods/services of one undertaking from those of other undertakings. It is required to be distinctive and non-descriptive, it loses its distinctiveness when trademark owner/user does not take prompt action against its infringement. An appropriate, less time consuming, less expensive and less complicated trademark enforcement procedures are required to be employed by member countries to protect and promote legitimate interests of trademark owner/user for promotion and protection of good trade practices and elimination of false trade description for national economic growth.

Trademark enforcement provisions of TRIPS are required to be implemented in member countries to protect legitimate interests of trademark owner/user. It is a long process and there is a long gap between requirement and reality which should be filled by positive steps required to be taken by governments of member countries under the light TRIPS. Member countries must observe due process of law and fair trial in all types of trademark enforcement procedures. Different modes of ADR, e.g., arbitration, mediation, negotiation and consultation also required to be extended to disputing parties of trademark infringement in member countries as currently one ADR mode "consultation" is available under article 64 for resolution of disputes between member states and different modes of ADR are not available for settlement of disputes between citizens of member states.

TRIPS imbedded in General Agreement on Tariffs and Trade (GATT) solemnized under WTO in 1994 and came into force on 1st January 1995. This article discusses/describes WTO and thereunder TRIPS relevant provisions dealing with trademark (15-21) and its enforcement procedures (41-61) and conclude the paper with recommendations.

2. Literature Review

Antony Taubman, Hannu Wager, Jayashree Watal, Daniel Gervais, Peter Tobias Stoll, Jan Busche and Katrin Arend elaborated/illustrated provisions of TRIPS stating that relevant provisions of TRIPS dealing with trademark generally state that trademark is a sign capable to distinguish goods/services of one undertaking from goods/services of other undertakings. Intended use and nature of goods/services would not become obstacle in registration of trademark. Publication would take place before or after registration and if party fails to maintain usage for continuous 3 years, registration would be cancelled. Trademark owner may assign trademark with or without transferring his whole business with it. Term of protection for registered trademark would be at least for 7 years and renewable indefinitely after expiration of initial time. TRIPS relevant provisions dealing with enforcement procedures of trademark specifically including civil and administrative procedures, provisional and border measures and criminal procedure of trademark enforcement state that enforcement of IP right is one of the part of enforcement of law in general and there is no requirement to separate them and to create special resources for enforcement of IP rights. Legitimate trade is required to be encouraged through adequate procedures of enforcement by discouraging abuse against it. Enforcement procedures of trademark must be fair, equitable, adequate, expedient and must not be complicated, costly and time consuming (Taubman, Watal, & Wager, 2012; Gervais, 2012; Tobias, Busche, & Arend, 2009).

Duncan Matthews stated that though TRIPS implemented in member countries of WTO but has not been effectively enforced in member states and there is a sharp difference between adoption of TRIPS and its enforcement. Effective enforcement of TRIPS may take years to achieve. Member countries should improve their civil and administrative procedures, provisional and border measures and criminal procedure of IP enforcement including trademark. TRIPS challenges capacity of developing countries in IP enforcement. Member states are required to follow Part III of TRIPS to improve enforcement procedures of IP rights in member countries. Member countries are in difficulty to enforce border measures completely because borders of some member countries of WTO and WIPO are big and are consisted of forests and oceans from where people can easily trade counterfeit trademark products. Corruption in administration, untrustworthiness and incompetency in customs authorities are also hindrances in effective enforcement of IP rights in member states. Customs authorities of member states do not understand IP law completely that is why they are not able to enforce it completely (Matthews, 2003).

Xuan Li stated that norms and practices of IP rights' enforcement should be diversified, flexible and commensurate for development of effective enforcement procedures of trademark in member countries.

Judiciary of member states must provide civil remedies including injunctions, compensatory damages, disposal of infringed goods and other services outside channel of commerce. Legislature of member states are required to make changes in existing IP domestic laws to provide adequate remedies and relief to owner/user of registered trademark. IP is personal property of right holder thus burden and costs for its enforcement is to be borne by right holder (Li, 2009).

Judge of the United States Court of Appeal for the Sixth Circuit: *Bernice Bouie Donald* stated that a country whose IP laws and procedures including trademark and its enforcement procedures are adequate to protect rights of trademark owner/user and other IP rights, trade and investment come to that country from across the globe without any fair of injustice because of the perfect system of IP enforcement including trademark as per relevant International Conventions and other relevant bilateral treaties between sovereign states (Bernice, 2013).

There under is the description of WTO, TRIPS and thereafter discussion on relevant provisions of TRIPS dealing with trademark generally (15-21) and enforcement of trademark specially (41-61).

