WIPO-WTO COLLOQUIUM PAPERS: 2017 ASIAN EDITION

RESEARCH PAPERS FROM THE 2017 REGIONAL WIPO-WTO COLLOQUIUM FOR IP TEACHERS AND SCHOLARS IN ASIA
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FOR IP TEACHERS AND SCHOLARS IN ASIA

Compiled by the WIPO Academy and
the WTO Intellectual Property, Government Procurement and Competition Division
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The production of the Asian edition of the *WIPO WTO Colloquium Papers* represents a significant milestone - it marks an important new direction for what has been an invaluable programme of collaboration between our two organizations. More importantly, it demonstrates the remarkable progress achieved in intellectual property (IP) scholarship across the Asian region in recent years, and the vital roles of IP teachers and scholars in building a knowledge base that is essential for effective policymaking in this challenging and fast-changing field.

In 2004, WIPO and the WTO launched a series of annual colloquia for teachers and researchers working on IP law and policy. The WIPO-WTO Colloquia form part of a strategy to build sustainable national capacity in developing countries and least developed countries for teaching and research in the field of IP. These countries have sought to apply the IP system ever more effectively as a tool for economic and social development, therefore they have had to build national expertise and bolster their own capacity to analyse complex legal and policy issues confronting the domain of IP today. The colloquia were conceived as a way of building self-sustaining policy knowhow, while simultaneously promoting cooperation and collaboration. Hence, our two organizations are responding to the growing demand to strengthen the distinct legal and policy expertise available in individual countries, while scholars and teachers have concurrently recognized the value of dialogue, the pooling of ideas and the sharing of experiences from different countries around the world.

This interest was developed in a period of unprecedented globalization of the IP system -- a time marked by policymakers seeking to build their understanding of the practical possibilities for creating a balanced and effective IP system that can contribute to economic and social development. For many countries, these trends have sparked an intensive, wide-ranging process of inquiry about how to adapt and apply IP principles to ensure economic growth, sound public policy, and sustainable development, while recognizing the diversity of economic, social and technological settings, national developmental priorities, alongside legal and commercial systems. Through tackling the policy challenges faced by the IP system in different ways, countries are learning by doing, thereby producing an ever more diverse range of practical experiences that offer insights to others grappling with similar challenges elsewhere. Asian countries in particular have shown dynamism and diversity in the ways they have taken up the IP system as a means for economic and social development, with valuable lessons to be learned from this experience.

To promote such mutual learning and exchange of ideas, the WIPO-WTO Colloquium has, over the years, brought together an impressive array of scholars from across the globe, and has forged an alumni network that serves to maintain this dialogue and collaboration beyond the formal bounds of the colloquium programme itself. The colloquia have evolved as a clearing house of new ideas, new critical approaches and cutting-edge scholarship, with a unique focus on the developing world. In order to harvest the fruit of this scholarship, and to ensure the sustained impact and greater dissemination of this knowledge, the initiative to publish colloquium participants’ papers in an edited, peer-reviewed academic journal, titled the *WIPO WTO Colloquium Papers* was taken in 2010. The Papers are published, under the guidance of an editorial board comprising senior international scholars and officials. The six editions of the Papers have confirmed the publication’s status as an academic journal with a unique focus on emerging policy and legal issues within a wide range of jurisdictions across developing countries.

The success of the WIPO-WTO Colloquium- and the impossibility of meeting the overwhelming demand (applications numbering some eight times more than available places) – led to the proposal of regionally focussed versions of the colloquium. This enables a closer look at specific regional trends and strengthens the academic networks within a region. The first such regional exercise took shape as the WIPO-WTO Colloquium for IP Teachers and Scholars in Asia, which convened in February 2017 with the cooperation of the Singapore Management University. The WIPO-WTO Colloquium for Asia provided IP academics in the region with a greater understanding of current international developments in IP law and policy, particularly relevant to the Asian context. It also promoted cutting edge Asia-focused research; and served as a forum to strengthen collaborative networks and academic exchanges across the Asian region.

This volume is the outcome of the regional gathering. Its contents give a good measure of the intellectual depth, range and vitality of participants in the WIPO-WTO Colloquium for Asia who gave papers on diverse topics, ranging from a close analysis of legal issues to the interaction of IP with public policy questions, in addition to cross-border and trade-related issues of direct relevance to Asian countries today. Participants also explored new approaches to
teaching and training in IP law and its practice, in view of the far wider and more diverse constituency of IP education. The trend, while welcome in itself, is challenging for educators in the region.

All of us who have participated in the colloquium programme have benefited from the hard work and dedication of many colleagues within WIPO and the WTO Secretariat – notably, the WIPO Academy and the WTO’s Intellectual Property, Government Procurement & Competition Division, with the invaluable support of the Institute of Training and Technical Cooperation (ITTC). All have contributed valuably to the design and delivery of this programme, and their spirit of collegiality makes this not only a demanding programme, but also a pleasurable one.

We owe a particular debt of gratitude to the Editorial Board and the editors of this Asian edition of the WIPO-WTO Colloquium Papers, as they have been indispensable in ensuring that the Papers can be used as a trusted, academically sound and readable source of cutting edge IP scholarship from an impressive group of emerging scholars representing a variety of developing countries. They have also served to fulfil the intended contribution of the Colloquium Papers initiative towards the capacity building goals of the WIPO Academy and WTO’s ITTC, by guiding emerging scholars, where needed, in sculpting their academic writing skills through a participative and interactive dialogue, thus enhancing the potential to add even more diverse perspectives to policy debates in a sustained and credible way. Finally, we record our deep appreciation for the contributions made by individual scholars to this edition of the Papers, and its preceding volumes, which we have come to know and respect for their contributions to policy and legal scholarship. We are sure that this active, informed and thoughtful participation in many of the key public policy debates of today will continue, thus exemplifying the important public service role performed by the scholarly community today.

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1. INTRODUCTION

This article evaluates recent developments in copyright law, Iran, copyright reform, and, therefore, has not joined the Agreement Establishing the World Trade Organization, Annex 1C, 1869 UNTS 299, 33 ILM 1197 (1994) [hereafter TRIPS Agreement]. Moreover, Iran is a not a member of the World Trade Organization (WTO) or the World Intellectual Property Organization (WIPO), which form the basis of the international copyright regime. But is yet to sign any of the WIPO-administered treaties that create international obligations regarding copyright, such as the Berne Convention for the Protection of Literary and Artistic Works (Berne, Switzerland, 9 September 1886), 1161 UNTS 31, [hereafter Berne Convention].

There are a number of trade-related intellectual property (IP) agreements, such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), which require Member States to adopt and enforce laws and regulations to protect IP. In 1995, the Berne Convention was amended to include the TRIPS Agreement. In 2000, Iran signed the TRIPS Agreement but did not ratify it. Iran currently holds an observer position.

The Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled (Marrakesh, Morocco, 27 June 2013), WIPO Doc VIP/DC/8 [hereinafter Marrakesh Treaty]. However, ratification of the Marrakesh Treaty is not required of all signatory states. This treaty is aimed at reducing barriers to access to published works for persons who are blind, visually impaired, or otherwise print disabled and facilitates access to published works in a variety of formats, including braille, audio, and large print. Iran has not signed this treaty.


The Protection of Authors, Composers and Artists Rights Act 1970 and the Act for Protection of Authors, Composers and Artists Rights 1973 (hereafter the Act for Protection of Authors, Composers and Artists Rights 1973) are the main national copyright laws. The Protection of Authors, Composers and Artists Rights Act 1970 (hereinafter the Copyright Act 1970) was enacted in 1970, while the Act for Protection of Authors, Composers and Artists Rights 1973 (hereinafter the Copyright Act 1973) was enacted in 1973. These acts are based on the Berne Convention for the Protection of Literary and Artistic Works (Berne, Switzerland, 9 September 1886), 1161 UNTS 31, [hereafter Berne Convention].

The first and primary legislation regulating copyright in Iran dates back nearly 47 years. It is titled the Act for Protection of Authors, Composers and Artists Rights 1970 (hereinafter the Copyright Act 1970). This legislation does not cover the interests of a number of rightholders, such as performers or producers of phonograms. As a result, the Translation and Reproduction of Books, Periodicals and Phonograms Act 1973, 2000 (hereafter the Reproduction of Books, Periodicals and Phonograms Act 1973) was enacted.

The Reproduction of Books, Periodicals and Phonograms Act 1973 (hereinafter the Reproduction of Books, Periodicals and Phonograms Act 1973) was enacted in 1973. This act established a legal framework for copyright protection in the area of phonograms. The act defined copyright, provided for the protection of copyright, and regulated the use of copyright works.

When the law was enacted, the Copyright Act 1970 was still in force. Later, in 1973, the Act for Protection of Authors, Composers and Artists Rights 1973 (hereinafter the Copyright Act 1973) was enacted. This act established a legal framework for copyright protection in the area of literary and artistic works. The act defined copyright, provided for the protection of copyright, and regulated the use of copyright works.

The Copyright Act 1970 is far too brief, out of date and more in line with the normative requirements of the Berne Convention for the Protection of Literary and Artistic Works (Berne, Switzerland, 9 September 1886), 1161 UNTS 31, [hereafter Berne Convention] and, therefore, has not joined the Agreement Establishing the World Trade Organization, Annex 1C, 1869 UNTS 299, 33 ILM 1197 (1994) [hereafter TRIPS Agreement]. Moreover, Iran is not a member of the World Trade Organization (WTO) or the World Intellectual Property Organization (WIPO), which form the basis of the international copyright regime.

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THE COPYRIGHT LAW OF IRAN:
AN OVERVIEW OF RECENT DEVELOPMENTS

Lida Ayoubi*

Abstract: This article evaluates recent developments in the copyright law of Iran. The focus of the article is the Copyright Bill drafted in 2010 and currently under consideration by the Iranian Parliament. The purpose of the Copyright Bill is mainly to reform the copyright law, provide better protection of the interests of rightholders, and facilitate cooperation, mutual protection, and provision of access between Iran and other countries.

Keywords: copyright law, Iran, copyright reform, copyrights, international copyright law

1. INTRODUCTION

The first and primary legislation regulating copyright in Iran dates back nearly 47 years. It is titled the Act for Protection of Authors, Composers and Artists Rights 1970 (hereinafter the Copyright Act 1970). This legislation does not cover the interests of a number of rightholders, such as performers or producers of phonograms. As a result, the Translation and Reproduction of Books, Periodicals and Phonograms Act (hereafter the Translation Act 1973) was later passed to address this issue.

Subsequent to the adoption of the Translation Act 1973, there were no developments in the area of copyright law in Iran for nearly 30 years. To address the technological developments in the area of computer software, Parliament enacted the Act on the Protection of Rights of Computer Software 2000 (hereafter the Software Act 2000). Later on, the Electronic Commerce Act 2003 attempted to address the rights of authors, recognised in the 1970 and 1973 legislations, in the digital world.1

Finally, in 2010, Parliament passed the Law Amending Article 12 of the Copyright Act 1970. Previously, the term of protection for the material rights of an author was 30 years after his or her death.2 The amended article 12 and its Note now extends the term to 50 years after the death of the author, in line with the minimum requirements of the Berne Convention for the Protection of Literary and Artistic Works 18863 and the Agreement on Trade-Related Aspects of Intellectual Property Rights 1994.4

The Copyright Act 1970 is far too brief, outdated, and insufficient for the protection of authors’ rights, particularly in light of ever-growing technological developments. The legislator’s attempts at addressing the gaps in the copyright law have been in the form of the adoption of multiple acts and regulations that remain ad hoc and ineffective as a whole. Therefore, the legal framework that protects the interests of rightholders is rather fragmented and piecemeal.

On an international level, Iran has not joined any of the main international copyright agreements. Iran joined the World Intellectual Property Organization (WIPO) in 2001 but is yet to sign any of the WIPO-administered treaties that form the basis of the international copyright regime. Moreover, Iran is a not a member of the World Trade Organization (WTO)5 and, therefore, has not joined the TRIPS Agreement. In 2014, Iran signed the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled 2013.6 However, ratification of the Marrakesh Treaty does not directly require the membership to any other copyright treaties.

Many officials, authors, artists, and publishers, among others, have expressed concerns over the inefficiency of the existing copyright laws and have called for better protection of copyrights in Iran.7 Furthermore, absence

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1 Electronic Commerce Act 2003, c 3, p 2, s 1 is titled ‘Protection of Authors’ Right in electronic transactions’.
3 Berne Convention for the Protection of Literary and Artistic Works (Berne, Switzerland, 9 September 1886), 1161 UNTS 31 [hereafter Berne Convention].
5 Iran currently holds an observer position.
6 The Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind, Visually Impaired, or Otherwise Print Disabled (Marrakesh, Morocco, 27 June 2013), WIPO Doc VIP/DC/8 [hereinafter Marrakesh Treaty].
7 Presentation of the Draft Bill on Comprehensive Law of Literary and Artistic Intellectual Property Rights to the Government’ Young Journalists Club (21 April 2014)
of membership to international copyright instruments means that the rights of foreign authors and copyright owners are not protected in Iran. Similarly, Iranian rightholders do not have an actionable claim for infringement of their rights abroad. Publishers have expressed opposing views regarding Iran’s membership to international copyright instruments, with some expressing the industry’s support for signing the Berne Convention and others calling for priority to be given to the rights of local publishers over foreign publishers.9

The main rationales for reforming the current law are an overdue review of the existing legislation, incompatibility of the law with fast growing technological developments, ambiguities regarding the relationship between different Acts, and the ineffectiveness of the current guarantees and penalties in cases of infringement. In order to address these concerns and with a view to potentially join the Berne Convention and the TRIPS Agreement, the Bill for ‘Protection of Intellectual Property’ (hereafter the Copyright Bill or the Bill) was presented to the Government in 2010. After receiving the approval of the Government, an updated version of the Bill was presented to and remains before the Parliament for consideration.10

This article evaluates the Copyright Bill and compares it, when relevant, to the existing copyright law in Iran. In doing so, the article discusses whether the Bill addresses the shortcomings of the current applicable law. Moreover, reference is made to international copyright law to demonstrate whether the Bill is in line with the internationally agreed upon minimum mandatory standards of copyright protection and will enable Iran to join agreements such as the Berne Convention or TRIPS Agreement.

Following this introduction, the second part of the article provides a brief background to the drafting of the Bill. Part three then provides a more substantial overview of the text of the Bill with a focus on main areas of difference between the Bill and the existing law. Finally, some concluding remarks are made regarding the implication of the Bill, if adopted, for protection of copyrights in Iran and further membership to international copyright agreements.

2. HISTORY OF THE COPYRIGHT BILL

Initially in the mid-2000s, the Ministry of Culture and Islamic Guidance produced a draft bill titled ‘The Comprehensive Law for Protection of Literary and Artistic Intellectual Property Rights’, consisting of 86 articles. However, this draft bill never reached the Government for consideration. Subsequently, in 2010, the Secretariat of the High Council of Information introduced the draft bill for the ‘Comprehensive Law for Protection of Literary, Artistic, and Neighbouring Intellectual Property Rights.’ An expert working group commissioned by the Secretariat produced the draft bill. The draft bill highlighted the need to fill the gap in existing legislation on the protection of copyright works. The 2010 draft bill focused on a number of themes including:11

1. Expanding the definition of protected subject matter;
2. Clarifying the ambiguities in the existing law;
3. Expanding the scope of the moral and material interests of authors;
4. Particular attention to publishing contracts;
5. Protecting the rights of producers of audio-visual works;
6. Protecting the rights of performers, producers of phonograms, and broadcasters;
7. Civil, criminal, administrative, and customs related guarantees;
8. Compliance with international instruments such as the TRIPS Agreement, to which Iran intends to become a member;
9. Increasing the term of protection of authors’ rights;
10. Particular attention to new technologies such as protection of databases and computer-created works;

11. Localising the law according to Iran’s religious and legal principles;

12. Maximum utilisation of permitted reservations for developing countries in international agreements, including expanding the limitations and exceptions for purposes of education and research.

However, the draft bill was met with some opposition and objections, and was finally put aside. Approximately a year later, a similar but new bill was drafted under the auspices of the Ministry of Culture and Islamic Guidance, the Intellectual Property Policy Council (an organ of the Ministry of Justice), and the Legal Office of the Islamic Republic of Iran Broadcasting (IRIB). After evaluation in various commissions, the latest Copyright Bill was presented to the Government and later approved in September 2014. As mentioned, the Copyright Bill currently remains in front of Parliament. If passed by the Parliament and subsequently the Guardian Council, it will replace the Copyright Act 1970, the Translation Act 1973, the Software Act 2000, and the relevant sections of the Electronic Commerce Act 2003.

3. AN OVERVIEW OF THE COPYRIGHT BILL

In 2014, President Rouhani presented Parliament with the Copyright Bill as approved by the Cabinet. The Introduction of the Bill highlights four themes that necessitate the reform of the 1970 Copyright Law. Those themes are: the importance of intellectual property rights in international and national regimes; the necessity of protection of authors’ rights for knowledge production; the insufficiency and inefficiency of the existing intellectual property laws in Iran; and, the need for reviewing the existing fragmented intellectual property laws.

The Bill consists of six parts. The following sections provide an overview and critique of the different parts of the Bill. Articles or concepts that are left unchanged or are insignificant to the protection of copyright are not discussed.

A. Definitions

Part 1 of the Bill shows an attempt to reconcile the numerous pieces of legislation that relate to different aspects of copyright works. Unlike the 1970 Copyright Act, the Bill defines the rights of performers, producers of phonograms or audio-visual works, and radio or TV broadcasters. The Bill also provides a definition of computer software that is more comprehensive and precise compared to the definition previously provided in the Regulation for the implementation of the Software Act.

Another new feature of the Bill is the definition of cultural expressions. The Bill does not directly address the protection of folklore or traditional cultural expressions and is similar to the Copyright Act 1970 in that regard. Article 3(2) of the Bill states that protection of derivative works or databases that are created using cultural expressions does not affect the protection of those expressions themselves. The Bill, however, does not clarify how those expressions shall be protected. The Copyright Act 1970 also protects creative works created based on folklore or cultural heritage and national art. Therefore, the main difference between the Bill and the existing law lies in its provision of a definition for cultural expressions. The provided definition is rather broad and covers subject matters as diverse as legends, stories, poems, puzzles, proverbs, intangible cultural heritage, songs, melodies, traditional and religious dances, plays, handicrafts, jewellery, and traditional clothing and textiles. This proposed definition provides further certainty on what constitutes cultural expressions with regards to creation of copyright protected derivative works. However, it is unclear whether the protection referred to in Article 3(2) for the expressions themselves is copyright protection or otherwise.