3. World Trade Organization

World Trade Organization (WTO) is an International Organization established to liberalize trade from government interventions. Eight rounds of talks held before signing of Marrakesh Agreement at the end of Uruguay Round in 1994 for the establishment of WTO. The idea for the foundation of an International Trade Organization (ITO) never materialized until 1995 when WTO was established under General Agreement on Tariffs and Trade (GATT) (Mitsuo, Thomas, Petros, & Hahn, 2015). WTO works to liberalize trade from government interventions and works for protection and promotion of trade and investment activities in member countries. It is the youngest International Organization and currently there are 163 members and 21 observers applied for its membership. Other purposes of WTO are: (i) cut living costs by reducing costs of products by liberalizing trade from government interventions, (ii) raise living standards, (iii) settle trade disputes through negotiations and other modes of Alternate Dispute Resolution (ADR), (iv) reduce trade tensions between member states, (v) simulate economic growth and employment, (vi) cut costs of businesses internationally, (vii) encourage good governance, (viii) help countries in their development, (ix) give weak a strong voice, (x) support environment, health, and (xi) contribute in peace and stability of the World at large (Barfield, 2001).

Ministers of trade from all member countries of WTO meet at the Ministerial Conference which is required to be held at least once within 2 years. Another body is the General Council which is the highest-level decision-making body at Geneva meets regularly to carry out functions of WTO. It acts on behalf of the Ministerial Conference which (i) oversees day to day affairs of WTO, (ii) reviews national trade policies of member states, and (iii) oversees dispute settlement procedures. The Ministerial Conference consists members from all member countries which are usually ambassadors and it is required to meet at least once every month. There are 3 main bodies working under the General Council: (i) the council for trade in goods, (ii) the council for trade in services, and (iii) the

council for TRIPS. The council for trade in goods acts through its committees, e.g., (i) committee on market access for goods monitors tariff and non-tariff measures, (ii) committee in agriculture trade to reform agriculture sector, address subsidies and high trade barriers, (iii) committee in sanitary and Phyto-sanitary, food safety, animal and plant health safety measures, (iv) committee on technical barriers of trade to ensure non-discriminatory technical regulations, standards and conformity assessment procedures, (v) committee to discipline subsidies and counter effects of subsidies, (vi) committee monitors unfair anti-dumping practices, (vii) committee on customs in trade related investment measures, (viii) committee for fair, uniform and neutral system of valuation of goods for customs purposes, (viiii) committee on rules of origin to determine origin of good, (ix) committee on import licensing which should be simple transparent and predictable, (x) committee on trade related investment measures, and (xi) committee on safeguard measures by restricting imports to protect specific domestic industry. The council for trade in goods has working party on state trading enterprises and their operations (Dillon, 1994).

The council for trade in services acts through its committees (i) committee for trade in financial services, and (ii) committee on specific commitments has working parties: (a) working party on domestic regulation to draft disciplines relating to technical standards, licensing and qualification requirements for service sectors, and (b) working party on General Agreement on Trade in Services. The council for TRIPS is the third body of the General Council monitors TRIPS agreement (Kwa, 2003).

4. Agreement on Trade Related Aspects of Intellectual Property Rights

Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) is the product of last round of GATT which is the Uruguay round started in 1986 and ended in 1994 (Reichman, 2000). The idea for inclusion of Intellectual Property (IP) introduced by USA under pressure of pharmaceutical industry whose representatives were also present in the negotiation round (Braga, 1995). IP was a new item in international negotiations related to trade hence developing countries opposed inclusion of IP general criteria at international level. However, TRIPS made part of GATT and it is considered third pillar of trade regime with trade and services. Long discussions and disagreements held during Uruguay Round resulted several ambiguities in TRIPS because of conflicting arguments by USA and European countries (Drahos, 2002).

TRIPS is the first International Agreement containing detailed rules of IP enforcement in member countries divided into 7 parts consisted of 73 articles: (I) General Provisions and Basic Principles, (II) Standards Concerning Availability, Scope and use of IP Rights, (III) Enforcement of IP Rights, (IV) Acquisition and Maintenance of IP Rights and Related Inter Parties Procedures, (V) Disputes Prevention and Settlement, (VI) Transitional Arrangements, (VII) Institutional Arrangement Final Provisions. Preamble of TRIPS states: Member states have recognized: (i) assurance of measures and procedures for effective enforcement of IP rights which should not become hurdle in legitimate trade,

(ii) need of new rules and disciplines for effective and appropriate enforcement of trade related IP rights, (iii) need for effective and appropriate procedures for settlement of disputes between contracting states, (iv) need of model to prevent disputes between contracting states, and (v) need for reducing tensions between contracting states by adopting expeditious procedures and therefore member states are required to give effect to provisions of TRIPS into their domestic laws of state and member states may adopt any suitable method for doing so (Tobias, Busche, & Arend, 2009).