The interface of copyright law and protection of traditional cultural expressions is a complex and contentious issue and its analysis is beyond the scope of this paper. However, it is clear that protecting derivative works created using cultural expression without any reservations might prove contrary to effective protection of those expressions and the communities from which the expression originates. Therefore, a clearer statement of the protection afforded to cultural expressions and its connection to copyright law can inform any existing or future debate and policy decisions regarding misappropriation of such expressions. One way of approaching the issue might be for the legislator to make use of the solution provided in Article 15(4) of the Berne Convention regarding designation of a competent authority for protection of unpublished
works which covers many instances of cultural expressions.25

B. Copyright subject matter

The list of works recognised as copyright subject matter in the Bill are largely similar to those of the Copyright Act 1970 with a few exceptions, such as ‘oral works such as speech, address, sermon’26 and ‘software’.27

Similar to the language of Article 27(2) of the TRIPS Agreement with regards to patents, the Bill introduces the concept of exclusion from copyright protection as required by morality.28 Article 4 of the Bill recognises that original works regardless of their quality are subject to protection unless contrary to sharia. Similarly, Article 5(8) excludes from copyright protection those parts of literary and artistic works that are contrary to modesty and public morality.

Article 5 further excludes from copyright protection subject matters such as political speeches, legislative texts, decisions of courts, and news in line with Article 2 and 2ns of the Berne Convention.29 Article 5(2) repeats the wording of Article 9(2) of the TRIPS Agreement regarding exclusion from copyright protection of ‘ideas’, ‘methods of operation’, and ‘mathematical concepts’ while seemingly venturing into the realm of patent law by also excluding ‘discoveries’.30

C. Exclusive rights

With the exception of a number of additions, the material interests of the creators of copyright-protected works set out by the Bill are similar to those already recognised by the 1970, 1973, and 2003 legislations. The Bill, however, categorises and defines the rights more clearly31 and, in doing so, combines and integrates the provisions of those Acts. Article 7 of the Bill recognises for the rightholder the exclusive right to do or to authorise others to do any of these acts: reproduction, publication, distribution, presenting, renting to the public the original or a copy of the work, public display, public performance, radio or TV broadcasting, production of any derivative works including translations, making available and other examples of communicating the work to the public.

The performers’ rights recognised in Part 3 of the Bill are mostly in line with the requirements of the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations 1961 (Rome Convention), the TRIPS Agreement, and the WIPO Performances and Phonograms Treaty 1996 (WPPT) regarding fixation, broadcasting, reproduction, distribution, and renting of performances.32 The same is true concerning rights of producers of phonograms33 and TV and radio broadcasting organisations.34 The most noticeable exception is regarding the term of protection recognised for the rights of producers of phonograms and broadcasters. Article 65 of the Bill provides that the term of protection for phonograms is ten years from either the date of publication or fixation. The required minimum term of protection to be granted to producers of phonograms under the WPPT is 50 years from publication or fixation (in the absence of publication) of the phonogram.35 The same ten-year term of protection is granted to TV and radio programmes computed from the year in which they were first broadcasted36 while the Rome Convention requires a minimum of 20 years from the end of the year in which the broadcast took place.37

The Bill also explicitly mentions two exclusive rights that are absent or not clearly recognised in the existing law. First, rightholders, regardless of the subject matter, have the exclusive right to rent out the original work or copies of it to the public.38 Second, performers39 and broadcasters40 enjoy the exclusive right to transmit their works (live or fixed performances or other programmes) to the public. Considering the definition of the ‘public transmission’ under the Bill,41 this exclusive right seems to encompass both the right of communication to the public and the right of making available to the public recognised in international copyright instruments.

Another point of difference regarding the authors’ right is the Bill’s comprehensive definition of moral rights. The only reference to moral rights in the Copyright Act 1970 was the statement that ‘author’s moral rights have no place or time limits and are not transferable’.42 The Bill, by contrast, grants the author the exclusive right to public disclosure of the work, the right to proper attribution, and the right to integrity.43

According to the Bill, the first owner of copyrights in a work is the creator44 and he or she can transfer his or her material rights to others.45 Articles 42 to 55 of the Bill lay out the law regarding agreements for transfer of rights which is an addition to the existing copyright law.

26 Art 2(2).
27 Art 2(13).
28 TRIPS (n 4), art 27(2).
29 Berne Convention (n 3), arts 2 and 2ns.
30 Berne Convention (n 3), arts 2 and 2ns.
31 Art 5(2).
32 Art 7.
33 Art 56-61.
34 Arts 62-65.
35 Arts 66 and 67.
36 WPPT, art 17(2).
37 Copyright Bill, art 67.
38 Rome Convention, art 14(c).
39 Art 7(5).
40 Art 58(1).
41 Art 66(4).
42 Art 1(29).
43 Copyright Act 1970 (n2), art 4.
44 Copyright Bill (n 14), art 8.
45 Art 33 with the exceptions of works produced under commission or an employment agreement as per art 36.
46 Art 42.
The Bill follows the 2010 Law Amending Article (12) of the Copyright Act 1970 regarding the term of protection for material interests of the rightholder, which is 50 years after the death of the author or after the creation or lawful publication of audio-visual or orphan works. Photographs and works of applied arts attract a shorter term of protection of 25 years from their creation.

While the Bill consolidates the currently fragmented law on the exclusive rights of copyright owners, the provisions on neighbouring rights can be further expanded to provide a more comprehensive regulatory framework in this area. The rights recognised in the Bill are principally in line with the international copyright instruments on neighbouring rights. However, a more substantive stipulation of those rights will facilitate Iran’s accession to those instruments and obviate the need for future law reforms.

D. Limitations and exceptions

The existing law on copyright allows quotations from published works for ‘literary, scientific, technical, or educational’ purposes and for ‘criticism or praise’. Moreover, not-for-profit public libraries, publication archives, and scientific and educational institutions can copy published works for the purposes of their activities in the numbers necessary. Finally, Article 11 of the Copyright Act 1970 deems copying for private and non-commercial purposes permissible.

Part 2 of the proposed Bill expands the scope of limitations and exceptions to creators’ rights and provides further instructions for the application of the existing flexibilities. Six main categories of use are permissible under the Bill provided that they are for non-commercial purposes and do not conflict with the normal exploitation of the work and do not harm the legal interests of the author unreasonably. The permissible categories are private use, use for educational purposes, reproduction by libraries and archives, reproduction or broadcasting on the radio, TV, and other means of public transmission for informative purposes, use by persons with disabilities, and transient reproduction as an integral part of a digital process. Furthermore, quotations are also possible under the Bill subject to conditions similar to the ones mentioned in the Copyright Act 1970. These permissible uses do not require the permission or remuneration of the rightholder.

However, when setting out the permissible uses of copyright works, the Bill uses the word “reproduction” which is defined as “making single or multiple copies of a work or parts of it by means such as permanent or temporary electronic storing, printing, photography, photocopying and videoing.” Therefore, the type and extent of permissible acts for the stipulated purposes under the Bill is unclear. Distributing reproduced copies of works in accessible formats to the visually impaired logically follows the permissible reproduction. Therefore, the language of the Bill might not seem problematic at first glance. However, the brevity of provisions on copyright flexibilities can create uncertainty and difficulties when it comes to communication to the public, making the reproduced copy available online or exporting it.

Article 17 of the Bill allows “limited” reproduction of a published work for private and not-for-profit purposes. This provision could be amended to clarify the meaning of “limited” in order to ensure compliance with the Berne Convention and to provide clarity for the users. Further instruction can be provided by referring to the permissible number of copies or the percentage of work that can be reproduced.

The permissible uses by educational institutions previously set out by the Copyright Act are expanded in the Bill. Article 18 stipulates that educational institutions can, without the author’s permission, reproduce a work for non-commercial educational purposes in reasonable and necessary amounts provided that:

1. The act of reproduction is done once and if repeated, it is on separate and non-related occasions.
2. The source of the work and the name of the author are mentioned on all the copies.

At first glance, this permissible use appears strict and in line with the requirements of the Berne and TRIPS three-step tests regarding flexibilities. However, it is unclear what “reasonable” means concerning permissible reproduction and whether it should be evaluated in relation to the interests of the rightholder or the practice of other educational institutions or other factors altogether. Reading the word “reasonable” together with “necessary” can provide some assistance with the interpretation and application of this provision. However, it would be preferable for the legislator to further specify the scope of this permissible use. Furthermore, the second part of Article 5(1) could prove problematic in practice, as it is not clear what the phrase ‘separate and non-related occasions’ means regarding multiple reproductions of a published work for educational purposes. The phrase begs the question of whether the requirements relate to timeframes, research and teaching purposes, independence of

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45 Art 27.
46 Art 28.
47 Art 30.
48 Art 27 Note.
49 Copyright Act 1970 (n 2), art 7.
50 Art 8.
51 Copyright Bill (n 14), art 16.
52 Art 25.
educational institutions from one another, other factors or a combination thereof. The same requirement regarding repeated reproductions is included in Article 19 that prescribes the permissible uses for public libraries and archives.

While Article 19 of the Bill allows the reproduction of a published work, it is silent on the issue of making digital copies as well as communicating a copy of the work or parts of it to a user or other public libraries or archives that are also allowed to reproduce copyright works. This provision also does not address the public showing or playing of films or sound recordings.

As mentioned earlier, Iran has signed the Marrakesh Treaty. The exception that allows the use of copyright works for the benefit of persons with disabilities under the Bill appears broad in scope. Article 23 stipulates that exploitation of a published work for the benefit of persons with physical or intellectual disabilities is only permissible when:

1. Using the work in the format originally published is impossible or difficult for persons with disabilities;
2. The work is converted on an incidental basis in a format easily accessible;
3. The conversion is for non-commercial purposes; and
4. The source and name of the creator are properly mentioned.

The broad scope of the exception is beneficial to persons with disabilities in many ways. For instance, it covers any type of disability that renders use of normal print difficult or impossible. The types of accessible formats are not limited and include any format that is ‘easily accessible’ for the disabled persons. Moreover, unlike some other jurisdictions, remuneration or an initial search for a commercially available accessible copy is not required.

However, the Bill does not specify who is authorised to benefit from this exception. In other words, the Bill does not define the authorised entities (real or legal persons) who are allowed to make use of the exception. This begs the question of whether or not this provision is sufficiently in line with the requirements of the Marrakesh Treaty regarding authorised entities. Providing the definition of an authorised entity in the Bill itself, prescribing a future regulation or decree that would do so, or reference to other legislation could address this issue.

The other potentially problematic aspect of the exception is the lack of clarity regarding the permissible acts. The title of the exception is ‘reproduction for the use of persons with disabilities’ while the Article itself uses the word ‘exploitation’ of a published work.

Therefore, the nature of the permissible act(s) meaning reproduction, publication, distribution, communication, or making available remains unclear. The Article also does not discuss the scope of the permissible “exploitation” (single versus multiple exploitations or sharing versus exclusive use).

Article 16 of the Copyright Bill uses the language of the Berne and TRIPS three-step test and limits the permissible uses to those which do not conflict with a normal exploitation of the work and the legitimate interests of the rightholder. While Article 23 of the Bill is generally in line with the Marrakesh Treaty, clarifying the highlighted ambiguities will ensure that the exception fully complies with Article 16 and the three-step tests reiterated in the Marrakesh Treaty.

If the Bill is enacted as law, it can enable the authorised entities in Iran to receive accessible works from other countries. The Marrakesh Treaty allows the authorised entities in a Contracting Party that is not party to the Berne Convention to receive accessible works provided that the legislation of the Party ensures that reproduction, distribution, and making available of the accessible works are limited to the beneficiary persons in that country.57

Moreover, if passed, the Bill would enable the authorised entities to distribute and make the accessible works available not only domestically but also to other entities abroad. Under Article 5(3)(b) of the Marrakesh Treaty, an authorised entity in a Contracting Party can only distribute accessible works and make them available to other jurisdictions if the state is a party to the WIPO Copyright Treaty 1996 or if it has legislation in place that follows the requirements of the Berne and TRIPS three-step tests.58 Iran is yet to join the WIPO Copyright Treaty. However, a clarified Article 23 will mean that the Bill meets the requirements of the 3-step tests enabling Iran to make its accessible works available to its neighbouring countries or speakers of the local languages abroad.

Currently, foreign works are not protected in Iran. However, upon joining the Berne Convention and other international agreements, translation of foreign texts will infringe the exclusive adaptation right of a copyright owner. In addition to the ‘free’ permissible uses of copyright works, translation of published works in certain situations is permitted subject to remunerating the author of the original work. Translation without the permission of the author is possible under Article 26 provided that:

1. After six months of a written request for translation, the rightholder has refused to grant

56 Marrakesh Treaty (n 6), arts 2(c), 4(2), and 5.
57 Art 5(4)(a).
58 Art 5(4)(b).
59 Copyright Bill (n 14), art 26.
permission or that his or her location is unknown or that the work is orphan;

2. The translation is for educational and research related purposes;

3. The rightholder has not exploited his or her rights to translate the work within three years of publication or that translated copies are scarce;

4. The third party is required to remunerate the rightholder or make a payment to a collective management society or the Ministry of Justice;

5. The name of the author and the original title of the work is properly mentioned on all translated copies.

6. The third party is capable of producing an acceptable translation of the work.

Article 26 of the Bill requires the evaluation of the above conditions by a working group consisting of representatives from the Ministry of Culture, Ministry of Science, Research and Technology and other government bodies.

This exception is a new addition to the set of available flexibilities in Iran’s copyright law, as the Translations Act 1973 does not include any exceptions specifically concerning the right to translate a work. While a useful addition, some of the stipulated conditions including the six months waiting period and remuneration of the rightholder might not be conducive to ensuring access for students and researchers. It is also unclear whether sections 1 and 3 of article 26 are to be read together or separately as this would affect the time after which a work can be translated without the permission of the rightholder.

Overall, the limitations and exceptions in the Bill can benefit from further clarification of their scope and coverage. To better protect the public interest and facilitate access particularly for groups such as students or the visually impaired, the type of permissible acts could be expanded or more clearly stated. For instance, the Bill can allow the performance, showing, communication, or adaptation of a work for educational purposes or for private use. Additionally, there is room for expanding the discretion of public libraries and archives regarding the works they hold. Finally, the exception for the benefit of persons with disabilities is too brief and needs to be more clearly set out, especially in the light of Iran’s membership to the Marrakesh Treaty. The Bill does not discuss the exclusive right of copyright owners to import a copy of their work or a recording of their performance to Iran. Articles 80 and 81 of the Bill however discuss the Customs’ ability to seize infringing copies from being imported into the country. What remains unclear is whether the permissible uses set out in Part 2 of the Bill allow copies of a work to be imported without the permission of the rightholder including a performer. The Bill is also quiet on incidental copying of works particularly of performances, films, or other recordings.

E. Protection of software

The rights of software producers are currently regulated under a sui generis system. The Act on the Protection of Rights of Computer Software 2000 and its Regulation No. 24167 currently provide that the creator of computer software has the right to publish, supply, perform, and exploit the software for 30 years after its production. Under the Act, protection for moral rights of creators of software is unlimited. The Act also recognises the possibility of patenting software upon meeting the ‘conditions stipulated in the Patents, Industrial Designs and Trademarks Registration Act’.

Part 4 of the Copyright Bill further addresses the fragmentation of copyright laws in Iran and brings the law closer to conforming with the international copyright regime, namely Article 10 of the TRIPS Agreement, by including provisions regarding computer software in the proposed legislation. The key differences between the Bill and the Software Act 2000 are:

1. The addition of incidental copying, copying for troubleshooting, or reverse engineering as permissible uses of software. The 2000 Act only allows reproduction for purposes of creating backup copies or copies for private use provided that they are not used simultaneously as the original copy.

2. Recognition of exceptions to moral interests of the rightholder. This includes improvements or changes by the user or the owner of material rights (when different from the author) when not contrary to the author’s right to integrity and normal exploitation of the work.

3. Expansion of the definition of infringements of copyrights in software and the scope of guarantees and remedies available. Regarding infringements, the Bill recognises criminal liability for legal persons and for those involved in organised infringements of rights. Both of these concepts are currently absent in the Software Act 2000 and the software industry has previously expressed dissatisfaction in


63 Copyright Bill (n 14), arts 70-74.

64 Arts 75 and 76.

65 Arts 89-95.
this regard.66 The Bill also includes measures such as granting an injunction or an order for the disposal of infringing copies as well as the seizure of infringing copies by custom authorities even in the absence of a plaintiff.67 Currently under the Software Act 2000, an infringement is only actionable by the rightowner.68

F. Guarantees and remedies

Part 5 of the Bill expands on the guarantees and remedies available in the Copyright Act 1970, the Translations Act 1973, and the Software Act 2000. The key additions to the law are the introduction of customs enforced measures,69 increased fines, longer imprisonment terms,70 and a clear and categorised distinction between primary and secondary infringements.71 Therefore, the Bill delivers on stronger enforcements mechanisms for better protection of the interests of rightholders which is regarded as one of the main rationales for copyright law reform in Iran.

G. Territoriality and its implications

Article 108 of the Bill limits the application of its provisions to:

1. Works created by authors or performers who are Iranian citizens;
2. Works published or performed for the first time in Iran that have not been previously published elsewhere;
3. Architectural works built in Iran and artistic works attached to buildings in Iran.72

Iran is not a signatory to the Berne Convention and the Bill’s scope of application means that the rights of foreign authors are not protected in Iran. This is particularly problematic with regards to reproduction and translation of works of foreign rightholders published outside of Iran. Currently, publishers are under no obligation to obtain the permission of foreign authors for translation and subsequent publication and distribution of their works. This not only affects the material interests of the author but also potentially his or her right to the integrity of the work. Unauthorised translations of works mean that the author has no control over the quality, accuracy, or literary nuances of the translation.73 Under the Bill, translation of a work is subject to a number of criteria including obtaining the permission of the copyright owner. However, since Article 108 only grants an exclusive right to adaptation to Iranian authors or recognises the right for works first published in Iran, the interests of foreign authors or those with works first published outside of Iran remain unprotected.