When member state gives favor in respect to protection of IP rights it effects to all other member states except: (i) immunity is granted, (ii) favor is given, (iii) special arrangement due to privilege, (iv) advantage is driven from International Treaty of general nature, or (v) favor is given by member state to another member state in respect to protection of IP prior to entry into force of GATT (Articles 3-4 “TRIPS”, 1994). Member states may adopt necessary and appropriate measures to protect public health/food to promote public interest and to prevent abuse of IP rights and practices which restrain trade and international transfer of technology. Basic objective of protection and enforcement of IP rights is to promote, transfer and spread technological innovation for producers’/user’s advantage to contribute in social/economic welfare to rights and obligations (Taubman, 2011).

Exhaustive provisions on procedures of IP protection and enforcement of TRIPS are required to be complied in member states for effective trademark enforcement. Member states are required to follow articles 1-20 of Berne Convention as a requirement set out in article 2 of TRIPS. Articles 15-21 of TRIPS deal with (i) definition of trademark, (ii) subject matters of trademark, (iii) registration process of trademark, (iv) rights conferred upon the right holder of trademark, (v) duration of trademark protection, and (vi) licensing. Prior to entry into force of TRIPS, the only enforcement provision related to border measures of IP can be found in Paris Convention under article 9. TRIPS contains exhaustive provisions on IP enforcement in member states under articles 41-61 consisted of (i) general obligations, (ii) civil procedure, (iii) administrative procedure, (iv) provisional measures, (v) border measures, and (vi) criminal procedure (Yu, 2009). Article 64 of TRIPS deals with ADR, but its scope is limited to states and no guidelines are provided for settlement of disputes through ADR by citizens of member states. It is therefore recommended that guidelines for settlement of trademark disputes through ADR for citizens of member states are required hence must be prescribed for betterment of trademark enforcement procedures in member countries.

5. Trademark

Trademark is (i) mark, (ii) sign, (iii) name, (iv) word, (v) sound, or (vi) smell, which is capable of distinguishing goods/services of one undertaking from goods/services of other undertakings (Reichman, 1996). The owner of trademark has an exclusive right over it to use it and to place it on goods/services for their identification (Article 15 “TRIPS”, 1994). Trademark must be distinctive and non-descriptive, it losses its distinctiveness when trademark owner/user do not take prompt action against infringement of registered trademark (Li & Correa, 2009). Trademark is either traditional or non-traditional.

Traditional trademarks are (i) signs, (ii) words, (iii) labels, (iv) logos, and (v) shapes. Sign and word include: (a) personal name, (b) business name, (c) letter, (d) numeral, (e) figurative element, (f) combination of colors, and (g) combination of signs. Non-traditional trademarks include: (i) smells, and (ii) sounds, e.g., smell can be smell of a grass of tennis ball and sound can be of Nokia ringtone on mobile phone (Scardamaglia & Adams, 2016). Collective marks and certification marks are also protected under TRIPS. Collective marks are collectively registered by more than one undertaking, certification marks are registered for one undertaking only and uses to certify products/services also known as guarantee marks as the owner of trademark gives guarantee of certain products/services to consumer through guarantee/certification mark (Firth, 1995).

Common law marks and well-known marks are also protected without registration based on use under International Conventions. Article 6 of Paris Convention states: All persons are required to be treated equally for enforcement of IP rights in all member states except otherwise expressly provided. This rule cannot be taken in a sense to create restrictions in trade and any country of the union may cancel registration of trademark under law of the land or on the request of interested party if it creates confusion as it is identical to already registered trademark whose use is well known in the country. Trademark is used for description of goods/services to distinguish them from goods/services of other undertakings, it is pertinent to mention that trademark was used initially for description of goods only and after promulgation of Paris Convention, trademark started to be used for description of services as well (Schuyler, 1982).

Trademark is required to be (i) visually perceptible, (ii) must be of a distinctive nature, and (iii) must not be descriptive as descriptive trademark is usually non-distinctive. Distinctive trademarks are easy to be registered, e.g., Yahoo, Google, Hotmail, Coca Cola, Pepsi, etc. (Blakely, 2000). The owner of registered trademark is required to be vigilant and aware on infringement of his registered trademark. Trademark protects interests of producer of goods against unfair competition with other producers of goods, it facilitates consumer choice of purchasing goods at market place or using services, it also protects goodwill of an undertaking and good will of consumer against deceptive practice (Austin, 2007).

The registration of trademark is required for its full legal protection as non-registered trademark is also protected based on use under International Treaties. Trademark registration clarifies existence and scope of IP right and notify other traders on its existence and scope. The registration of trademark saves time and money of trademark holder. The right of trademark is created based on first to file principle in civil law countries, e.g., Germany, Belgium, and based on first to use principle in common law countries, e.g., United Kingdom (UK), United States of America (USA). Trademark registration usually takes place at (i) nationality place of a person, (ii) domiciled country of a person, and (iii) commercial place of a person. International registration of trademark may be adopted by citizens of member states parties to Madrid Protocol (Bryer, 2011). Madrid Protocol is one of the treaties of WIPO made to protect International Trademarks. Madrid Agreement established Madrid System known as

International Trademark System which is solution of trademark registration and its management worldwide by filling one application in official language of member state, pay prescribed fee and protect trademark in territories of member states. It is one stop solution for holders of trademark to obtain and maintain protection in multiple markets of interest and export small or large businesses worldwide (Schulte, 1995). It is therefore recommended to countries who have not yet ratified Madrid Protocol, e.g., Malaysia, Pakistan to acceded to Madrid Protocol for benefits of traders and investors specially and people at large generally.