Despite this territorial limitation, the definitions, rights, and flexibilities set out in the Copyright Bill are mostly in line with the requirements of the Berne Convention, TRIPS Agreement, Rome Convention, and the WIPO Internet Treaties. Therefore, enacting the Copyright Bill as law will pave the way for membership of Iran to these and potentially other international copyright treaties. The Legal Office of the Ministry of Culture and Islamic Guidance has reportedly prepared further bills to facilitate Iran’s membership to the Berne Convention and other international intellectual property agreements.74 Other officials have also expressed willingness for Iran to join the Berne Convention.75 However, the future of those bills will depend on the decision of the Parliament regarding the Copyright Bill.
Convention and other international copyright instruments.

Joining international copyright agreements could potentially temporarily cause a more limited access to copyright works and an increase in the price of cultural goods as well as software. However, globalisation, the prospect of better access to global markets, and stronger protection for rights of Iranian creators abroad will continue to lead Iran towards doing so. The Copyright Bill is a right step towards that goal and shows overall progress and political will for better protection of copyrights in Iran. The benefit of further work on the Copyright Bill that ensures its compatibility with international standards is twofold. Once adopted, it will pave the way for Iran’s membership to the Berne Convention and other copyright agreements. Moreover, it will mean fewer amendments to the law are required once such agreements are adopted in the new or far future.

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REFORMING IP EDUCATION IN INDIAN LAW SCHOOLS

Arpan Banerjee

Abstract: Government research and education policy, how it is implemented and how its effects are measured, is a vital ingredient for many developing countries seeking to enhance their capacity for legal research and education, and this applies notably in the field of intellectual property (IP). Lessons from practical experience may guide future policymakers in the developing world. As a case study in the challenges for policymakers, this paper outlines recent developments in India, in particular shortcomings in IP research and education in Indian law schools, with a particular focus on the relatively low research output of IP research Chairs established by the Indian government. The paper starts with a general discussion on problems affecting Indian legal education, and the attempt to establish National Law Universities to rectify these problems. The paper then focuses on specific criticisms of the research Chairs made by a government-appointed committee, as well as certain observations mentioned in India’s National IP Policy. The paper concludes by discussing recommendations made by the author, along with some colleagues, to a committee of experts that drafted the Policy, and offers broader observations on the challenges confronting policymakers seeking to strengthen IP research and education.

Key words: India, IP, teaching, research, National Law Universities.

1. INTRODUCTION

Early examples of Indian IP law scholarship included some high-quality treatises written by practitioners. For example, in the 1920s, Prosanto Kumar Sen, a barrister educated at the universities of Calcutta and Cambridge, wrote a well-researched treatise on colonial-era IP laws, which also made references to Hindu laws and customs. At the time, according to a British judge who wrote the foreword to the book, the ‘law of monopolies’ was ‘one of the least studied of the various branches of jurisprudence.’ Some decades later, Kew Edwin Shelley, born as Krishto Kumar Bonnerjee, an Oxford-educated King’s Counsel who had appeared in prominent English IP cases, co-authored the ninth and tenth editions of the classic work Terrell on Patents. In 1971, P. Narayanan, an experienced trade mark examiner, published a popular treatise on Indian trade mark law.

Yet Indian IP law scholarship was largely dormant for most of the 20th century, especially at universities. Writing in the 1980s, the eminent scholar Upendra Baxi remarked that there had been ‘scant juristic attention’ devoted towards IP law in India. However, Baxi noted ‘some signs of change’, identifying at least three developments. First, that some leading universities were offering courses in IP law. Second, that Delhi University — in those days, probably the top law school in India — had ‘at long last’ established a specialist Chair in IP law. Third, that WIPO was beginning to engage with Indian academics. In this regard, Baxi noted that an Indian academic had been awarded a fellowship by WIPO. Baxi also remarked that he himself had been able to enrich his knowledge through a ‘chance encounter’ with senior officials at WIPO, including its then Director-General Arpad Bogsch. Baxi thus prophesised that the future would witness ‘the emergence of mature scholarly concern’ in India in relation to IP law.

Today, there is much in Baxi’s prophesy that has been fulfilled. To start with, many of India’s leading law schools, including the elite National Law Universities (NLUs), offer IP law as a compulsory course on their curricula.

2 Ibid, vii (foreword by Dawson Miller).
3 Shelley belonged to an illustrious family and happened to be a paternal grandson of Womes Chunder Bonnerjee, the first President of the Indian National Congress. See Janaki Agnes Penelope Majumdar, Family History (OUP 2003) 94.
4 See, eg, Football League v Littlewoods [1959] Ch. 637.
6 P Narayanan, Law of Trade Marks and Passing Off (Eastern Law House, Calcutta, 1971). While Narayanan also wrote similar textbooks on copyright and patent law, his work on trade mark law is arguably better regarded.
8 Id. 498.
9 Id.
10 Id.
11 Id.
12 See Manish Arora, Universal’s Guide to LLB Entrance Examination (Universal, New Delhi 2009) 5-13 (listing India’s leading law schools); CLAT e-Brochure
five-year undergraduate programmes. A few NLUs even allow students to pursue a BSc LLB (Hons) degree, which includes science subjects, instead of the standard BA LLB (Hons) degree. Crucially, graduates of such courses become eligible to appear for the qualifying examination for patent agents in India, as the Indian government has attempted to debas those who do not hold a science degree from appearing for the examination. In 2006, the Indian Institute of Technology (IIT) in Kharagpur, one of India’s premier science and engineering institutes, set up the Rajiv Gandhi School of Intellectual Property Law (RGSOIPL). RGSOIPL’s establishment was proposed and funded by Vinod Gupta, a prominent Indian-American entrepreneur and IIT alumnus. RGSOIPL offers a specialised, three-year LLB in IPR (Hons) degree, and is open only to holders of science and engineering degrees. In addition to bachelor of laws degrees, an increasing number of NLUs and other law schools in India have begun to offer specialised postgraduate (LLM) degrees in IP law.

Since 2001, India’s Ministry of Human Resource Development (MHRD) — until recently, the Ministry handling matters concerning copyright — has established specialised IP Chairs in several universities across India, including five NLUs (in Bangalore, Hyderabad, Calcutta, Jodhpur and Bhopal). Considerable prestige is attached to these Chairs, and they are entitled to generous assistance from the Indian government. Meanwhile, every year from 2004 onwards, an Indian academic has been funded by WIPO and the WTO to attend the WIPO-WTO Colloquium for Teachers of Intellectual Property in Geneva. The participants have included some of India’s leading IP academicians.

However, while the state of IP law teaching and research in India has advanced greatly since the time Baxi wrote his paper, it is arguably riddled with deficiencies. In this paper, I will highlight some of these flaws and put forward a few solutions to rectify them, with a focus on the NLUs. My analysis is divided into two sections. In the first section, I will start with a general discussion on problems plaguing Indian legal education and the NLUs. In the second section, I will discuss specific criticisms of the MHRD Chairs by a government-appointed committee, as well as certain observations mentioned in India’s National IPR Policy. I will mention a few recommendations submitted by myself and my colleagues at the Jindal Global Law School (JGLS) to the National IPR Think Tank, which prepared the draft version of the Policy.

2. THE NEGLECT OF LEGAL EDUCATION IN INDIA

Historically, India’s top lawyers were educated in England and qualified as barristers from the Inns of Court in London. In British India, barristers enjoyed certain privileges over Indian-qualified lawyers (a ‘hated monopoly’ now abolished). As one legal historian writes, ‘barristers, at first almost exclusively English, commanded enormous prestige — and enormous fees.’ In contrast, ‘native practitioners’ were ‘held in lower esteem, commended lesser fees’ and had ‘to scratch out their livings in inferior tribunals.’ Thus, meritorious students in British India often aspired to study law in England and qualify as barristers, with students of wealthy means doing so at family expense and others on a scholarship. Several Indian barristers went on to become renowned lawyers and political leaders, as well as judges of higher courts.”
Shortly after Indian independence, a government commission chaired by Sarvapalli Radhakrishnan (a noted educationist who would go on to become the President of India), identified the above system as one of the reasons for the neglect of legal education and research in India. The commission observed that the ‘opportunity... for original, stimulating study of law hardly existed’ in India, as graduates of Indian law schools were historically employed in ‘clerical, minor or routine legal services’. 24 The commission thus remarked: ‘We have no internationally known exponents of jurisprudence and legal studies. Our colleges of law do not hold a place of high esteem either at home or abroad nor has law become an area of profound scholarship and enlightened research.’ 25 The committee also observed that law teachers in India often had ‘no real abiding interest in teaching’ and missed their lectures. 25 The commission recommended that it was ‘imperative’ for independent India to ‘develop high grade colleges of law, manned by real scholars’ and ‘give emphasis to this subject second to none’. 26

In the early decades of independent India, policymakers focused on creating a new set of elite institutions funded generously by the central government. Prominent among these were the IITs (the first of which was established in Kharagpur, in 1951), the All India Institute of Medical Sciences (AIIMS) (established in New Delhi, in 1956) and the IIMs (the first of which was established in Calcutta, in 1961). However, no comparable institution devoted to legal studies was established. A crude guess could be that India’s policymakers, under the leadership of Prime Minister Jawaharlal Nehru, did not view law as a subject that could contribute to India’s planning and development in the same way as the sciences, engineering or management could. 27 Perhaps they further believed that India’s existing law schools were adequate to meet local needs, and that the cream of students would anyway train in England as barristers.

The effect of this apathy, whatever the reasons may have been, was that the quality of legal education continued to suffer. The extent of the poor state of affairs was revealed in three studies sponsored by the Ford Foundation (in the 1950s, 1960s and 1970s respectively), where heads of Indian law schools themselves admitted that the standards of students, faculty and infrastructure were very low. 28 Meanwhile, a report by the Law Commission of India was similarly critical. 29 However, reforming legal education remained ‘low priority’ for the Indian government. 30 On the contrary, the Bar Council of India (which accredits Indian law schools) permitted hundreds of ‘assembly-line law colleges’ to operate across India. 31 In comparison, mainly due to the success of the IITs and IIMs, courses in science and management arguably grew to be perceived as more prestigious. 32

See also Rajeev Dhavan, ‘Means, Motives and Opportunities: Reflecting on Legal Research in India’, (1987) 50 Modern Law Review 725 (commenting that the Indian government has displayed ‘an instrumental bias for scientific and technological subjects’ over law).

28 Jayanth Krishnan, ‘Professor Kingsfield Goes to Delhi: American Academics, the Ford Foundation, and the Development of Legal Education in India’ (2004) 46 American Journal of Legal History 447. In 1956, the Ford Foundation sponsored a delegation, headed by the then Dean of Stanford Law School, to study the state of legal education in India. The then Dean of the Lucknow University Law Faculty informed the delegation that the major problems with Indian legal education included ‘irregular [class] times...low attendance rates by students who faced little if any disciplinary action for missing classes, poor testing methods by instructors, inadequate facilities, outdated curricula, and second-rate instructors who were paid below-average salaries’ (ibid 452). In 1967, the Ford Foundation engaged a professor, from Georgetown Law School, in a similar study. The study particularly focused on the Law Faculty at Benaras Hindu University, one of the oldest Indian universities. The study observed that the University’s library facilities were ‘completely inadequate’, the quality of students ‘extremely low’, and the faculty of similarly low standard, capable only of delivering ‘dry’ lectures (ibid 464). In 1971, the Ford Foundation again engaged a US law professor (this time from UC Berkeley) for another similar study. The study reported the familiar problems of inadequate library facilities and ‘lack of faculty scholarship’, but also identified another important defect — few, if any, graduates from Indian law schools secured well-paying jobs (ibid 468-71).

29 The report was published in 1958 and, among other things, criticised the state of Indian legal education as ‘extremely defective’ and ‘not calculated to produce either jurists or competent legal practitioners.’ Id 456.

30 Id 470.

31 Id. 474.

32 The IITs and IIMs have gone on to produce alumni of international repute. Their entrance examinations are among the most competitive on the world. See ‘Lakhs of Students Appear for JEE Main Test’, Financial Express (10 August 2015)
Today, the poor-quality ‘assembly-line’ variety of law schools dominate the Indian legal education scene. Nevertheless, the establishment of the NLUs, beginning with the founding of the National Law School of India University in Bangalore, has certainly introduced a culture of meritocracy in legal education. Much like the IITs and IIMs, the NLUs admit students through a highly competitive entrance examination. And if the traditional criticism of Indian law schools was that its graduates were of mediocre quality and did not secure high-paying jobs, the NLUs have been criticised for producing graduates who disproportionately opt for lucrative careers in the corporate world. Thus, a more updated, accurate comment on the state of Indian legal education was given a few years ago by the then Prime Minister Manmohan Singh, who remarked: ‘We do have a small number of dynamic and outstanding law schools, but I am afraid they remain islands of excellence amidst a sea of institutionalised mediocrity.’

Of course, a similar criticism can be levelled at universities in other fields of study and even the IITs and IIMs have been criticised for various shortcomings. Yet, it can be argued that the state of legal education is particularly worrisome because the NLUs suffer from deficiencies in faculty quality and research output that

...
are more serious in comparison to the IITs and IIMs. Furthermore, the NLUs suffer from a harmful anomaly — despite their national character, all NLUs have been established by state governments rather than central governments, which limits their ability to receive funding. Indeed, responding a string of controversies at various NLUs, including complaints about the quality of faculty and infrastructure, the student bodies of three leading NLUs recently issued a joint statement identifying this as the root cause of the problems facing NLUs. Claiming that scarcity in funding was undermining the ability of NLUs to hire quality faculty at suitable salaries, as well as carry out large research projects, the statement called for NLUs to be given the status of ‘Institutes of National Importance’ — a status bestowed on the IITs, IIMs, and various science and engineering institutes. In August 2017, a Member of Parliament introduced a bill to this effect.

Few would dispute that, if granted levels of funding comparable to the IITs and IIMs, various problems affecting the NLUs are likely to be solved. However, the experience with the MHRD Chairs shows that even with greater funding from the central government, the levels of research at NLUs may not necessarily improve, unless certain reforms are undertaken.

3. IP EDUCATION AT NLUS AND SCOPE FOR REFORM

There are, at present, twenty NLUs in India (with a few more starting in the near future). Of these, four NLUs (in Bombay, Nagpur, Shimla and Trichy) are less than five years old and are yet to see an undergraduate class graduate. Eleven other NLUs were established between 2003 and 2010 (Cuttack, Delhi, Gandhinagar, Guwahati, Kochi, Lucknow, Patiala, Patna, Raipur, Ranchi and Vishakapatnam). Five NLUs were established between 1987 and 2001 (Bangalore, Bhopal, Cuttack, Hyderabad and Jodhpur), and also happen to have been awarded MHRD Chairs. Considering that the last group of NLUs are the oldest of the pack, and have also specifically received funding for IP research, they ought to form an appropriate sample by which we can gauge the state of IP teaching and research at NLUs.

The MHRD Chairs were established as one of several initiatives following India’s accession to the WTO TRIPS Agreement. The Chairs were set up with three broad objectives — to promote the study and research of IPRs, to create awareness about IPRs through conferences and workshops conducted, they seemed to be silent on the availability of researchers and lack of certain reforms are undertaken.


to create awareness about IPRs through conferences and workshops, and to train government officials. Within these objectives, the Chairs were also expected to provide inputs to the government in international negotiations and create ‘knowledge resources’. Thus, it is apparent that carrying out research was only one of the objectives of establishing the Chair. Furthermore, no specific targets were set in terms of research outcomes. In terms of staff, funding was provided for one Chair professor, two research assistants, one stenographer-cum-documentation assistant, and one junior employee. Additional funding was provided for buying books and other facilities. Among the NLUs, the first Chair was established in Bangalore in 2001, and the remaining four in 2008. The funding received by the Chairs was generous by Indian standards, averaging around INR 10 million.

Some years after the establishment of the Chairs, a government-appointed review committee submitted a report where it scrutinised the working of the MHRD Chairs. The report by the committee stated:

[The] Activities of most of the chairs have been limited to organising one or two day seminars/workshops or delivery of a few lectures by the IPR Chair. All Chairs seems [sic] to have awareness creation which needs to be appreciated considering that very few Indian universities dealt with the basics of IPR in their curriculum earlier. The research component has been weak and this may be due to non-availability of researchers and lack of identification of research areas. There is very little evidence of published research papers.

The report did not specify the events organised and the research output (or lack of it) at the various universities. The Centre for Internet and Society, a well-known non-governmental organisation, filed freedom of information requests to various universities endowed with the MHRD Chairs to gather more information about their activities. While the responses listed various seminars and workshops conducted, they seemed to be silent on the details of research output. To investigate further, I recently visited the websites of the concerned NLUs and searched for publications by the present MHRD Chair professors since their year of appointment to the Chair. Two NLUs (Calcutta and Jodhpur) do not have an MHRD Chair professor (an issue I will address later), and were thus excluded from my search. Among the remaining NLUs, two (Bangalore and Bhopal) do not list publications by faculty members. While the website of the other NLU (Hyderabad) does list faculty publications, it is always possible that the list may be outdated. Thus, to address this possible flaw, I also searched the following book and article repositories: Google Books, Google Scholar, Hein Online, Westlaw, SCOPUS and JSTOR. Google Books indexes more than 25 million books, while Google Scholar indexes more than 100 million articles (according to one estimate, around 90 percent of all articles published in English). Hein Online, Westlaw, SCOPUS and JSTOR collectively index most, if not all, of the world’s most prestigious and widely read English-language journals in law and the social sciences.

For the sake of brevity, my detailed findings have not been reproduced here, but are available online as a Google document. In a nutshell, my search vindicated the review committee’s observations. The Chairs at the NLUs in Bangalore and Bhopal seem to have generated precious little by way of research, although Hyderabad fared better.

As a disclaimer, the search results could fail to reflect relevant factors. First, it is possible that some of the research conducted by the Chairs may not be in the public domain.

Second, some less prominent journals may not be indexed in the databases searched above. It is also possible (though quite unlikely) that some of the Chair professors have published research in Indian languages, thus missing the radar of the databases searched above.

Third, as seen earlier, conducting research was only one of the purposes for which the MHRD Chairs were set up. It is equally important for the Chairs to organise conferences and seminars, and such events are no doubt valuable. Even the review committee praised the Chairs for organising such events. In the case of NLSIU, for

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46 Id. para 6.
47 Id. para 8.2.
48 Id. para 8.1.
49 The funding allocation has been explained well in a post by the Centre for Internet and Society. See Nehaa Chaudhari, ‘MHRD IPR Chairs — Underutilization of Funds and Lack of Information Regarding Expenditures’ Centre for Internet and Society (19 November 2014) <http://cis-india.org/a2k/blogs/mhrd-ipv-chairs-underutilization-of-funds-and-lack-of-information-regarding-expenditures> accessed 29 May 2017.
50 MHRD Review Committee Report (n 45) para 9.
52 Madian Khabsa and C Lee Giles, ‘The Number of Scholarly Documents on the Public Web’, (2014) 9 PLOS ONE.
53 The data is accessible at goo.gl/X7nEUv.
54 For example, a regular Google search revealed that, in 2014, the Chair professor at NLU Bhopal had published an article in an IP journal published by NLU (Ghayur Alam, ‘Qualifications of Copyright Candidate in India’, (2014) NLU Journal of Intellectual Property Law 17). For the Google search, I used the search string “ghayur alam” “intellectual property".
example, several conferences and seminars have been organised by the Chair.\textsuperscript{55} It is also possible that the Chairs were requested, formally or informally, to place more emphasis on organising conferences, thus taking away the time available for research. Indeed, the Indian government’s Department of Industrial Policy and Promotion (which handles IP-related matters and was recently assigned the MHRD’s copyright-related matters) recently announced its intention to organise over 4,000 IP awareness workshops across India — an indication of the government’s priorities.\textsuperscript{56}

Fourth, along with organising conferences, the MHRD Chairs have also offered distance education courses at affordable prices, making IP law education more accessible in India.\textsuperscript{57} These projects fulfil an important social obligation, and must also have been time-consuming to carry out.

Fifth, as another component of the agenda of awareness creation, the Chairs at NLSIU, NALSAR and NLU have all published journals on IP law, with contributions from scholars across India and even some overseas scholars. \textsuperscript{58}

Sixth, the Chairs were also set up to support the Indian government in international negotiations.\textsuperscript{59} Such activities too are extremely valuable, and limit the time available for research and publications.

Seventh, teaching workloads at Indian law schools, including NLUs, have traditionally been high, limiting the ability of faculty members to carry out research.

Eighth, along with teaching, Chair professors have also been involved in administrative and leadership roles. For example, the Chair professors at Bangalore, Hyderabad and Bhopal all serve as directors of research centres at their respective institutes, but their centres also carry out various non-research related activities.\textsuperscript{60} The Chair professor at Hyderabad took leave from NALSAR for around a year as the Dean of RGSOIPL, when the School was in a fledgling state.\textsuperscript{61}

Ninth, as noted by the review committee, there may have been a non-availability of research assistants (which led the committee to recommend that higher salaries be offered).\textsuperscript{62}

Nevertheless, even if we make such allowances, the overall scenario is still disappointing. Apart from low research output, the review committee had also observed that some universities had been unable ‘to find a suitable Professor-level person to occupy the IPR Chair’, due to a paucity of scholars with doctoral degrees.
in IP. These two issues cropped up at a meeting organised by the MHRD with various academicians, in February 2014 (to which I was invited, along with some colleagues at JGSL). At the meeting, several suggestions were put forward on improving the working of the Chairs, such as greater transparency in appointing the Chairs and limiting the teaching hours of Chair professors to enable them to carry out research. Regrettably, little, if any, headway was made in implementing these suggestions. Later that year, I brought the matter to the attention of a young lawyer working as a legislative assistant, who in turn informed a Member of Indian Parliament about it. The Member found the issue serious enough to raise in Parliament. The Member asked the following question to the then Minister heading the MHRD:

(a) whether the Government is aware of the problems faced by the Intellectual Property Rights Chair Professors such as weak research components, research publication, lack of suitable Professor level personnel as observed in the Five Year Plan;
(b) if so, the details thereof;
(c) the details of the Intellectual Property Rights Chair Professors in the universities across the country;
(d) whether there are any vacancies for the above positions in the universities and if so, the details thereof, University-wise; and
(e) whether the Government is taking any remedial measures in this regard and if so, the details thereof?

Unfortunately, there was a technical error in the way the question was asked, for while the MHRD Chairs were funded under the Indian government’s Five Year Plan, the observations in question were made in a separate report by the committee reviewing their working, rather than in the Five Year Plan itself. In response, the Minister avoided questions (a) and (b) by simply stating, ‘The current Five Year Plan document does not contain these observations specific to Intellectual Property Rights Chair Professor[s].’ The Minister answered question (c) by listing universities with serving Chair professors. She answered question (d) by stating that five universities — including the NLUs in Calcutta and Jodhpur — did not have serving Chair professors (incidentally, a situation that continues over two-and-a-half years since). The Minister answered question (e) by stating that certain faculty members in these universities (some at the level of assistant professor) were acting as co-ordinators and undertaking the activities of the Chair. Thus, taking advantage of a technical error in the question, the Minister — or, more likely, the bureaucrat framing the reply — essentially avoided addressing the problems facing the Chairs.

In fairness, the issue was quite minor to be addressed by the Minister, considering the more pressing issues confronting higher education in India. However, an excellent opportunity to revisit the issue occurred when the Indian government established the National IPR Think Tank. The Think Tank was established in October 2014, under the new administration of Prime Minister Narendra Modi. Prominent members of the Think Tank included its Chairperson, Justice Prabha Sridevan (who served as a Judge of the Madras High Court and as Chairperson of the Intellectual Property Appellate Board), Pratibha Singh (a Senior Advocate specialising in IP litigation, now a judge of the Delhi High Court), and Narendra Sabharwal (a former bureaucrat who served as the Deputy Director General of WIPO). The Think Tank had been assigned the task of drafting a National IPR policy. In December 2014, the Think Tank released a draft version of the Policy. The draft Policy discussed a vast range of topics, one of which was ‘Human Capital Development’. Under this head, the draft Policy declared its broad objective to be to ‘strengthen and expand human resources, institutions and capacities for teaching, training, research and skill building in IP.’ In the context of the MHRD IPR Chairs, the draft Policy mentioned the need to ‘energise’ the Chairs to promote ‘high quality teaching and research’.

In a welcome step, the draft Policy also mentioned the need to ‘evaluate their work on performance based criteria.’ However, the Think Tank did not make any concrete recommendations on how this was to be achieved.

Following the publication of the draft Policy, the Think Tank sought comments from the public. My colleagues and I at JGSL’s Centre for Intellectual Property Rights and Technology Law (CIPTEL) submitted comments on all aspects of the draft Policy. In February 2015, we were invited to make a presentation before the Think Tank.

63 Id. para 9.
68 Id 24, para 7.3.
69 Id.
71
During the presentation, we chose to highlight our recommendations relevant to teaching and research. With respect to the MHRD Chairs, we made several recommendations.

First, we recommended that the hurdle of not finding an appropriate Chair Professor could be met by waiving the requirement of a doctoral degree and/or seniority in suitable cases (such as where an individual has substantial practical experience or a strong research record). There was already a precedent of this happening with on Chair professor (at the NLU in Calcutta). On testing the Chair professor’s research output applying the criteria I used for the MHRD Chairs earlier, I obtained a result showing a comparatively prolific output.

The second recommendation we made is that the Chairs should be set specific publication targets. We recommended that a list of well-regarded journals be compiled, and that the Chair professors be expected to publish a minimum number of articles in these journals. We recommended that the list of journals be prescribed in advance to offset the problem of articles being published in ‘predatory’ journals of dubious quality, a phenomenon on the rise in India.

The third recommendation we made, as a corollary to the second, is that the Chair professors should not be burdened with high teaching workloads (ideally, not more than four hours a week) and be provided with ample opportunities for research leave.

Our fourth recommendation was that stringent reviews be undertaken to measure the research output of the Chairs. If a Chair is found to have fallen short of expectations, the Chair can be transferred to another university through a transparent, competitive bidding process. As only a handful of universities have been awarded the Chair, and the number of NLUs has increased, we argued that such a process will create healthy competition between NLUs. As an example, NLU Delhi is widely regarded as a leading NLU with an IP faculty of good quality, but has not been awarded an MHRD Chair. Here, it should be noted that even the review committee had suggested that Chairs be taken away from universities unable to appoint a suitable Chair Professor.

We also recommended that private universities be allowed in the bidding process, citing the example of the renowned Indian School of Business in Hyderabad, which has ranked alongside the leading IIMs in world rankings of business schools, sometimes even outranking them (disclosure: JGLS, though established under a state government statute, also happens to be a private university). It is also worth mentioning that the Indian government is currently working on a scheme to designate the ten best public and private universities in India as ‘Institutes of Eminence’, and assist them in achieving world-class standards. At the very least, the ten private universities selected by the government can be allowed to in the bidding process.

Among the many other recommendations made by CIPT, we recommended that a system be devised whereby academicians can undertake secondments at law firms, companies or non-governmental organisations to learn about contemporary practices and trends. We felt that this could solve the problem of the Chairs being, as claimed by the review committee, unable to identify suitable research topics.

In mid-2016, the Indian government published the final version of the National IPR Policy. To our disappointment, the final Policy merely repeated the draft Policy’s recommendations and did not elaborate further. None of CIPT’s suggestions found a mention. Whether our suggestions were ignored by the Think Tank, or by the government, can only be a matter of conjecture.

4. CONCLUDING OBSERVATIONS

The establishment of the NLUs has changed Indian legal education for the better. However, the functioning of the MHRD Chairs shows that the NLUs lag behind in IP law research. A commentator on the Spicy IP blog has remarked: ‘The current (non) working of the MHRD IPR Chairs is one of the many ways the country is holding back on development of IPR research and policy in the country.’

This remark may seem a little harsh, given
that the Chairs have been active in areas other than research. However, in any sphere of higher education, research output must surely be one of the primary criteria by which the performance of a research chair ought to be judged. That Indian policymakers seem to have looked past the problem, and not imposed systems of transparency and accountability, is indeed unfortunate.

While the challenges outlined in this paper, and the recommendations I have discussed, relate very much to the distinctive Indian context, there may be relevant for policymakers in other developing country settings. For instance, it may be helpful in some circumstances to accept a certain flexibility in formal credentials in order to attract promising younger scholars, or academics with a broader background (considering also the importance of teaching and research in IP beyond strictly the teaching of lawyers as such - a matter discussed by other contributors in this volume [references], indeed exemplified in the background of some contributors. This case study also highlights the challenges of measuring academic impact, both through quantitative and qualitative measures of publications, and setting research outputs against other expected contributions of IP academics, some of their own backgrounds). The foreword to this edition of the WIPO WTO Colloquium Papers points out that one purpose of the WIPO WTO Colloquium series, and the rationale for the development of this very journal, are found in the need to work with emerging scholars in developing countries to improve their research writing and to bolster their academic publication skills. WIPO and WTO collaboration in this area, and the promotion of collaborative networks of scholars, could also help to overcome shortfalls in quality academic publications in the IP field from scholars in the developing world. Indeed, the National IPR Policy has also emphasised the need to ‘strengthen IP teaching, research and training in collaboration with WIPO, WTO, other international organisations and reputed foreign universities.’ After all, it is vital for developing countries to have intellectually independent and domestically rooted, but internationally connected and informed, IP scholars and analysts, and teachers, so as to ensure that countries do have the wherewithal to consider, review and implement policy options that are consistent with the international framework but are suitably tailored for domestic needs and circumstances; and to ensure a skilled workforce in private practice and in public policy, so that the domestic IP system is designed, administered and used in a way that better ensures it delivers on its intended social benefits, again in a way that reflects the distinctive needs and context of individual developing countries.

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79 National IPR Policy (n 77) para 7.1.
CROSS-BORDER GI PROTECTION: CHALLENGES AND RAMIFICATIONS FOR BANGLADESH

1. INTRODUCTION

Due to the territorial nature of protection of industrial property, geographical indications (GIs), along with trademarks and other forms of industrial property, do not receive any 'automatic protection'. This means that protection of a GI in a country usually requires the fulfilment of legal and administrative formalities of that country. Ideally, any product which falls under the definition of a GI in the country of origin must be protected even if a GI is not registered in the territory.

However, the TRIPS-mandated GI regime suffers some inherent limitations, including the extended protection that may be used in bilateral or multilateral levels to ensure cross-border GI protection. The paper argues that due to the absence of any universal policy regime to ensure cross-border GI protection in foreign jurisdictions, WTO members often face complications in protecting GIs, beyond the national jurisdiction. Against this background, this paper analyses some of the legal and institutional challenges that confront countries like Bangladesh in ensuring cross-border protection of their geographical products, ensuring consumer interest and developing countries hoping to add value to local and indigenous products.

2. CROSS-BORDER GI PROTECTION AND ASSOCIATED DILEMMAS

Due to the territorial nature of protection of industrial property regime' (2016) 6(1) 1

Geographical Indications, TRIPS Agreement, provides a registration system for some of its reputed local and indigenous products. For its region-specific handicrafts, Bangladesh has also enacted a Geographical Indications of Goods (Registration and Protection) Act 2013, which provides a registration system for some of its reputed goods. For its region-specific handicrafts, Bangladesh has also enacted a Geographical Indications of Goods (Registration and Protection) Act 2013 (Act No LIV of 2013) [hereafter Bangladeshi GI Act].

The Bangladeshi GI Act also provides equal protection for foreign GIs which are designated as such in the country of origin. Under the TRIPS Agreement at the international level, the protection of geographical products, ensuring consumer interest and developing countries hoping to add value to local and indigenous products, it offers GI protection to guard against misleading use or unfair competition within the country, associated with Bangladesh, are exclusively claimed by India, such as Nakshkantha (embroidered quilt), through registering them under the Indian sui generis goods and services marks, and also by invoking the provisions of the TRIPS Agreement, the protection of a GI in a country usually requires the fulfilment of legal and administrative formalities of that country.

Ideally, any product which falls under the definition of a GI in the country of origin must be protected even if a GI is not registered in the territory. However, some of the GI products, which are culturally and geographically diverse in areas of agriculture, natural resources, and handcrafts, associated with Bangladesh, are exclusively claimed by India, such as Nakshkantha (embroidered quilt), through registering them under the Indian sui generis goods and services marks, and also by invoking the provisions of the TRIPS Agreement, the protection of a GI in a country usually requires the fulfilment of legal and administrative formalities of that country. As a result, this paper aims to explore and analyse some of the challenges and associated dilemmas in cross-border GI protection, joint registration of GIs, and mutual consensus between neighbouring countries.

3. CROSS-BORDER GI PROTECTION: CHALLENGES AND RAMIFICATIONS FOR BANGLADESH

It appears that, as neighbouring countries, both Bangladesh and India have shared many cultural GI products, it offers GI protection to guard against misleading use or unfair competition within the country, associated with Bangladesh, are exclusively claimed by India, such as Nakshkantha (embroidered quilt), through registering them under the Indian sui generis goods and services marks, and also by invoking the provisions of the TRIPS Agreement, the protection of a GI in a country usually requires the fulfilment of legal and administrative formalities of that country. As a result, this paper aims to explore and analyse some of the challenges and associated dilemmas in cross-border GI protection, joint registration of GIs, and mutual consensus between neighbouring countries.

This paper aims to analyse and explore some of the mutual consensus between neighbouring countries, in the absence of any legislative provisions, bilateral or regional arrangements and new policies for foreign GIs which are designated as such in the country of origin. Against this background, this paper analyses some of the legal and institutional challenges that confront countries like Bangladesh in ensuring cross-border protection of their geographical products, ensuring consumer interest and developing countries hoping to add value to local and indigenous products.

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CROSS-BORDER GI PROTECTION: CHALLENGES AND RAMIFICATIONS FOR BANGLADESH

Dr Mohammad Towhidul Islam*  
Masur Bin Ansari**

Abstract: With the adoption of the WTO TRIPS Agreement at the international level, the protection of geographical indications (GIs) gained momentum, with developing countries hoping to add value to geographical products, ensuring consumer interest and preventing unfair competition in the market place. However, the TRIPS-mandated GI regime suffers some inherent limitations, including the extended protection for only selected GIs and difficulties of obtaining protection in foreign jurisdictions. At the national level, due to the diverse legal and administrative practices to protect GIs, WTO members often face complications in obtaining effective protection for their cultural products beyond the national jurisdiction. Against this background, this paper analyses some of the legal and institutional challenges that confront countries like Bangladesh in ensuring cross-border protection of their GIs. The paper argues that due to the absence of any universal policy regime to ensure cross-border GI protection, the trading interests of a least developed country (LDC) like Bangladesh are seriously undermined in other neighbouring countries. In addition, the sui generis GI registration system of Bangladesh is still at a nascent stage, which is not sufficient to address this issue. The paper further argues that only a shared understanding between neighbouring countries, mutual consultations and political consensus would enable the maximum protection for GIs across borders. For this purpose, the paper proposes some plausible solutions, including within the existing regime, and new policies that may be used in bilateral or multilateral levels to protect GIs beyond national jurisdictions.

Keywords: Geographical Indications, TRIPS Agreement, cross-border GI protection, joint registration of GIs, homonymous GIs, sui generis GI registration system, WTO Dispute Settlement Panel.

1. INTRODUCTION

Due to the territorial nature of protection of industrial property, geographical indications (Gs), along with trademarks and other forms of industrial property, do not receive any ‘automatic protection’. This means that the protection of a GI in a country usually requires the fulfilment of legal and administrative formalities of that country. Ideally, any product which falls under the definition of a GI in the country of origin must be protected as a GI in that country and then be eligible for protection in another WTO Member country. Bangladesh, which has historically enjoyed great diversity in areas of agriculture, natural resources, culture and traditions, has tended to be a rich location for various GIs. For its region-specific handicrafts, sweets, fruits, tea and other household and agricultural products, it offers GI protection to guard against misleading use or unfair competition within the country, enabling similar protection overseas.

It appears that, as neighbouring countries, both Bangladesh and India have shared many cultural GI products for centuries. However, some of the GI products, which are culturally and geographically associated with Bangladesh, are exclusively claimed by India, such as Jamdani sarees, Fazli mangoes or Nakshkantha (embroidered quilt), through registering them under the Indian sui generis system of GI protection. Thus, India’s registration of some reputed Bangladeshi foodstuffs and handicrafts has posed a potential threat to GI protection in Bangladesh. In response, Bangladesh has also enacted a sui generis GI legislation, namely, the Geographical Indications of Goods (Registration and Protection) Act 2013, which provides a registration system for some of its reputed local and indigenous products.