Intended use and nature of goods/services are not obstacles in the registration of trademark. Publication of trademark may take place before or after the registration and registered trademark may be questioned by any party who has an interest in it. The use may be the requirement for maintaining the registration and if a party fails to maintain the usage for continuous 3 years, the registration shall be cancelled except a valid reason is shown by trademark holder (Article 15 "TRIPS", 1994). The term of protection for the registered trademark is at least for 7 years and renewable after expiration of the term and the previous owner will be given preference while renewing the term (Article 18 "TRIPS", 1994). The owner can give exclusive or nonexclusive license but a compulsory licensing is not permitted and the owner may also assign trademark with or without transferring his whole business with it (Article 21 "TRIPS", 1994).

Registration of trademark is required to be conducted in accordance with relevant domestic legislation of member states but there are certain rules under TRIPS and Paris Convention which are required to be followed for better system of trademark registration. First is principle of priority as per which a person files an application for registration of trademark in one-member state can also file an application within 6 months in another member state based on principle of priority for registration of that trademark in another member state. As per Paris Convention, right of priority can be claimed if application for registration of trademark is filed in one of the member states of WIPO. Limitation on acquisition of right of priority is 6 months for trademark (Article 4 "Paris Convention", 1967). Declaration of priority is required if previous application has been withdrawn, abandoned or refused and applicant files subsequent application with relevant documents within 3 months. There is no restriction on multiple priority claims and subsequent application would give rise automatically to right of priority except otherwise expressly provided. If an application contains more than one trademark, right of priority may be claimed separately for them (Li & Correa, 2009).

Secondly, competent authority of member state must publish registered trademark with description of product either before or after completion of registration process. Member states are not directed to follow same system of registration as normally are in most member states, but it is highly recommended to do so. Member states must give reasonable opportunity to opposing party for challenging registration of trademark and that challenging process must be transparent (Leaffer, 1998). Degree of legal protection for trademark depends on strength of trademark, its distinctiveness and non-descriptiveness (Articles 16-17 "Paris Convention", 1967).

Trademark rights are divisible into (i) general right, (ii) exclusive right, (iii) well-known trademark right, (iv) licensing and assignment. General rights of trademark prevent other persons not to use right holder's trademark because it may cause confusion in the mind of consumer at market place, it is available to the owner of trademark whether trademark is registered or not. Exclusive rights of trademark owner are those rights which give trademark owner monopoly to use it exclusively without hindrance, it is available to the owner of trademark if it is registered. Well-known trademark rights are those rights which are related with trademarks protected under International Treaties (Article 16 "TRIPS", 1994). As far as licensing is concerned, ordinary licensing of trademark is allowed with exclusion of trade itself. No compulsory licensing for trademark is allowed under TRIPS. An assignment of trademark to another person is also allowed but assignment must not be encumbered with other requirements, e.g., (i) use of trademark with another trademark, (ii) use of trademark in a special form, or (iii) use of trademark in a manner detrimental to trademark ability (Taubman, 2012).

6. Enforcement of Trademark

Enforcement of trademark in member countries required to be done in accordance with TRIPS provisions of Part III (41-61) includes: (i) civil procedure, (ii) administrative procedure, (iii) provisional measures, (iv) border measures, and (v) criminal procedure. Paris Convention was the first International Treaty containing border measure provisions as TRIPS is the first International Treaty contains exhaustive provisions on enforcement of IP rights in member countries (Yu, 2006). General obligations of TRIPS are required to be complied by member states to permit an effective action against an infringement of IP right while ensuring basic principles of due process and fair trial. Member states are directed to avoid creation of barrier in legitimate trade to (i) provide safeguard against abuse of the procedure by indemnification of defendant while providing him security, (ii) empower competent authorities to order certain measures in case of an infringement of IP law, (iii) make an enforcement procedure available in their national law to enable right holder to take an effective legal action against infringement of his exclusive right, (iv) provide expeditious remedies to prevent trademark infringement, and (v) provide other remedies to deter further infringement of IP rights (Yu, 2010). Due process includes fair and equitable treatment as well as it requires that decision of the case in member states must be (i) based on merit, (ii) in writing, (iii) reasoned, (iv) based on evidence, and (v) available at least to parties without undue delay. At least a judicial review must be available to the aggrieved party on final civil or administrative decision except a judicial review in criminal acquittal cases (Article 41 "TRIPS", 1994). TRIPS do not affect enforcement capacity of member states in their general domestic laws. It is not obligatory upon member states to deal separately with enforcement of general domestic law and enforcement of TRIPS by redistributing resources (Trainer, 2008).