The Bangladeshi GI Act also provides equal protection for foreign GIs which are designated as such in the official notifications by the government. However, the Act remains silent as to the means and procedures for shared cross-border GIs. In the absence of any legislative provisions, bilateral or regional arrangements and mutual consensus between neighbouring countries, there exists a legal vacuum in cross-border GI protection in South Asia, especially between Bangladesh and India. This paper aims to analyse and explore some of the challenges that are associated with cross-border GI protection. This paper also aims to develop some policies in this regard to protect shared GIs under a mutually acceptable legal framework.

2. CROSS-BORDER GI PROTECTION AND ASSOCIATED DILEMMAS

Article 22 of the WTO Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) provides a broad definition of GIs, encompassing both indication of source and appellation of origin. According to this provision, GIs are defined as ‘indications which identify a good as originating in the territory of a Member, or a

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1 In common law jurisdiction, passing off action can be brought even if a GI is not registered in the territory.

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1 Geographical Indications of Goods (Registration and Protection) Act 1999 (Act No 48 of 1999) [hereafter Indian GI Act].  
2 Mohammad Ataul Karim, ‘Indian claims over Geographical Indications of Bangladesh: sustainability under intellectual property regime’ (2016) 6(1) Queen Mary Journal of Intellectual Property 75.  
3 Geographical Indications (Registration and Protection) Act 2013 (Act No LIV of 2013) [hereafter Bangladeshi GI Act].
region or a locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.5, 6 The definition of GIs provided by TRIPS further expands the concept of ‘appellation of origin’, contained in Article 2 of the Lisbon Agreement,6 to protect goods which merely derive a reputation from their place of origin without possessing a given quality or other characteristics which are due to that place.

For example, Jamdani saree (Bangladesh) or Basmati rice (India) are GI products that are not place names and therefore do not possess a geographical denomination, but have a reputation due to their geographical origin. Thus, under the WTO regime on GIs, ‘indication of source’ has transcended beyond geographical names. It recognizes quality, reputation and other characteristics of indications of source to qualify as GIs.

Further, although the definition of GIs provided by TRIPS presumes the exclusive territoriality of a GI within the territory of each member, it is possible that the area of origin of a GI may cover regions from two or more countries. In that scenario, the issue of cross-border GI protection comes into question. For the purposes of this paper, a cross-border GI may be defined as a GI which originates from an area that covers regions, territory or locality of two or more countries where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin extending over those countries. This proposition is drawn from the language of Article 22 of TRIPS. Further, TRIPS does not explicitly prohibit the protection of cross-border GIs. Rather, the underlying object of the inclusion of GIs within the purview of TRIPS is to ensure the adequate protection for GIs within a member and in other member jurisdictions.7

In addition, although the majority of GIs are essentially located within the territory of a state, there are also a number of GI products across the world that have originated from the territory of two or more countries. For instance, the famous Basmati rice is a product originating from both India and Pakistan; there are cross-border GIs in the EU in the spirits sector, such as Irish whiskey, which comes from Ireland and Northern Ireland, and Ouzo comes from both Greece and Cyprus.8

However, the dilemma regarding the definition of GIs, as envisaged under TRIPS, lies in the fact that there is no clear cut provision to determine the exact legal status of geographically or culturally shared cross-border GIs. Besides, TRIPS remains silent as to the way out for the determination of the precise geographical origin of a GI where two or more countries have competing claims over the GI. In that situation, Member countries may depend on historical and geographical evidence, objective legal requirements and shared cultural understandings to substantiate their claims over GIs across borders. In the EU as well, there is no standard towards the delimitation of the GI area, and each of the 27 Member States has its own methods and procedures to define the area. However, as a general rule, the geographical area is defined in a detailed, precise way based on evidence relating to historical, geological, agronomical or climatic conditions.9

Further, except for a few legislative provisions in the EU to protect cross-border GIs,10 international practices in this regard are quite heterogeneous. Most of the states with any cultural products establish a national system to protect their national GIs in the form of sui generis law, certification or collective marks, passing off action or other labelling system. Thus, the area of cross-border GI protection does not get much attention at bilateral or regional levels. The recognition and enforcement of shared GIs across the borders should definitely attract more attention - due to its economic value - in the multilateral trading system. But attaining such cross-border protection of GIs is a very challenging task for any country. As an LDC, Bangladesh is still grappling with issues related to IPR protection in general. Consequently, attaining shared cross-border protection for Bangladeshi GIs is not a very easy policy issue.

Given that Bangladesh has a comparative advantage in various cultural and natural products essentially attributable to its territory; it concentrates more on the national protection of GIs. In addition, where the geographical origin of a product is in doubt but both the neighbouring countries carry a shared understanding over its protection, the question of effective cross-border GI regime deserves serious consideration.

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6 Lisbon Agreement for the Protection of Appellations of Origin and their International Registration 1958, art 2(1) defines ‘appellation of origin’ as the geographical denomination of a country, region, or locality, which serves to designate a product originating therein, the quality or characteristics of which are due exclusively or essentially to the geographical environment, including natural and human factors.
8 David Thual and Fanny Lossy, Q&A Manual European Legislation on Geographical Indications (EU-China IPR2 Project, February 2011) 34
9 Ibid.
3. CHALLENGES FOR BANGLADESH IN CROSS-BORDER GI PROTECTION

There are many challenges for Bangladesh in seeking to protect GIs that are also claimed by its neighbouring country, India.

3.1 Identifying cross-border GI products

The economic rationale of GIs is somewhat different from that of other forms of intellectual property protection. The main trade-off for GI protection is to protect a reputation associated with a quality attributable to a geographical area and prevent consumer confusion.\(^{11}\) The essence of a GI is that the geographical name indicates quality, taste or other related attributes to the consumer. Consequently, the consumers heavily rely on the correlation between the geographical region and the quality attribute of a product, without which a GI would mislead the consumer and create unfair competition.\(^{12}\)

Secondly, the potential financial gain and market value of GI products always prompt the manufacturers to establish exclusive sovereignty claims over such products through their government, although it may be possible to show geographical linkage between the product and the location from another country.\(^{13}\) In this scenario, it becomes a tricky issue to determine the actual place of origin of a GI product. For instance, India claims Nakshikanta as its own GI, but it is in no way the sole property of India. Bangladesh has also a common legacy in this regard. As India and Pakistan have made a joint claim to the GI in Basmati rice, Bangladesh and India can jointly claim GI in Nakshikanta.\(^{14}\)

Thirdly, a sui generis GI legislation always tends to favour the national manufacturers of GIs given the economics and politics behind the GI protection, although the exact geographical linkage may be uncertain. Since the TRIPS definition requires members to protect GIs of goods where the quality, reputation or other characteristic of goods are attributable to their geographical origin, it is an international obligation of each WTO Member to ensure that the alleged GI product originates from the territory of that member. In case of confusion regarding the geographical location, the concerned Members may seek a mutually agreed solution.


\(^{13}\) Michael Blakeney, Geographical Indications and TRIPS, University of Western Australia-Faculty of Law Research Paper No 2012-09, 7.


3.2 Doha Extension Debate

Since the adoption of the controversial Article 23 of TRIPS on the additional protection for wine and spirits, the proponents of the GI extension are arguing that the level of protection provided by Article 22 of TRIPS for geographical indications of products other than wine and spirits is not sufficient.\(^{15}\) They further argue that there is no substantive justification for providing two different levels of protection for geographical indications in TRIPS. Besides, the geographical origin, from a commercial point of view, has the same importance for all products.\(^{16}\)

However, the opponents to the proposals for an extension of the protection of GIs for wines and spirits under TRIPS to all products argue that the advantages of Article 23 protection were overstated and that the proposals insufficiently addressed the costs and burdens of this extension. It has also been asserted that ‘these new costs and burdens include administration costs, trade implications for producers, increased potential for consumer confusion, potential producer conflicts within the WTO Members and a heightened risk of WTO disputes.’\(^{17}\) The resulting debate finds an important development when an understanding was reached in which the question of GIs was included within the Doha Ministerial Declaration adopted on 14 November 2001.\(^{18}\) But to date, no compromise has been reached on the extension of the protection under Article 23 and the Members of the WTO remain divided on this issue.

The Doha Round agenda for extension of additional protection of GIs to products other than wines and spirits has already been translated into the GI Act of Bangladesh.\(^{19}\) But, to ensure a uniform and clear
mandate from other members, conducting negotiations on extension is a pivotal aspect for providing cross-border GI protection across the world since TRIPS requires Members to follow non-discrimination principles. Besides, the ongoing negotiation on extension may be used by Members to bring a plausible solution to the cross-border GI issues although the Doha Declaration did not expressly mandate such agenda. Due to the lack of a multilateral forum for negotiation on this aspect of GIs, Doha Round may bring this issue within the purview of its agenda. However, Members are yet to reach consensus on whether to extend special protection regime under TRIPS Article 23 beyond wines and spirits. So, these controversial issues need further clarification at the WTO.

### 3.3 Relationship between GIs and Trademarks

Drawing a harmonized relationship between trademarks and GIs for the purpose of cross-border GI protection is a pivotal aspect. Although TRIPS sets certain standards of protection for GIs, it is up to Members to implement them in a way they deem suitable. This leads to conflicting views on how to implement GI protection between the EU and the US. The EU follows a *sui generis* approach to favour a more extensive GI protection than the US.22 In the US, protection of GIs is fundamentally different from that practiced by the EU and the same GIs are instead protected under the trademark law.23 Thus the US does not recognize GIs as a separate class of intellectual property but provides protection mainly through certification marks or collective marks established under the trademark law. This conflicting approach may sometimes make it difficult to seek GI protection in foreign jurisdiction where the same GI is treated as prior trademark.

In European Communities - Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs,24 the panel elaborately discussed the relationship between prior trademarks and GIs and found that under TRIPS regime both GI and trademarks may co-exist or enjoy exclusivity depending on the facts and circumstances of the case. In this ruling, the panel affirmed TRIPS classification of GIs as an independent intellectual property right and endorsed the European principle of coexistence between trademarks and GIs with all but the most famous of prior trademarks having

place indicated by such other geographical indication or uses other geographical indication to such goods even indicating the true origin of such goods or uses other geographical indication to such goods in translation of the true of origin or accompanied by expression such as “kind”, “style”, “imitation” or the like expression.’ 20 See, e.g., Regulation (EEC) No 2081/92 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs; Regulation (EEC) No 2082/92 on traditional recipes. 21 See Lahn Act 1946 (US).

22 European Communities - Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs WT/DS174/R, 15 March 2005; see pages 115-141 of the ruling for detailed discussion [hereinafter EC - GI Dispute].
a connotation had existed in Canada for over a hundred years.

At the first instance, the lower court ruled against the Scotch Whisky Association as there was insufficient evidence to show that Canadian users and purchasers of whisky have been educated to associate the word ‘GLEN’ solely with the Scotch whisky. However, on appeal to the Federal Court, the decision was overruled and the opposition to the registration of the trademark succeeded.

Therefore, considering the above jurisprudence, it can be said that ensuring cross-border protection of GI in countries where the same GI is protected as a trademark, collective or certification mark is very difficult. So, the resolution of conflicts between trademark protection and GI protection in the cross-border market place is very crucial.

3.4 Developing, Registering and Enforcing Cross-Border GIs

Ensuring adequate legal means to protect and enforce cross-border GIs is the greatest challenge for countries like Bangladesh. Devising an appropriate policy and its implementation depends on the political and economic considerations of the concerned states. Besides, the overall implementation and enforcement of IPRs regime and institutional capacity of a particular country is closely associated with the cross-border GI protection. This cross-border protection for any IPR intrinsically involves a challenging process. It also involves huge administrative costs and represents a huge enforcement burden for the concerned states.27

For countries like Bangladesh, ensuring national implementation of the GI registration system and its international recognition and enforcement is a daunting task. This protection standard has to be read with other relevant provisions of TRIPS, such as the basic principles on trademarks, on procedures for the acquisition and maintenance of rights and on enforcement. For example, in respect of GIs, members have to respect the requirements of national and MFN treatment, in the same way as for other categories of IPRs. The WTO panel has confirmed that those obligations apply in respect of the availability of GI protection, including application and opposition procedures.28 The rules of TRIPS on GIs reflect this diversity and complexity of systems, as seen in the language used in certain provisions of the GI Section.29

Secondly, under the TRIPS regime, Members are free, but not obliged, to implement stricter enforcement procedures and remedies, provided that they are TRIPS-consistent.30 Members are also free to determine the appropriate method of implementing TRIPS within their own legal system and practice. Because of this standard setting, at the national level, different mechanisms are followed by countries to protect GIs including sui generis system, trademarks, certification marks, collective marks or unfair competition law.31 This creates inconsistencies between the modes of protection of GI within the countries of the WTO. In order to protect cross-border GIs within and across borders, a more uniform, consistent and flexible enforcement system is required.

4. EXISTING LEGAL MEANS FOR CROSS-BORDER GI PROTECTION

4.1 Scenarios in conflicting cross-border GI claims

The traditional process of GI protection is that any product that falls under the definition of GI in the country of origin must be protected as GI in that country. This protection in the home country gives the product formal recognition and makes it eligible to get protection in other countries. Further, Members of TRIPS must give ‘legal means’ to interested parties to protect and defend GI of their products against any misleading use and unfair competition.32 Members are also required, either ex officio or at the request of interested parties, to refuse or cancel trademark registration containing GI if the impugned registration or application for registration gives false origin or attribution.33 So, in a given situation where two or more countries seek exclusive right over any GI, such country, after getting GI registration at home, has to make an application for the cancellation of competing GI protection under the domestic legal structure of a foreign country.

For instance, against the Indian registration of Uppada Jamdani saree of the tiny fishery village Uppada in Andhra Pradesh as a GI product, a state owned corporation, namely, the Bangladesh Small and Cottage Industries Corporation (BSCIC) – the recipient of GI for Jamdani saree in Bangladesh,34 has to make an application under Section 27 of the Indian GI Act of 1999 for the cancellation of Uppada Jamdani from the official register in India35 since the name Jamdani is exclusively

28 EC – GI Dispute.
30 TRIPS Agreement, art 1.1.
31 Islam and Habib (n 14) 51.
32 TRIPS, art 22.2.
33TRIPS, art 24.3.
34 Jamdani has already been registered as first ever GI product in Bangladesh; see Geographical Indication (GI) Journal No 01, March 2016, Published on 4 August 2016, Department of Patents, Designs and Trade Marks, Government of Bangladesh.
35 Indian GI Act, s 27 reads as follows: (1) on application made in the prescribed manner to the Appellate Board or to the Registrar by any person aggrieved, the tribunal may make such order as it may think fit for cancelling or varying the registration of a geographical indication or authorized user on the ground of any contravention, or failure to observe the condition entered on the register in relation thereto; (2) any person aggrieved by the absence or omission from the register of any entry, or by any entry made in the register without sufficient
being claimed by Bangladesh and is also recognised by the UNESCO as the heritage of Bangladesh.36 The decision of the Registrar of Geographical Indications of India will determine further administrative and legal battles to delist Uppada Jamdani from the official register. If either party chooses to appeal the decision of the Registrar then, according to Section 31 of the Indian GI Act, the appeal shall go to the Appellate Board constituted under the Act. Since civil courts are barred from jurisdiction to entertain further claims, the decision of the Appellate Board shall be final.37

When the remedies are exhausted in such foreign jurisdictions and if the stakeholders still believe the dispute involves a violation of trade rules, it may be a matter for them to resort to the WTO’s dispute settlement system.38 However, interest holders who are mainly private parties have no standing in the WTO procedures; for this matter they must rely on their government to bring or defend an action, or to intervene as a so-called ‘third party’ – a Member of the WTO who is not a party to the dispute but ‘has a substantial trade interest in the matter at dispute.’39 In the above scenario, after the Appellate Board’s decision, if Uppada Jamdani still remains registered as a GI, the Bangladeshi stakeholder i.e. BSCIC – the state owned corporation can resort to the WTO’s dispute settlement system through the Government of Bangladesh.40

4.2 Scenario in Trans-Boundary Shared GI

The recent Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications which was adopted in 2015 extends the Lisbon system of appellation of origin to GIs and such protection extends further over trans-border geographical area of origin. Article 2.2 of the Geneva Act provides:

A geographical area of origin as described in paragraph (1) may consist of the entire territory of the Contracting Party of Origin or a region, locality or place in the Contracting Party of Origin. This does not exclude the application of this Act in respect of a geographical area of origin, as described in paragraph (1), consisting of a trans-border geographical area, or a part thereof.

For this purpose, Article 5.4 of the Act lays down the procedure for joint application in the case of a trans-border geographical area. It provides that ‘in case of a geographical area of origin consisting of a trans-border geographical area, the adjacent Contracting Parties may, in accordance with their agreement, file an application jointly through a commonly designated Competent Authority.’ Thus, the recent modification of the Lisbon Agreement paves the way for a single registration of trans-border GI under the auspices of the Lisbon Union. However, this Act is yet to come into force.

At the domestic level, as in force in Bangladesh and India, any potential cross-border GI, such as Fozli mango, has to be protected with separate and independent registration both in Bangladesh and India. Under this procedure, each country would register Fozli as a GI under its respective domestic law, which would result in separate GI in the name of ‘Bangladeshi Fozli’ and ‘Indian Fozli’. But this separate application process is quite lengthy, costly and cumbersome. In addition, it may make the GI product semi-generic in other countries leading to losing the protection in those countries.41

Most importantly, the laws of both India and Bangladesh recognize the concept of homonymous GIs.42 A homonymous GI carries a similar nomenclature which is spelled or pronounced alike, but may otherwise be qualified to get independent protection.43 So, for

cause, or by any entry wrongly remaining on the register, or by any error or defect in any entry in the register, may apply in the prescribed manner to the Appellate Board or to the Registrar, and the tribunal may make such order for making, expunging or varying the entry as it may think fit.


37 Indian GI Act, s 32 specifically bars the jurisdiction of civil courts in this regard.


40 The dispute settlement process has three phases. In the first phase, Members must enter into a mandatory consultation which lasts at least sixty days. If it fails, in the second stage the complaining Member may request the Dispute Settlement Body (DSB) to establish a ‘Panel’, which is conventionally comprised of three members who are not citizens of the contending parties. A party to the dispute may appeal to the Appellate Body, if it is unhappy with the panel’s decision. Third phase is implementation of the Panel or Appellate Body’s decision by the DSB.


42 India GI Act, s 10 reads as follows: Subject to the provisions of Section 7, a homonymous geographical indication may be registered under this Act, if the Registrar is satisfied, after considering the practical conditions under which the homonymous indication in question shall be differentiated from other homonymous indications and the need to ensure equitable treatment of the producers of the goods concerned, that the consumers of such goods shall not be confused or misled in consequence of such registration; similarly Bangladeshi GI Act 2013, s 7 provides: (1) A homonymous geographical indication of goods may be registered under this Act; (2) In case of registration of homonymous geographical indication for the same class of goods, an equitable treatment and protection to every producer of such goods shall be accorded for each indication.

43 Bangladeshi GI Act, s 2(16) provides: homonymous geographical indication means the geographical indication of such goods which bear similar name.
instance the word Fazli in both countries is pronounced alike for mangoes of a specific quality and taste. Therefore, it may be protected under both the countries as a homonymous GI with the condition that the consumers will not be misled by such use and it must fulfil the required elements of a GI. But the system of homonymous GI registration is a very intricate one since the same quality, characteristics and other attributes of the product may not be available in both GIs. Further, the consumers may be confused by such use which would create unfair competition in the market.

5. RAMIFICATIONS FOR BANGLADESH IN CROSS-BORDER GI PROTECTION

Article 24.9 of TRIPS categorically provides that ‘there shall be no obligation under this Agreement to protect geographical indications which are not or cease to be protected in their country of origin, or which have fallen into disuse in that country.’ So, to invoke a violation of TRIPS, a Member concerned must first protect its GI, whether under a sui generis law or otherwise. Alternatively, anyone can use a GI if it is not legally protected in its country of origin, or it has become generic or otherwise ‘has ceased to be protected’ in its country of origin. For example, India could not approach the WTO Dispute Settlement System or any member of the WTO in the absence of protection in India of Basmati rice as a GI.

In Bangladesh, GI registration is not compulsory. An unregistered GI holder can bring an action for passing off to protect a GI against a misleading or fraudulent GI, as is the case in other common law jurisdictions. However, where there is a legal question regarding the cross-border protection of GIs where a country confers protection to unregistered GIs through the common law doctrine of passing off, another competing country’s claim over such GI in the former country may present certain challenges. Since the competing country may argue that such GIs are not protected or have ceased to be protected in their country of origin, or have fallen into disuse in that country, such unregistered GI may lose its protection. Besides, the remedy under passing off action is not beneficial to the litigant because of its cumbersome process of proof and legal uncertainty.

Moreover, the ever expanding horizon of globalization is now affecting the claimed source of traditional practices and indigenous lifestyles. Protection of traditional knowledge through GIs should therefore be considered to be an important mechanism to prevent bio-piracy and similar unfair practices. The GI Act of Bangladesh gives new impetus to this policy advocacy to protect domestic GIs. Besides, section 20 enunciates special provisions for WTO Member countries. This provision obliges the Bangladesh government, by notification in the official gazette, to accord to citizens of any Member country similar privileges as granted to its own citizens in respect of registration and protection of geographical indication of goods only if that country provides the same privileges to citizens of Bangladesh. The Government may, by notification in the Official Gazette, declare such a country as Paris Convention State in order to comply with the treaty, convention or arrangement made with the country. This provision incorporates the national treatment principle and provides equal protection for foreign GIs. From the language of section 20 of the Act, although it is not clear whether the Act seeks national treatment or the reciprocity principle so far as the protection of foreign GIs is concerned; the subsequent GI Rules 2015 made it clear that the provision of section 20 ensures national treatment for foreign GIs. Since the GI Rules made specific provisions for the registration of foreign GIs in line with the provisions of TRIPS, the requirement of the section regarding the official notifications by the government seems not to offend the national treatment principle of TRIPS.

However, the Act does not lay down the procedure for obtaining registration for the shared cross-border GI. For Bangladesh, an LDC with a strong agricultural sector, artistry and traditional knowledge, the GI Act can be an extremely important public policy tool for economic development and the livelihood of farmers. Besides, some traditional cultural expressions (TCEs), such as handicrafts may also be protected by geographical indications. So, in the absence of separate law to protect TCEs, indigenous and traditional tangible cultural...
expressions like handicrafts may also be protected as geographical indications under this Act.

Therefore, to boost the national economy through efficient GI regime, Bangladesh needs to adopt appropriate provisions in its GI regime to accommodate cross-border issues. In addition to improving its GI regime, Bangladesh can join the recent Geneva Act of the Lisbon Agreement which provides for a uniform registration system for appellations of origins and GIs.

6. CROSS-BORDER GI PROTECTION: ONE WAY FORWARD

The current legal scenario across the world seems to be quite uncertain for protecting cross-border GIs. Therefore, considering the above challenges and ramifications with regard to cross-border GI protection, there is a pressing need to outline an appropriate policy and/or legislative guidelines for countries like Bangladesh. In this regard, the following policy options may be recommended in light of the relevant international practices.

6.1 Introducing joint ownership in cross-border GIs

So far as the protection of cross-border GI is concerned, recognizing joint ownership of competing claims of two or more countries over any GI product under an institutional mechanism is the most viable option to ensure joint protection of GIs and accelerate the commercialization in third countries. The EU, following this approach, provides a system for cross-border GI registration for agricultural products and foodstuffs\(^{53}\) and for wines\(^{54}\), but not for spirits.\(^{55}\) In such a case, several groups within different territories may lodge a joint application within the EU centralized system. Now under the EU system, GI registrations can be obtained on the basis of an application filed with the EU Commission via the competent national authorities.\(^{56}\) The application must include a product specification which describes all relevant factors for the GI such as the territory, the product and its raw materials, the methods used etc.\(^{57}\)

The African Regional Industrial Property Organization (ARIPO) has also adopted a protocol for protection of cross-border traditional knowledge and expressions which may be used as a guideline for cross-border GI protection at regional level. The ARIPO Swakopmund Protocol of 2010, in Article 24, provides a useful option to protect traditional knowledge and expressions at regional level which may be used in cross-border GI protection.\(^{58}\) Under this formula, the holders of a foreign traditional knowledge shall enjoy same level of protection as holders of national traditional knowledge if it corresponds with the customary laws and protocols applicable to the traditional knowledge and expressions of folklore of that region.

Ideally, the issue of joint registration should be implemented at bilateral levels through amicable and friendly discussion in diplomatic, ministerial or commercial forums. So far as the institutional mechanisms are concerned for cross-border GI protection, an inter-governmental body may jointly take initiatives to register GIs. Alternatively, a joint commission of two countries may seek legal protection in third countries. However, the actual implementation of this system in the South Asian context is very difficult since it requires two or more countries to arrive at a shared cultural notion of a GI and to deal with GI rights in third countries. Due to the lack of social, political and diplomatic consensus in a cross-border scenario in South Asia, the concept of joint registration of GI seems to be

\(^{53}\) Regulation 1151/12 of the European Parliament and of the Council of 21 November 2012 on Quality Schemes for Agricultural Products and Foodstuffs, OJ L 343/1, art 49 provides: applications for registration of names under the quality schemes referred to in Article 48 may only be submitted by groups who work with the products with the name to be registered. In the case of a ‘protected designations of origin’ or ‘protected geographical indications’ name that designates a trans-border geographical area or in the case of a ‘traditional specialties guaranteed’ name, several groups from different Member States or third countries may lodge a joint application for registration.

\(^{54}\) Regulation 479/2008 of the European Parliament and of the Council of 29 April 2008 on the Common Organization of the Market in Wine, OJ L 148/1, art 37 reads as follows: 1. Any interested group of producers, or in exceptional cases a single producer, may apply for the protection of a designation of origin or geographical indication. Other interested parties may participate in the application; 2. Producers may lodge an application for protection only for wines which they produce; 3. In the case of a name designating a trans-border geographical area or a traditional name connected to a trans-border geographical area, a joint application may be lodged.

\(^{55}\) Regulation 1151/12 is not applicable to spirit drinks; see art 2 of the Regulation.


\(^{57}\) Ibid.

\(^{58}\) Swakopmund Protocol on the Protection of Traditional Knowledge and Expressions of Folklore within the Framework of the African Regional Intellectual Property Organization (ARIPO), Adopted by the Diplomatic Conference of ARIPO at Swakopmund (Namibia) on August 9, 2010, art 24 reads as follows: 24.1. Eligible foreign holders of traditional knowledge and expressions of folklore who are nationals of the country of protection, taking into account as far as possible the customary laws and protocols applicable to the traditional knowledge or expressions of folklore concerned; 24.2. Measures should be established by the national competent authority and ARIPO Office to facilitate as far as possible the acquisition, management and enforcement of such protection for the benefit of the holders of traditional knowledge and expressions of folklore from foreign countries; 24.3. ARIPO may be entrusted with the task of settling cases of concurrent claims from communities of different countries with regard to traditional knowledge or expressions of folklore; to this end, ARIPO shall make use of customary law, local information sources, alternative dispute resolution mechanisms, and any other practical mechanism of this kind, which might prove necessary.
quite challenging. For example, both India and Pakistan have been aware of the need for joint registration of Basmati rice to protect it from the foreign conglomerates, but to date they have failed to arrive at any consensus in this regard.

6.2 Protection through bilateral or regional agreements

Like other sectors, IPR protection is also rapidly evolving in Free Trade Area agreements (FTAs) to become WTO-plus or in this case TRIPS-plus.\(^{59}\) To cope with the wave of FTAs, Bangladesh has also signed bilateral investment treaties (BITs) with other countries keeping in mind its developmental needs.\(^{60}\) Thus, mutual recognition of national GIs may be encouraged through bilateral or plurilateral agreements notified to the WTO. This would make the shared GI protection much easier in both the countries. These agreements may be open to expansion to other Members.

Besides, in the case of conflict, Member countries of these agreements may avail themselves of an independent arbitration system. This system would bring uniformity within the framework of GI protection across borders. For instance, the EU GI Regulation on agricultural products and foodstuffs extends the protection of GIs to the EU and other foreign countries adopting the national treatment principle.\(^{61}\) Under the Regulation, non-EU producers may also apply for protection in the EU jurisdiction without the reciprocity of protection in their national jurisdiction. Following this Regulation, Thailand has already secured the registration of its Jasmine rice in the EU.\(^{62}\)

Further, Bangladesh and the USA signed the Trade and Investment Cooperation Framework Agreement (TICFA) in 2013, to explore and strengthen mutual trade and investment bilaterally. The Agreement specifically recognizes that both states will be obliged to protect and enforce IPRs as protected by their domestic laws and shall be bound to follow the norms set by international treaties like TRIPS.\(^{63}\) Although Bangladesh and the US protect their GIs in different ways – the former through a sui generis system and the latter through the trademark law – Bangladesh may reap the benefits for GIs under the TICFA since both the countries are obliged to protect IPRs of each other in their respective jurisdictions.\(^{64}\) However, the enunciation of IPRs protection within the TICFA can be used by the IPRs maximalist USA to exert pressure on Bangladesh to maximize IPRs protection which may have TRIPS-Plus negative impact on Bangladesh in sectors like food, agriculture and public health.\(^{65}\)

6.3 Conferring cross-border GI protection under the existing regime

The recent modification of the Lisbon Agreement paves the way for a single registration of trans-border GI under the auspices of the Lisbon Union. It extends the protection over GIs in addition to appellation of origins. So, without any further arrangement, Bangladesh may confer and obtain protection to cross-border GI by acceding to the Lisbon Agreement. The Lisbon System offers a means of obtaining protection for an appellation of origin or GIs in the contracting parties to the Lisbon Agreement through a single registration.

The Lisbon System established under the Agreement, is the counterpart of the Madrid and also administered by the WIPO. Article 3 of the Lisbon Agreement contemplates wide protection for appellation of origin enumerating that “protection shall be ensured against any usurpation or imitation, even if the true origin of the product is indicated or if the appellation is used in translated form or accompanied by terms such as “kind,” “type,” “make,” “imitation,” or the like.” So if an LDC like Bangladesh becomes a party to it, a single registration would protect Bangladeshi GIs across the Lisbon umbrella. This would be tremendously helpful for Bangladeshi GIs to be protected in foreign jurisdictions which would otherwise be difficult for Bangladesh due to cost and other relevant factors.

As a Member of the WTO, Bangladesh is bound to follow the national treatment and most-favoured nation principles as adopted in the GI Act of Bangladesh which makes it possible to confer cross-border GI protection across borders. For this purpose, the Act needs to provide a detailed procedure for obtaining registration of shared cross-border GI. Alternatively, it can also enter bilateral or plurilateral arrangements with neighbouring countries with regard to shared GIs in order to confer and secure GI protection in third countries.

7. CONCLUSION

Cross-border GI protection requires maintaining an appropriate balance between national sovereignty-based policy considerations and a non-discriminatory approach with regard to foreign rights holders. Due to the fact that the minimum standards of protection for GIs applicable to all products under TRIPS fails to mention cross-border protection - and nor does the

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\(^{59}\) See generally, Trade and Investment Co-operation Framework Agreement (TICFA) between Bangladesh and USA; the Cooperation Agreement between the European Community and the People’s Republic of Bangladesh.

\(^{60}\) EC Regulation 510/2006, a detailed application procedure is enumerated in article 5 of the Regulation.

\(^{61}\) Ataul Karim and Ershadul Karim (n 24) 62.

controversial provision on extended protection for GIs for wines and spirits—there exists legal uncertainty in GI protection across borders. In order to ensure a comprehensive and efficient cross-border GI protection regime, there seems to be a need for further negotiations and mutual discussions. The present article shows that under the existing framework, it is possible to confer cross-border GI protection by complying with the traditional non-discrimination principle of the WTO. The article has argued that the extension of additional protection of TRIPS to all products is a pressing need to enunciate a uniform and flexible legal regime for GI protection.

Although there exists variety in the approaches of GI protection across the world, WTO Members should come under the shared notion of consumer protection against unfair competition through the use of deceptive or misleading GIs. Similarly, the wide range of traditional and cultural products should be given GI protection in order to reap the maximum economic benefits from the multilateral trading regime. To serve this goal, there needs to be a balanced and effective cross-border GI protection regime. In this regard, the paper has tried to devise some additional ways and practices which may work as guidelines in the future policy development for appropriate legal regime for cross-border GI protection especially in countries like Bangladesh.

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Towhidul Islam & Ansari, for wines and spirits – there exists legal uncertainty in GI controversial provision on extended protection for GIs

protection across borders. In order to ensure a protection regime. In this regard, the paper has tried to needs to be a balanced and effective cross-border GI and cultural products should be given GI protection in or misleading GIs. Similarly, the wide range of traditional Although there exists variety in the approaches of GI protection. enunciate a uniform and flexible legal regime for GI protection of TRIPS to all products is a pressing need to shows that under the existing framework, it is possible to


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Abstract: In the face of global pressure to save energy and reduce carbon emission, both China and the United States ("US"), as countries which respectively utilize a vast amount of energy, are anxious to cooperate in the search for clean energy. As part of the successful maintenance and promotion of Sino-US cooperation in clean energy research and development, it is extremely crucial to establish an appropriate intellectual property ("IP") sharing and licensing mechanism. To that end, the US-China CERC project is a flagship venture in the Sino-US clean energy collaboration which seeks to provide that very mechanism through a pioneer IP Management Framework. The Technology Management Plan ("TMP") regarding the exploitation of IP rights is an integral component of this framework as it regulates the sharing and exploiting of IP rights in the US-China CERC.

This paper introduces this novel IP Management Framework and focuses on the TMP formation process. Further, the paper analyzes the difficulties encountered in TMP negotiations and also investigates the effectiveness of the current CERC IP Management Framework, by evaluating its achievements in IP management obtained within the first five years after this framework was implemented. Notwithstanding the CERC’s success, it still faces challenges in the creation of co-owned patents and the transfer of technology between both the US and China. In response to such obstacles, this paper proffers the refining of the CERC IP Management Framework to include an operational level as a solution. The envisaged operational level consists of an IP service platform, and an IP information and exploitation platform. With these refinements, both the implementation of the CERC IP Management Framework will be smoother and the participants’ abilities to manage IP, strengthened. Ultimately, it is hoped that the refined framework will serve as the new model for cross-border US-China cooperation in other fields as well.

Keywords: Intellectual property; sharing; licensing; cross border cooperative innovation; clean energy

1. INTRODUCTION

In order to strengthen research cooperation, facilitate the transfer of technology between China and other countries, and promote its key clean energy technologies on the international stage, the Chinese government has supported extensive scientific and technological cooperation between domestic universities, research institutions, enterprises, and relevant foreign agencies. The creation, operation, protection, and management of IP are important to almost all research and development activities, and technological innovation projects. Accordingly, the regulation and management of IP has a direct impact on the successful commencement and operation of joint research projects, especially in cross border collaborations.

On 17 November 2009, the Ministry of Science and Technology of China (MOST), the National Energy Administration of China, and the US Department of Energy (DOE) signed a Protocol for Cooperation on a Clean Energy Research Center (CERC Protocol) to set up the US-China CERC, which aims to promote cooperative research in the field of clean energy technology between China and US scientists and engineers. The three consortia ("BEE") and the Building Energy Efficiency consortium ("BECC") of the CERC encompasses a novel framework for protecting and sharing intellectual property ("IP Management Framework"). Under this framework, the "groundbreaking" TMPs establish an effective channel for interest sharing and disputes resolution. In doing so, the TMPs provide for the management of IP in Sino-US collaborative research and lays down a strong foundation for cooperation in the field of clean energy between the world’s superpowers.

Accordingly, this paper introduces the CERC’s aforementioned novel IP Management Framework and in particular, focuses on the formation process of both the CERC IP framework and ACTC TMP. This paper also analyses the challenges faced by the CERC and proposes the refining of the CERC IP Management Framework to include an operational level as a solution.

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1 U.S.-China Clean Energy Research Center, ‘History’<http://www.us-china-cerc.org/history.html> accessed 4 June 2017
2. A NOVEL IP MANAGEMENT FRAMEWORK IN THE CERC

In the CERC, IP legal documents are negotiated and signed at three levels: the highest level is the governmental level which involves the US and Chinese governments, the second is the consortia level which involves the three technology consortia, and finally, the project level involves the specific projects’ participants, as shown in figure 1. At the governmental level, the CERC Protocol with the IP Annex was signed in 2009. The IP Annex strengthens IP protection and provides precedent-setting terms to foster joint creation and the exchange of IP, and in turn, influences the documents for signing at the consortia level by stipulating that each consortium has to jointly develop a TMP regarding the exploitation of IP rights. The TMP provides a channel for interest sharing and disputes resolution for IP management in jointly-funded research projects and serves to connect the CERC Protocol-IP Annex at the governmental level to the IP agreement at the project level. The IP agreement at the project level then complements, supplements, and implements the IP Annex and TMP, taking into account appropriate factors for the particular technology that is the subject matter of the jointly-funded research project.