Civil procedure of trademark enforcement must be available to aggrieved party in member states so that in case of trademark infringement he can easily avail civil procedure for redressing his grievance.

Civil procedure of trademark enforcement must be fair and equitable where general rules of due process and fair trial must be met (Brewster, 2011). Right of notice must be fully observed which must be timely and contains sufficient details of claim. Right of representation must be protected under civil trademark enforcement procedure so that parties can present their claims through independent counsel. Personal appearance of parties during civil procedure of trademark enforcement must not be made compulsory if his independent counsel is presenting his claim regularly on time. Parties must be given full right to present an evidence to prove his claim in front of the competent authority for proving or disproving any fact in issue or relevant fact. Identification and protection of confidential information must be fully observed during civil procedure of trademark enforcement except Constitution of member state states otherwise (Article 42 “TRIPS”, 1994).

Evidence is the most important thing in every enforcement procedure which is any legal mean for proving or disproving of any fact in issue or relevant fact in front of the competent authority. Enforcement part of TRIPS empowers legal authority to order for production of evidence which is in possession of the opposing party except if it reveals trade secret. The competent authority can only progress in taking evidence which is under possession of the opposing party if the applicant has already proven his claim beyond a reasonable doubt and remaining evidence will put further clarification on his claim (Brewster, 2011). When the opposing party fails to provide information within a reasonable time without good reason refuses to provide access to an evidence which is in his possession significantly impedes civil procedure of trademark enforcement then the Court is required to announce its decision based upon presented evidence after observing right of notice prior to announcement of the decision. The judicial review must always available to the aggrieved party so that he can apply for modification or cancellation of the decision (Article 43 “TRIPS”, 1994).

In civil procedure of trademark enforcement, the competent authority has empowered to grant injunction as per article 44 of TRIPS under relevant domestic law of member state. Purpose of granting injunction is to (i) prohibit party from doing specified act, and (ii) command party to undo something. Whosoever does not comply with decision of the competent authority related to injunction, the Court will act under contempt of court proceedings as per domestic law of member state (Article 44 “TRIPS”, 1994). Contempt of court action can be taken in civil procedure as well as in criminal procedure while punishment of contempt of court in civil cases damages and in criminal cases sanctions (Ramsey, 2010).

The Court may grant damages when trademark infringer acted in bad faith and knowingly infringes trademark or when there is a reasonable ground to believe that infringement of trademark is occurred knowingly. Damages must be adequate which is compensation of the injury caused by the right holder and expenses beard by the right holder for adopting civil procedure of trademark enforcement. The Court may order recovery of profits from trademark infringer whether infringement is occurred in good faith or in bad faith (Article 45 “TRIPS”, 1994). There are some exceptions to general rule of trademark infringement/counterfeiting (i) innocent infringement which is that infringement when a

person infringes trademark without knowing that he has been doing some illegal activity and he has acquired product and has acted in good faith, and (ii) use of trademark by member state's government or by authorized party of government without prior permission of the right holder hence he can apply for recovery of losses. In matters where remedies of TRIPS are inconsistent with national laws of member states, the competent authority will take help from declaratory judgments and adequate compensations (Reichman, 2000). There are certain other remedies with injunction and damages: (i) removal of infringing goods from the course of trade, (ii) destruction of infringed trademark goods out of the course of trade to prevent further damage to the right holder at market place, and (iii) take a good out of circulation from commercial place (Article 46 "TRIPS", 1994).

The Court while ordering remedies must fully observe proportionality between seriousness of trademark infringement, remedial order and interest of the third party. The Court may order the defendant to inform the right holder identity of the producer and the distributor of infringed trademark goods and their channel of distribution (Article 47 "TRIPS", 1994). The Court may order that after determining seriousness of trademark infringement, the Court in certain cases may order the plaintiff to pay adequate compensation to the defendant if the plaintiff has joined him in civil procedure of trademark enforcement wrongly or has not joined him due to his personal benefits (Article 48 "TRIPS", 1994).

Administrative procedure provisions and civil procedure provisions are discussed jointly under Section 2 in Part III of TRIPS. Observance of civil procedure for trademark enforcement in member states is compulsory as observance of administrative procedure is not compulsory. Administrative procedure of trademark enforcement is the most important procedure through which party files trademark registration application, opposition files claim against registration of trademark before the Registrar and border measures are conducted by customs authority which is under executive control. TRIPS ask administrative authorities of member states to follow civil procedure provisions of TRIPS (42-48) as well as provisional measures' provision (50). Administrative wing of the state is that wing through which policy is implemented if it is corrupt, weak or deficient, it cannot enforce the law and decisions of the Court. Powerful judicial system cannot do anything without participation and full support of administrative wing of the state (Sherrman, 2014).