Fig. 1. CERC IP Management Framework

3. IP MANAGEMENT REGULATION MAKING: CERC-ACTC TMP FORMATION

3.1 CERC-ACTC TMP Formation

Thus far, out of all the science and technology cooperation agreements that China has signed with foreign countries, only the IP Annex of Agreement for Scientific and Technological Cooperation between the Chinese government and the European community (“EU-China S&T Agreement”) requires the contractor to develop a TMP. The EU-China S&T Agreement defines a TMP “as a specific agreement to be concluded between the participants about the implementation of joint research and the respective rights and obligations of the participants”. Although the participants under the EU-China S&T Agreement were obliged to “jointly develop a Technology Management Plan (TMP) in respect of the ownership and use, including publication of information and intellectual property to be created in the course of joint research”, there is no evidence that such a TMP was indeed developed and endorsed by governments under the EU-China S&T Agreement. Therefore, the formation of the CERC’s TMPs is revolutionary.

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According to the CERC Protocol-IP Annex, “[t]he Parties or their participants shall jointly develop provisions of a Technology Management Plan (TMP) regarding the exploitation of IP rights. If the Parties cannot reach an agreement on a joint TMP in the particular research project agreement, work on the particular research project shall not commence.”\(^5\) in order to meet their obligations under this provision and support new project launches, the ACTC thus founded a special sub-project named “IP research project”. This project is carried out by experienced IP experts, lawyers, and researchers from both countries, who are responsible for drafting and negotiating the CERC-ACTC TMP.

The formation of the CERC-ACTC TMP lasted half a year, in which three bilateral workshops were held, and 29 revised versions were discussed. The final version was signed by both the US and China CERC-ACTC directors in August, 2011 in the US, Washington DC, and endorsed by both governments.\(^5\) The CERC-ACTC TMP subsequently served as the model for the other two consortia, i.e., the CVC and the BEE.

### 3.2 CERC-ACTC TMP Contents

The CERC-ACTC TMP is divided into six parts and covers only IP protection, allocation, management, and utilization issues in the course of collaboration. Part one of the TMP (the “Preamble”) outlines the basis for the TMP, its main scope of coverage including the applicable areas, and its objectives. Part two (“Definitions”) defines “terms and key words, including ‘intellectual property’, ‘background intellectual property’, ‘project intellectual property’, ‘cooperative activities’, ‘jointly-funded research project’ and ‘participant(s)’. Part three (“Ownership of Intellectual Property”) proffers ways to identify the inventorship of project IP, to protect background IP rights, and to allocate project IP rights. Part four (“Management of Intellectual Property and Information Sharing”) stipulates management rules for protecting background IP and using project IP, information sharing, and information security management. Part five (“Sharing and Protection of Interests in Intellectual Property Rights”) states the principles of project IP rights allocation, licensing, and exploitation. Finally, part six (“Dispute Resolution”) provides the rules and methods of dispute resolution. A summary of the main rules under the CERC-ACTC TMP are shown in Table 1.

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According to the CERC Protocol published on the [CERC website](http://www.cerc.org/Intellectual_Property.html) accessed 4 June 2017, consortia, subsequently served as the model for the other two PROTOCOL between The Department of Energy of the United States of America and the Ministry of Science and Technology of China for Cooperation on a Clean Energy Research Center (CERC-ACTC TMP) signed by both the US and China CERC -ACTC directors in August, 2011 in the US, Washington DC, and endorsed by both governments. 6 The CERC -ACTC TMP was signed by both the US and China in order to meet their interests in Intellectual Property Rights. The formation of the CERC-ACTC TMP lasted half a year, in which three bilateral workshops were held, and 29 revised versions were discussed. The final version was endorsed by both governments or respective governments for any such arms-length licenses to third parties.

### Table 1. Main rules in CERC-ACTC TMP

<table>
<thead>
<tr>
<th>Section</th>
<th>Rule</th>
</tr>
</thead>
</table>
| **Background IP determination**              | • IP created or invented outside the scope of the Joint Work Plan for Cooperative Activities.  
• Ask participants to list all relevant IP that they assert as Background IP. |
| **Background IP Use**                        | • Any use of Background IP authorized by its owner may require an appropriate license (terms and conditions may be negotiated). |
| **Project IP Allocation**                    | • Who is the creator; who is the owner.  
• Co-create, co-ownership.  
• Governments maintain march in right. |
| **Project IP Exploitation**                  | For "Jointly-Funded Research Projects",  
• The project’s participants have the free right to use IP created during cooperative activities, for the purposes of executing the project/work plan for the particular jointly-funded research project.  
• The project’s participants in both countries have the right to obtain a non-exclusive license for the project IP.  
• Any project IP licenses granted to third-parties shall be non-exclusive.  
• A Project IP owner has no obligation to account to the co-owners or respective governments for any such arms-length licenses to third parties. |
| **Knowledge Sharing and Confidentiality**   | • Make available to the other participants access to technical reports resulting from such cooperative activities that are not “business-confidential”, prior to such reports becoming publicly available.  
• Make regular publicly available reports to the respective governments (except for confidential information or information that is required to preserve the novelty of an invention for purposes of patenting).  
• Confidentiality agreement suggested. |
| **Dispute Resolution**                       | • Submit to an arbitral tribunal agreed by both parties, if it is unable to solve through discussion.  
• Otherwise agreed, arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL) shall give. |
4. DIVERGENCE AND CONSENSUS REACHED IN CERC TMP NEGOTIATION

4.1 IP Exploitation in Joint Research Project

How to effectively exploit the IP rights produced in jointly-funded research is the key issue during bilateral discussion. Unfortunately, each country’s respective laws and regulations, and differing positions have rendered this issue the thorniest to resolve during negotiations.

Part four of the TMP divides any research and development work within the scope of the ACTC Joint Work Plan into two types: “Jointly-Funded Research Project”, and “Cooperative Activities” that do not include a “Jointly-Funded Research Project”. “Jointly-Funded Research Project” refers to “Cooperative Activities” whose scope of work/work plan involves Signatories to the CERC Protocol from BOTH countries providing collaborative research performers who are employed or sponsored by them and/or joint-funding (including in-kind contributions) of the scope of the work/work plan. Others, such as “Cooperative Activities whose scope of work/work plan involves signatories to the CERC Protocol from BOTH countries but are funded by participants”, are “Cooperative Activities” that do not include a “Jointly-Funded Research Project”.  

4.1.1 IP Licensing Policy in "Jointly-Funded Research Project"

Section four of part four of the TMP sets out the IP licensing policy in relation to IPs arising from “Jointly-Funded Research Projects”. The policy is as follows:

“① An owner or owners from one territory of an Intellectual Property Project arising from such a project (and where necessary, Signatories to the CERC Protocol with an interest in such intellectual property) shall agree to negotiate in good faith terms of a nonexclusive license, to the other territory’s Participants in such a particular “Jointly-Funded Research Project”, to make, have made, use, sell or otherwise practice such intellectual property. Such licenses shall be subject to negotiation on favorable terms agreeable to the entities that have ownership of such intellectual Property.

② Any licenses to a “Jointly-Funded Research Project” Intellectual Property Project granted to third-parties that are not Participants in the particular “Jointly-Funded Research Project”, shall be non-exclusive and based upon fairly negotiated arms-length commercial terms and compensation which take into account the commercial benefits of the technology and the investment in the development of the technology, the benefits of licensing by territory, or for fields of use, and other factors deemed appropriate for the particular technology which is the subject of the “Jointly-Funded Research Project.”

③ Unless otherwise required by law (or, consistent with applicable law, otherwise agreed by the owners of the particular Intellectual Property Project), an owner of “Jointly-Funded Research Project” Intellectual Property Project shall have no obligation to be accountable to the co-owners of such Project Intellectual Property or, unless otherwise required by law, to the Signatories of the CERC Protocol for any such arms-length licenses to third parties.”

Despite the standardization of the IP licensing policy, both countries have differing stances on the exploitation and licensing of IP in jointly-funded research projects. The US DOE encourages sharing, and seeks to prevent a party which is an IP owner from refusing a license to the other party in jointly-funded research projects on reasonable terms. In addition, the US is of the view that unless otherwise required by law, an owner can license third parties without being accountable to the co-owner. The Chinese position is however, more inclined to protect IP creators, in other words, researchers’ interests. This is evident from how China has emphasized that such a license must be restricted to a non-exclusive license, and has asserted that the said license must be beneficial and acceptable to IP owners as a precondition. Such differing views led to a prolonged period of negotiations before the text of the CERC-ACTC TMP was finalized, as will be discussed below.

4.1.2 IP Licensing Policy in other "Cooperative Activities"

Section five of part four of the TMP addresses any potential IP licensing issues in connection with “Cooperative Activities” that do not include a “Jointly-Funded Research Project”. The policy is as follows:

“① An owner or owners from one territory of a Project Intellectual Property arising from such a project (and where necessary, Signatories to the CERC Protocol with an interest in such intellectual property) shall agree to negotiate in good faith terms of a non-exclusive license to the other territory’s ACTC Participants, for any invention made under such activities that is not a trade secret, for research and development purposes only.

② Any licenses granted by an owner or owners of Intellectual Property Project to third parties that are not Participants in “Cooperative Activities” shall be non-exclusive and based upon fairly negotiated arms-length

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1 TECHNOLOGY MANAGEMENT PLAN (Regarding the exploitation of Intellectual Property Rights) for the Clean Energy Research Center Advanced Coal Technology Consortium (ACTC), art. II.5 < http://www.us-china-cerc.org/Intellectual_Property.html> accessed 4 June 2017.

commercial terms and compensation which take account of the commercial benefits of the technology and the investment in the development of the technology, the benefits of licensing by territory, or for fields of use, and other factors deemed appropriate for the particular technology which is the subject of the “Cooperative Activity.”

When compared with the licensing policy for IPs arising from “Jointly-Funded Research Project[s]”, it appears that the requirements of licensing for “Cooperative Activities” that do not include a “Jointly-Funded Research Project”, or non-government funded “Cooperation Activities”, are not as stringent as the former.

4.2 Confidential Information Management

4.2.1 Geological Data Release and Sharing

Geological data plays a crucial role in energy technology research; if geological data is not supplied, experiments cannot be conducted. Thus, in research activities the US has repeatedly pushed for the sharing of geological data during the ACTC TMP’s negotiation phase.

However, whether in the US or China, geological data is closely related to national security. Thus, each country’s existing regulations, to safeguard their own respective national security, makes it extremely difficult to share such geological information. According to the US’ Freedom of Information Act (hereinafter “FOIA”), anyone may request government information. In other words, government information must be made available to the public rather than be kept secret. However, 9 types of sensitive and private information are exempt from the purview of the FOIA, one of which is geological and geophysical information and data, including maps that involve wells. However, access to such geological data may still be possible if an applicant passes the US Geological Data Center’s examination. Nevertheless, the sharing of such information is still restricted as an applicant would have to sign a confidentiality agreement with the center which delineates the ways in which such geological data can be used and disclosed. Thus, there are restrictions on the US’ end in relation to the sharing of geological data. Similarly, in China, regulations such as the "Law of the People’s Republic of China on Guarding State Secrets", "Mineral Resources Law of the People’s Republic of China", “Geological Data Management Regulations” and "Confidential Geological Data Management Rules" define a certain range of geological data as national secrets. Persons who disclose such confidential information may face criminal prosecution and be guilty of an offense. Given the disclosure restrictions in the US and the possibility of criminal sanctions in China, the sharing of geological data between the US and China is a particularly sensitive issue which requires careful treading.

4.2.2 Publication and Sharing of Research Result involving Patent Novelty

The ACTC TMP also requires that “both sides shall make regular publicly available reports to the respective Signatories to the CERC Protocol, generally describing the research data produced, the project’s progress and periodical achievements”.

Under US laws, any state-funded collaborative research must present its research results and data regularly to the public for transparency purposes. However, as this is likely to result in the disclosure of Chinese state secrets, the two countries’ have had different opinions on the sharing of research results with the US public.

This divergence in stances over the various issues led to months of negotiations between the US and Chinese IP teams. Finally, after 29 revisions, both countries reached a common consensus on the final TMP text. The US and China’s respective opinions during the ACTC TMP’s negotiation and solutions/consensus reached are articulated in Table 2 below.

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11 See Amendment to Administrative Procedure Act, § 3(e), 80 Stat. 251.
12 Id., Sec. 4.1 (a), 6.1(c).
13 Confidential Geological Data Management Rules, art.I.1.(2)
IMPLEMENTATION: RESULTS AND CHALLENGES

5.1 Results

5.2.1 Co-owned patents of Chinese and the US

5.2.2 Transfer of technology between the US and China

5.3 SUGGESTIONS

Table 2. Divergence of opinion between the US and China in TMP negotiation and consensus reached

5. CERC IP MANAGEMENT FRAMEWORK IMPLEMENTATION: RESULTS AND CHALLENGES

5.1 Results: Enhancing mutual trust, and promoting collaboration and innovation

Overall, the CERC’s “groundbreaking” IP Management Framework has enhanced mutual trust, and fostered collaboration and innovation between the US and China. 16 Further, the framework gives each country a guaranteed right to exploit IP in the other country’s territory, which can facilitate access to foreign markets for new technologies. Simultaneously, it allows others to access new knowledge through lawful means, and promotes greater diffusion of technology. As such, the TMPs, bolstered by the various governments’ endorsements, have been heralded for providing a channel of interest sharing and disputes resolution for IP management in Sino-US collaborative research. 17

By ensuring that IP will be protected, and dictating how such IP may be shared or licensed in each country, the IP Management Framework and TMPs encourage open collaboration between the US and Chinese teams, enables researchers to safely bring forward their most innovative ideas, and allows others to build on new discoveries. These actions cumulatively result in positive spillover effects in the form of accelerating further progress in the field of clean energy.


17 Ibid.
Indeed, the success of the CERC’s IP Management Framework is illustrated by its remarkable performance during the first five years after its establishment. Not only have there been no disputes between both countries, the number of patent applications of each consortium has significantly increased after the CERC’s establishment in 2009. This is demonstrated in Table 3 below.

Table 3. Patent application number of consortium participants in five years before and after CERC

<table>
<thead>
<tr>
<th>Consortium Name</th>
<th>Time period</th>
<th>Chinese participants</th>
<th>US participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACTC</td>
<td>102</td>
<td>684</td>
<td>231</td>
</tr>
<tr>
<td>CVC</td>
<td>288</td>
<td>1001</td>
<td>1240</td>
</tr>
<tr>
<td>BEE</td>
<td>408</td>
<td>4275</td>
<td>1210</td>
</tr>
<tr>
<td>Total</td>
<td>798</td>
<td>7938</td>
<td>2681</td>
</tr>
</tbody>
</table>

Similarly, Table 4 shows the number of published co-authored journal articles produced from the CERC’s cooperative projects during the first five years (2010-2014) after the CERC’s establishment. In the CVC, the number of published articles co-authored by the Chinese and US participants has surpassed that of articles co-authored only by US participants. Such results indicate that the implementation of the CERC IP Management Framework has indeed encouraged collaboration and innovation, accelerated knowledge sharing, and promoted the diffusion of clean energy technology between the US and China.

Table 4 co-authored articles published by CERC participants from 2010 to 2014

<table>
<thead>
<tr>
<th></th>
<th>Chinese</th>
<th>US</th>
<th>Chinese &amp; US</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACTC</td>
<td>40</td>
<td>70</td>
<td>12</td>
</tr>
<tr>
<td>CVC</td>
<td>126</td>
<td>76</td>
<td>80</td>
</tr>
<tr>
<td>BEE</td>
<td>16</td>
<td>17</td>
<td>12</td>
</tr>
</tbody>
</table>

5.2 Challenges in CERC IP Management Framework implementation

Notwithstanding the success of the CERC IP Management Framework thus far, there have been considerable challenges in its formation, especially during TMP negotiations. Such difficulties are mainly attributed to differing legislations between both the US and China. Although consensus was eventually reached during negotiations, different legislations and their accompanying enforcements still pose the biggest threats to the successful establishment of this framework and the implementation of TMPs. The main challenges that consortia face in the implementation of the CERC IP Management Framework can be classified into the following two categories:

5.2.1 Co-owned patents of Chinese and the US participants

According to statistical data on IP outcomes in the first five years after the CERC’s establishment (2010-2014), there have been no co-owned patents created from the CERC’s collaborative projects. The lack of success may reflect the concerns of both participants about their different legislation and the enforcement thereof, and the complexity of determining each party’s rights and obligations in relation to co-owned patents. In addition, the want of a co-owned patent may indicate that there is still insufficient mutual trust between the Americans and the Chinese. This could be explained by the fact that national security concerns, including the fear of leaking technological secrets, and the constraints on patent exploitation when it is co-owned by both sides have not been completely eliminated.

5.2.2 Transfer of technology between the US and Chinese participants

Moreover, as aforementioned, some clean energy technologies are closely related to national security. As such, restrictions on the import and export of such technologies impede their cross border transfer. These limitations explain why the CERC has yet to result in the transfer of project IP technologies between China and the US, including the implementation of project IP in the other country, assignments or licensing of project created patent or know-how technology, software with copyright, and beneficial spillover effects on the clean energy sector.

6. SUGGESTIONS

To resolve the above challenges, this paper suggests that the CERC IP Management Framework should be refined by including an additional operational level. The operational level ought to include an IP service platform, and an IP information and exploitation platform. With these additional refinements, both the implementation of the CERC IP Management Framework will be smoother and the participants’ abilities to manage IP will be strengthened. A summary of how the operational level will be incorporated into the existing CERC IP Management Framework is illustrated in figure 2 below.

6.1 Establishing an IP service platform

The main part of the operational level is an IP service platform whose dominant role is to coordinate the IP activities across the governmental level, consortia level and projects level. It is suggested that this platform ought to comprise of a US-China IP experts group, IP coordinators, and an IP contact person. The US-China IP experts group will form the core of the IP service platform in organizing regular IP training sessions, creating a "Researchers IP and Technology Transfer Guide" and "Project IP Agreement Model", and helping CERC participants to deal with complex IP issues such as co-owned patent sharing and licensing. Simultaneously, it is envisaged that the IP experts group will also provide professional IP consulting services on amongst others, IP strategies, disputes resolution, and patent portfolio formulation. Next, the IP coordinators will serve as a point of coordination between the IP experts group and IP contact person on the consortium level. Additionally, the IP coordinators will assist the IP experts group in the organization of the said IP training sessions, guide consortia participants on how to implement the experts’ advice, convey feedback to the experts group, and improve the IP coordination network for each consortium. Finally, the IP contact person will aid in the development of project IP agreements and will be responsible for managing IP in projects.