Provisional measures are prescribed in Part III of TRIPS permits effective and expeditious action against illegal alleged infringement. The important thing to be noted here is that alleged infringement is that trademark infringement which is not prima facie proved before the competent authority as it is in process of proving or disproving hence the right holder needs protection for himself and for evidence he relies upon to prove his claim before the competent authority beyond reasonable doubt. Purpose of provisional measures is to stop an alleged trademark infringement when there is a likelihood that an irreparable harm will be caused to the right holder and when there is a clear risk that evidence will be destroyed and to prevent an infringed good to come up during trade after custom clearance (Article 50 "TRIPS", 1994). The Court may order the right holder to provide sufficient proof that (i) he is the right

holder, (ii) trademark right is infringed, and (iii) trademark infringement is imminent. The right holder is required to supply necessary information for identification of goods. The Court may require the right holder for safeguarding against abuse to (i) provide security or equivalent assurance for protection of the defendant and to prevent an abuse, and (ii) pay compensation to the defendant in case if provisional measures are revoked, lapsed or the case is decided in favor of the defendant (Taubman, 2012).

Border measures of trademark enforcement first prescribed in Paris Convention which is the only enforcement action prescribed in International Treaty and there is nothing more mentioned anywhere else in International Treaty unless entry into force of GATT in 1995 thereunder TRIPS whose Part III contains exhaustive provisions on IP enforcement including border measures. Paris Convention states that imported goods bearing unlawful trade name or trademark shall be seized in all member countries on the request of (i) public prosecutor, (ii) competent authority, or (iii) interested party under domestic legislation. If seizure is not allowed under domestic legislation, prohibition on importation shall be invoked and if this remedy is also not available, any sufficient remedy shall be invoked which is available under domestic legislation and member states are required to take steps for amending domestic laws as early as possible (Article 9 “Paris Convention”, 1967).

Counterfeit trademark goods are those goods which bear trademark without authorization and identical to trademark validly registered in respect of such goods or which cannot be distinguished in its essential aspects from such trademark in question under law of the country of importation. Border measures must be available for counterfeit trademark goods but may not be available for (i) infringing goods destined for exportation, (ii) goods in transit, (iii) parallel imports which does not come under trademark infringement, and (iv) De Minimis imports available in traveler’s luggage. Normally there are no rules for De Minimis imports but in some countries, there are rules under principle of no tolerance policy (Article 60 “TRIPS”, 1994). Member states must designate customs authority to receive application from the right holder and act as per requirements of customs law of the land. The applicant must provide (i) sufficient evidence without reasonable doubt that trademark infringement is occurred under relevant law of the land, and (ii) detailed description of goods. Thereafter the competent authority will reply to the applicant regarding acceptance or rejection of application and how long will they act against alleged infringed trademark goods (Articles 51-52 “TRIPS”, 1994).

Customs authority may seize counterfeit trademark goods and suspend its release to give chance to trademark owner/user to start legal proceedings against counterfeiter/infringer. Duration of suspension is 10 days which can be maximized into 20 days and in case if the applicant fails to start legal proceedings, the customs authority will release goods. When legal proceedings start, the defendant has the right to avail opportunity of judicial review for modification or suspension order for seizure of goods (Article 55 “TRIPS”, 1994). The competent authority may ask the applicant to provide security or equivalent assurance sufficient to protect the defendant, but it should not be in a manner to deter the applicant unreasonably from having recourse to these procedures. The competent authority may ask the applicant to pay compensation to third party whose interests are affected due to seizure of alleged

infringed trademark goods or due to delay in taking legal action subject to protection of (i) confidential information, (ii) right of inspection, (iii) right of information of infringed/suspended trademark goods to the right holder for substantiation of his claim and for the defendant to prepare his defense (Articles 56-57 “TRIPS”, 1994).

Member states are required to make rules that in case if alleged trademark infringement is proved, distribution channel should be traced and should be taken into legal course of action. Border measures remedies include (i) destruction of goods, and (ii) disposal of goods outside the course of trade to avoid further harm to the right holder at market place (Article 59 “TRIPS”, 1994). Border Measures should be implemented in a way to (i) ensure proportionality, (ii) no compensation for the defendant, (iii) no further harm to the right holder, and (iv) must not be contrary to constitutional requirements of member state. The competent authority may act on its own initiative without prior request to suspend release of goods based on prima facie evidence of trademark infringement and the right holder may be required to help relevant authorities in ex-officio cases (Article 58 “TRIPS”, 1994; Vrins, 2012).

Member states are required to put more efforts for improving border measures of trademark enforcement by (i) inducting more IP experts in customs authority, (ii) educating customs authority in IP field specially in copyright and trademark, (iii) elimination of corruption, (iv) arrangement of seminars, workshops and conferences, and (v) hiring competent truthful and trustworthy staff (Mohamed, 2012).

Criminal procedure of trademark enforcement shall be adopted in willful acts of trademark infringement/counterfeiting and carried-on commercial scale. Criminal remedies include (i) imprisonment, (ii) fine, (iii) seizure, (iv) forfeiture, (v) destruction of goods, and (vi) destruction of materials/equipment used for trademark infringement (Article 61 “TRIPS”, 1994). Remedies must be consistent with level of penalties applied for crimes of corresponding gravity. Member states are required to make contact points in their administrations to exchange information on trade and to promote exchange of information related to piracy of copyright goods and counterfeiting of trademark goods (DuBose, 2005).

Apart from Part III of TRIPS dealing with enforcement procedures for settlement of trademark disputes, TRIPS also contain article 64 on consultation which is one of the modes of ADR, but its scope is limited to member states’ dispute settlement and not extended to settlement of trademark disputes by citizens of member states. It is therefore recommended that comprehensive guidelines for settlement of trademark disputes by different ways of ADR, e.g., arbitration, mediation, negotiation and consultation may be provided for citizens of member states. Modes of ADR are inexpensive, appropriate and less time-consuming ways for settlement of disputes therefore scope of ADR should be extended to citizens of member states for settlement of disputes outside the Court by avoiding technicalities of procedural law.

7. Conclusion and Recommendations

There are 2 main International Organizations currently working at international level for protection and promotion of trademarks and other components of IP all over the world (i) WTO, (ii) WIPO. WIPO has 2 main treaties on trademark (i) Paris Convention, and (ii) Madrid Protocol. Paris Convention is the first International Convention contains articles 9 dealing with border measures for protection of trademarks in member countries as exhaustive provisions on enforcement procedures of trademark are prescribed under Part III of TRIPS (articles 41-61). Enforcement provisions of TRIPS consisted of (i) general obligations, (ii) civil procedure, (iii) administrative procedure, (iv) provisional measures, (v) border measures, and (vi) criminal procedure. Articles 15-21 of TRIPS specifically talks about trademark definition, its subject matters, rights conferred upon right holder, duration and extent of trademark registration, licensing, etc.

Enforcement procedures of trademark in member countries are required to be appropriate, non-complicated, not time consuming and based upon fair trial and due process of law while right of notice and right of hearing must be observed in legal proceedings prior to announcement of the final decision. Administrative authorities of member states are required to follow civil procedure provisions (42-48) and provisional measures' provision (50) but it is optional and not compulsory. Administrative procedure is most important procedure in trademark enforcement because it starts with trademark registration process thereafter trademark opposition proceedings and other relevant matters before relevant administrative authority hence proper exhaustive guidelines in administrative trademark enforcement procedure are required to be prescribed in relevant domestic law of member states.

Member countries are in difficulty to enforce border measures comprehensively hence member states are required to induct IP experts for training of customs authority in IP field specially and for spreading knowledge to public through seminars, workshops, conferences and advertisements generally. Furthermore, corruption needs to be wipe out and more man power should be hired with proper training of IP and member countries are required to collaborate with each other for effective enforcement of trademark through border measures. Lastly, different modes of ADR, e.g., arbitration, mediation, negotiation, consultation are required for settlement of trademark disputes between citizens of member states thus proper guidelines in this matter is required for in-expensive, expedient, appropriate, and less time-consuming modes for settlement of trademark disputes by avoiding technicalities of procedural law.

References

- Agreement on Trade Related Aspects of Intellectual Property Rights*. (1994). World Trade Organization.
- Aileen, K. (2003). *Power Politics in the WTO*. Thailand: Focus on the Global South Bangkok.
- Amanda, S., & Adams, M. W. (2016). Registering Non-Traditional Signs as Trade Marks in Australia: A Retrospective. *Australian Intellectual Property Journal*, 26(3), 149.

- Antony, T. (2012). *A Handbook on the WTO TRIPS Agreement*. United Kingdom: Cambridge University Press.
- Antony, T., Hannu, W., & Jayashree, W. (2012). *A Handbook on the WTO TRIPS Agreement*. United Kingdom: Cambridge University Press.
- Bernice Bouie Donald Federal Judge USA. (2013). *Intellectual Property Rights: Pakistan Needs Proper Laws to Attract Investment*. The Express Tribune.
- Braga, C. A. P. (1995). Trade-Related Intellectual Property Issues: The Uruguay Round Agreement and its Economic Implications. *World Bank Discussion Papers*, 381-412.
- Brewster, R. (2011). The Remedy Gap: Institutional Design, Retaliation, and Trade Law Enforcement. *George Washington Law Review*, 80(1), 102-158.
- Brewster, R. (2011). The Surprising Benefits to Developing Countries of Linking International Trade and Intellectual Property. *Chicago Journal of International Law*, 12(1), 1.
- Bryer, L. (2011). *Intellectual Property Operations and Implementation in the 21st Century Corporation*. United States of America: John Wiley & Sons.
- Claude, E. B. (2001). Free Trade, Sovereignty, Democracy: Future of the World Trade Organization. *Chicago Journal of International Law*, 2(2), 403.
- Daniel, G. (2012). *The TRIPS Agreement: Drafting History and Analysis* (4th ed.). United Kingdom: Sweet & Maxwell Ltd.
- Drahos, P. (2002). Negotiating Intellectual Property Rights: Between Coercion and Dialogue. *Global Intellectual Property Rights: Knowledge, Access and Development*, New York: Palgrave, 161-182. https://doi.org/10.1057/9780230522923_10
- DuBose, M. M. (2005). Criminal Enforcement of Intellectual Property Laws in The Twenty-First Century. *Columbia Journal of Law and the Arts*, 29, 481.
- Duncan, M. (2003). *Globalising Intellectual Property Rights: The TRIPS Agreement*. Routledge. United Kingdom.
- Firth, A. (1995). *Trade Marks (The New Law)*. Jordan: Jordan Publishing Limited.
- Graeme, W. A. (2007). Tolerating Confusion About Confusion: Trademark Policies and Fair Use. *Arizona Law Review*, 50, 157.
- Leaffer, M. A. (1998). New World of International Trademark Law. *Marquette Intellectual Property Law Review*, 2, 1.
- Mitsuo, M., Thomas, J. S., Petros, C. M., & Hahn, M. (2015). *The World Trade Organization: Law, Practice and Policy* (3rd ed.). United Kingdom: Oxford University Press.
- Mohamed, K. (2012). Trademark Counterfeiting: Comparative Legal Analysis on Enforcement within Malaysia and the United Kingdom and at their Borders. *Computer Law & Security Review*.
- Paris Convention. (1967). *World Intellectual Property Organization*.
- Peter-Tobias, S., Jan, B., & Arend, K. (2009). *WTO: Trade-Related Aspects Of Intellectual Property Rights* (Vol. 7). Leiden, Netherlands: Martinus Nijhoff Publishers (Brill).

- Ramsey, L. P. (2010). Free Speech and International Obligations to Protect Trademarks. *Yale International Law*, 35, 405.
- Reichman, J. H. (1996). Compliance with the TRIPS Agreement: Introduction to a Scholarly Debate. *Vanderbilt Journal of Transnational Law*, 29, 363.
- Reichman, J. H. (2000). The TRIPS Agreement Comes of Age: Conflict or Cooperation with Developing Countries. *Case Western Reserve Journal of International Law*, 32(3), 441-470.
- Schulte, D. C. (1995). The Madrid Trademark Agreement's Basis in Registration-Based Systems: Does the Protocol Overcome Past Biases (Part I). *Journal of Patent and Trademark Office Society*, 77, 595.
- Schuyler, W. E. (1982). Paris Convention for the Protection of Industrial Property-A View of the Proposed Revisions. *North Carolina Journal of International Law and Commercial Regulation*, 8, 155.
- Sherrman, B. (2014). *Intellectual Property Law* (4th ed.). United Kingdom: Oxford University Press.
- Taubman, A. (2011). *A Practical Guide to Working With TRIPS*. United Kingdom: Oxford University Press.
- Thomas, J. D. (1994). The World Trade Organization: A New Legal Order for World Trade. *Michigan Journal of International Law*, 16(2), 349.
- Timothy, W. B. (2000). Beyond the International Harmonization of Trademark Law: The Community Trade Mark as a Model of Unitary Transnational Trademark Protection. *University of Pennsylvania Law Review*, 149(1), 309-354. <https://doi.org/10.2307/3312851>
- Trainer, T. P. (2008). Intellectual Property Enforcement: A Reality Gap (Insufficient Assistance, Ineffective Implementation). *The John Marshall Review of Intellectual Property Law*, 8(1), i.
- Vrins, O. (2012). *Enforcement of Intellectual Property Rights through Border Measures*. United Kingdom: Oxford University Press.
- Xuan, L., & Carlos, M. C. (2009). *Intellectual Property Enforcement International Perspective*. United Kingdom: Edward Elgar Publishing Limited.
- Xuan, L., & Correa, C. M. (2009). *Intellectual Property Enforcement International Perspective*. United Kingdom: Edward Elgar Publishing Limited.
- Yu, P. K. (2006). TRIPS and its Discontents. *Marquette Intellectual Property Law Review*, 10(2), 369-410.
- Yu, P. K. (2009). The Objectives and Principles of the TRIPS Agreement. *Houston Law Review*, 46, 797-1046.
- Yu, P. K. (2010). The TRIPS Enforcement Dispute. *Nebraska Law Review*, 89(1), 1046-1131.