6.2 Establishing an IP exploitation and transaction platform

The other part of the operational level is an IP exploitation and transaction platform. This platform shall be equipped with an IP database which collects all background IP and the CERC’s projects IP information. This database is to be made accessible to all CERC participants. The function of this platform is to promote greater sharing and diffusion of technology by encouraging cross-licensing among consortia participants and guiding participants on the establishment of patent pools. IP transaction activities are also to be organized regularly. This would correspondingly better connect CERC participants to external researchers and industry partners for the facilitation of the transfer of technology.

7. CONCLUSION

Ultimately, the CERC is a flagship venture in Sino-US clean energy collaboration. The CERC’s “groundbreaking” IP Management Framework has enhanced mutual trust, and fostered collaboration and innovation between the US and China. Notwithstanding the CERC’s success, it still faces challenges in the creation of co-owned patents and the transfer of technology between both the US and China. In response to such obstacles, this paper proffers the refining of the CERC IP Management Framework to include an operational level as a solution. The suggested novel IP Management Framework with an additional operational level would be an innovative solution to enable and promote joint innovation, and to effectively create, share and exploit, and protect and manage IP. It is envisioned that the recommended framework will be a good model for other Sino-US joint programs and potentially programs in other bilateral relationships to follow.

Confidential Geological Data Management Rules, art.l.1.(2)


Law of the People’s Republic of China on Guarding State Secrets


Amendment to Administrative Procedure Act, § 3(e), 80 Stat. 251.


THE INTELLECTUAL PROPERTY DIMENSION OF BILATERAL AND REGIONAL AGREEMENTS IN ASIA: IMPLICATIONS FOR TRADE AND DEVELOPMENT POLICY

Professor Ida Madieha bt. Abdul Ghani Azmi

Abstract: Beginning with the twenty first century, there has been a flurry of free trade agreements, either in the form of bilateral or regional agreements or economic partnership agreements, which have been entered into between Asian countries. Many reasons have been afforded to this rise in bilateralism and regionalism, ranging from the need to foster closer international economic partnership to regulatory cooperation. A more market-driven reason would be the need to maintain a regional supply chain, which becomes more crucial after the Asian Financial Crisis. The non-conclusion of the WTO Doha Round negotiations, with the promise of a development agenda, has forced countries to resort to bilateralism. Eventually, there are always political and diplomatic motivations, i.e. countries would not want to lose out in the rat race for lower tariffs and opening of markets, especially for an export-oriented market economy like Malaysia. As most of these instruments contain binding obligations on intellectual property rights (IPRs), this article examines the provisions on IPRs in these Free Trade Agreements (FTAs), Bilateral Trade Agreements (BTAs) and Regional Trade Agreements (RTAs) (in particular, the Trans-Pacific Agreement) in the form of mandatory international accession and TRIPS-Plus binding commitments. The paper ends with some prognosis on the implications of the web of FTA obligations on domestic policies of WTO members.

Keywords: Bilateral and Regional Trade Agreements, Intellectual Property, Development Policy

1. INTRODUCTION

The last comprehensive multilateral treaty to be concluded on IPRs was the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), under the aegis of the World Trade Organisation (WTO) in 1994. Implemented in all members of WTO, except for those that are least developed countries, since then, it represents the most comprehensive collection of standards on IPRs, building on prior treaties such as the Berne,1 Paris2 and Rome Conventions,3 the Lisbon Agreement4 and the Washington Treaty5 and UPOV.6 A few years later, by the early 2000s, with the continuing uncertainty with the progress of trade negotiations at the WTO, countries started to engage in bilateralism and regionalism outside the WTO framework. By 1998, there were no free trade agreements (FTAs) or regional trade agreements (RTAs) in the Asia Pacific region, but by 2015, 271 agreements (either concluded, under negotiations, or proposed) were entered into in the Asia-Pacific Region.7 A substantial part of these agreements are bilateral agreements,8 with the exception of those with the Association for South East Asian Nations (ASEAN),9 European Free Trade Association (EFTA).10 Trans-Pacific Partnership Agreement (TPPA) and Regional Comprehensive Economic Partnership (RCEP).11

Many of these FTAs and RTAs contain provisions, or even a complete chapter, on IPRs. When IPRs were first included as trade issues in the mid-1990s, in the negotiation of the North American Free Trade Agreement (NAFTA), the idea was revolutionary.12 NAFTA was used as a template for the TRIPS Agreement, which constitutes the primer for intellectual property standards guarded by the WTO. The main premise behind the inclusion of intellectual property rights is the notion that weak or non-existent intellectual property standards and enforcement measures constitute trade

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6The International Union for the Protection of New Varieties of Plants (UPOV), adopted on December 2, 1961.
8This include FTAs such as China-Costa Rica, EU-Republic of Korea, Hong Kong - China - New Zealand, Hong Kong - China- Chile, Japan-Malaysia, Japan - Mexico, Japan-Philippines, Japan-Thailand, Republic of Korea - Australia, Republic of Korea - India, Republic of Korea - Vietnam, Malaysia-Australia, US-Australia and US-Singapore.
9For example, ASEAN -Australia - New Zealand; ASEAN - China, ASEAN-India and ASEAN - The Republic of Korea.
10The European Free Trade Association (EFTA) is an intergovernmental organization set up for the promotion of free trade and economic integration to the benefit of its four member states: Iceland, Liechtenstein, Norway, and Switzerland. Such free trade agreements include EFTA - The Republic of Korea and EFTA- Singapore.
11The Regional Comprehensive Economic Partnership is a proposed free trade agreement (FTA) with the ten member states of ASEAN and another six states (Australia, China, India, Japan, South Korea and New Zealand).
barriers. Since then, it becomes sine qua non or a foregone conclusion that any trade ties would include IP standards within its framework.\textsuperscript{13} It has been said again and again that the link between trade and IP rights is quite intimate. Rules pertaining to IP rights are considered as important commercial regulations that can have dire impacts on trade between member countries.\textsuperscript{14}

This article first examines Member countries’ objectives in entering into trade agreements and the varying strength of IPR provisions in FTAs, before dwelling on the maximalist treatment of IP rights with a special focus on the TPPA. The article ends with some suggestions on the possible implications of ‘trading off’ IP rights for the perceived benefits of market liberalisation on the development and domestic policies of WTO members.

2. THE MOTIVATION BEHIND FREE TRADE AGREEMENTS

The traditional economic theory is that countries engage in FTAs, which are treaties between two or more economies, in order to enjoy certain economic benefits, such as to reduce or remove trade barriers and bring closer economic integration. FTAs are seen as the best mechanism to simplify entry into export markets, where your export goods will enjoy preferential tariffs and increased export quotas. By being members of such agreements, countries will enjoy exclusive treatment in comparison to non-members. For example, on the Singapore government’s official web site, Go Global, it is claimed that for exports of gold ore bars to India, for an export value worth $100,000, the duty payable was 6 percent in January 2013 and set to be reduced to zero percent once the ASEAN-India FTA takes effect.\textsuperscript{15} This reason has been cited as the main objective why countries pursue free trade agreements intensively. Economic studies have been resorted to by member countries to prove the estimated economic advantages in engaging in free trade agreements. For example, in Malaysia, prior to the ratification of the TPPA, two economic studies were released i.e. the Institute of Strategic and International Studies (ISIS)\textsuperscript{16} and the PricewaterhouseCoopers’ Report.\textsuperscript{17} In the ISIS report, it was estimated that joining the TPPA would mean significant tariff cuts in the US (by 90 percent), Canada (by 95 percent), Mexico (by 77 percent) and Peru (by 81 percent).\textsuperscript{18} In the context of Malaysia, the report by PricewaterhouseCoopers further projected that the accession to the TPPA may bring about a higher GDP by USD 107-211 billion and the additional investment of USD 136-239 billion.\textsuperscript{19}

It is also for this basic reason that Malaysia engages in FTAs. If the number of FTAs is evidence of how valuable they are in the eyes of the government, then this is definitely true in the case of Malaysia. Since 2003, Malaysia has inked seven bilateral FTAs and six regional FTAs, most of which are with its important export markets.\textsuperscript{20} Being an export-oriented country, these FTAs would have significantly increased the volume of exports and consequently revenues to the country.

Cementing existing political and diplomatic ties is another purported reason to forge FTAs. Ravenhill argues that this may be a contributing factor to why such agreements are negotiated and entered into at such a feverish pace.\textsuperscript{21} In the case of the TPPA, one of the reasons why Malaysia participated is that its engagement would neutralise any negative allegations thrown against Malaysia by the US, such as ‘human trafficking, currency manipulation and environmental degradation’.\textsuperscript{22}

The non-conclusion of the Doha Round of multilateral trade negotiations launched in 2001 at the WTO provides another impetus for members to seek greater trade liberalisation through FTAs.\textsuperscript{23} Unfortunately it is much harder for developing countries to resist pressures in bilateral negotiations than in multilateral negotiations. In the latter case, countries can create a block on a certain trade issues, either to lobby for changes or resist demands for changes. As a result, very high standards on intellectual property, labelled by some as platinum

\textsuperscript{13}Id. 13.
\textsuperscript{18} Id. 10.
\textsuperscript{19} Id. 9.
\textsuperscript{20} The Bilateral FTAs are: (1) Malaysia-Japan Economic Partnership Agreement (MJEPA) (2) Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA) (3) Malaysia-New Zealand Free Trade Agreement (MNZFTA) (4) Malaysia-India Comprehensive Economic Cooperation Agreement (MICeCA) (5) Malaysia-Chile Free Trade Agreement (MCFTA) (6) Malaysia-Australia Free Trade Agreement (7) Malaysia-Turkey Free Trade Agreement. The Regional FTAs are (1) ASEAN-China FTAs (2) ASEAN-Korea FTAs (3) ASEAN-Japan Comprehensive Economic Partnership (4) ASEAN-Australia-New Zealand FTA (5) ASEAN-India FTA (6) ASEAN Trade in Goods Agreement; available at http://miti.gov.my.
\textsuperscript{23} Christoph Antons & Dilan Thampapillai, ‘An Overview of Free Trade Agreements in the Asia-Pacific Region with a Particular Focus on Intellectual Property’, in Christophs Antons & Reto Hilty (eds), (n. 7) 33.
standards, are being pushed through FTAs, which would otherwise be difficult to achieve through the multilateral framework.  

Other reasons that have been cited include the need to protect regional supply chains within Asia following the Asian Financial Crisis. Malaysia, for example, initially was not too keen in inking bilateral agreements but soon changed its attitude in the early 2000s. After its neighbour Singapore aggressively pursued FTAs, Malaysia feared that it would lose out to its neighbours in terms of preferential treatment enjoyed under the FTAs. As a small trading nation, Malaysia believes that it must always engage in free trade agreements in order to garner more market access for exporting its goods and services.

3. IP CHARTERS IN FTAS AND RTAS

A survey reveals that there is a wide range of IP provisions in FTAs and RTAs. Some of them cover IPRs in a very minimalistic fashion, such as the inclusion of IP in the definition of ‘investment’. Next, there are groups of FTAs and RTAs at mid-level that contain provisions related to specific types of IPRs but are not extensive enough to introduce significant TRIPS-plus obligations. An example is the Japanese Economic Partnership Agreement with Malaysia. This agreement requires accessions to agreements not referred to in TRIPS Agreement such as Nice and Strasbourg Agreements, besides having provisions on border measures and well-known trademarks. At the extreme end are FTAs and RTAs that have a complete chapter on IPRs, with additional and stringent measures on intellectual property. The last category is typically illustrated by FTAs and RTAs championed by the US, the most recent testament to this being the TPPA, which was ratified in February 2016 but has been abandoned as a result of the US’s withdrawal from the Agreement.

Among the basic characteristics of RTAs and FTAs that give minimalistic treatment to IPRs is the reiteration of existing treaty obligations and mutual cooperation on matters pertaining to the enforcement of IPRs. An example is the Iceland-China FTA. In that FTA, the importance of IPRs in promoting economic and social development was reaffirmed. It was also mutually agreed that a transparent IPR regime be established and maintained. As consistent IPR standards are of mutual interest to both parties, it was agreed in the FTA to strengthen cooperation in IPRs, exchange of information, continuous dialogue and mutually satisfactory resolution of any IP issue. As the TRIPS Agreement is the baseline of IPR standards, the FTA reaffirms existing obligations under the TRIPS Agreement and other treaties to which both Members are party. Another example is the Pakistan-Malaysia FTA, where the importance of IPRs in promoting economic and social development was recognised.

The mid-level agreements contain IP provisions that are modestly TRIPS-plus. An example of such an agreement is the Japanese Economic Partnership Agreements with various ASEAN countries. The FTA mandates the accession to IP agreements not referred to in the TRIPS Agreement, such as the WIPO Internet Treaties and the UPOV Convention. It also contains additional obligations on border measures and well-known trademarks.

At the other extreme are RTAs and FTAs that give detailed treatment to IPRs to the extent of devoting a full chapter on such rights. These FTAs cover subject matter not covered under TRIPS, and introduce new exclusive rights beyond the scope of TRIPS. As the idea is to increase IPR protection among member countries to a higher level, the proposed provisions reduce or to a certain extent take away, the flexibilities already conferred under the TRIPS Agreement. Hence, it has been alleged that they do not constitute a simple extension of obligations beyond that mandated under the TRIPS Agreement (i.e. TRIPS-plus), but also undermine the concessions arrived at by the Agreement (TRIPS-minus). FTAs that are championed by the US typically exemplify this approach. These FTAs contain complex and lengthy provisions on commercial regulatory areas. The IPR standards championed are
used in this case is that member countries shall make best efforts to ratify or accede. The range of treaties to be acceded to depends on what type of IPR obligations are to be considered as relevant for parties in the treaties. Treaty accession entails domestic legislative reform in order to take place. Agreeing to treaty accession will mean additional domestic obligations to be satisfied, in addition to other explicit IP obligations under the treaty.

In the TPPA however, after much concessions, only two types of obligations pertain to accession to treaties. The first constitutes the list of three treaties that are considered to be the floor i.e. the Paris Cooperation Treaty, the Paris Convention and the Berne Convention. The accession to these three conventions was not contentious as all twelve parties to the TPPA negotiations had already acceded to them. What could be objectionable, from a policy perspective, would be the list of treaties that the TPPA mandates accession by the date of entry into force of the agreement. These treaties include: The Protocol relating to the Madrid Agreement concerning the International Registration of Marks, the Budapest Treaty, Singapore Treaty, UPOV Convention and the two WIPO Internet Treaties. Whilst complying with the standards in the Madrid Agreement and the WIPO Internet Treaties would not necessarily clash with the interest of developing countries, acceding to the Singapore Treaty and the UPOV Convention could require a shift in domestic policy. The Singapore Treaty requires intellectual property offices of member countries to achieve a certain level of sophistication to achieve its aim in creating a modern and dynamic international framework for the harmonization of administrative trademark registration procedures. Member countries would have to invest more money to improve and upgrade office processes in order for this to happen. Full accession to the UPOV Convention, particularly the 1991 version, warrants the revisiting of some of the domestic policies that allow farmers to save seeds for replanting or an exchange of reasonable amounts of propagating materials among farmers, a practice which is known as ‘brown bagging’.

4.2 TRIPS-Plus IPR Standards

Being a 21st century trade agreement, TPPA contains a list of binding commitments on important issues pertaining to IP. The minimum binding obligations can be further classified into several categories. The first are obligations in the form of TRIPS-plus standards that are mainly proposed by the US. The second are obligations

49 US-Singapore FTA, Article 16 (1).
50 US-Singapore FTA, Article 16(1)(c).

47 TPPA, Article 18.7.
in areas not traditionally classified as IPRs under existing treaties, such as domain names, clinical data and internet retransmission. The third category comprises of obligations relating to the administration and management of IP that are of interest to all contracting parties, and cover areas such as registration systems, adjudication of disputes and enforcement of rights.

This article will examine some of the TRIPS-plus obligations under the TPPA. Included in the controversial provisions are extensions of the copyright term, internet service providers’ liability, enforcement and criminal provisions, patent term adjustment, patent term extension, patent linkage, protection of new uses, methods or new processes of a known product and data exclusivity. The discussion now moves to the extensive IPR obligations proposed under the TPPA.

### 4.2.1 Copyright extension term

TPPA mandates the copyright term to be extended to 70 years after the death of the author or after the publication of the work.\(^{53}\) Such a lengthy duration raises a lot of concerns, as developing countries that are reliant on content produced by others may not necessarily benefit therefrom.\(^{52}\)

Moreover, economists have questioned whether such a lengthy period is beneficial to society.\(^{51}\) Not all subject matter protected under copyright would be commercialised so long as to require such a lengthy copyright period. Even with regards to entertainment works, only selected movies and songs that enjoy repeated viewing and listening long after they are being released to the public would benefit from a long copyright duration. Ironically, with rapid technological advancement, the commercial life span of a particular copyrighted works may not even survive the extended duration as the works need to be continuously reformatted for viewing and listening.

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\(^{51}\)TPPA, Article 18.63.


Copyright term extension is among the most contentious issues in the TPPA, resulting in many countries acquiring a transitional period for its implementation. Malaysia managed to get a transition period of four years to implement this obligation, but such a short transition period may be insufficient.

### 4.2.2 Internet Service Providers’ Liability

Internet Service Providers (ISPs) are the gatekeepers to the free flow of information and expression on the internet. ISPs can also play strategic roles in policing the internet from harmful and illegal content, including copyright-infringing materials. As gatekeepers, they can block access and identify, or force others to identify, the origin and identity of infringing materials, thus making them the best organisation to police the internet. Under the TPPA, ISPs are mandated to expeditiously remove or disable access to alleged infringing material upon acquiring actual or constructive knowledge of such infringement.\(^{54}\) With this new obligation, ISPs are obliged to take action in certain situations even without notification from the copyright owners or upon ‘red flag’ suspicion.\(^{55}\) The language of the provision warrants that ISPs’ actions do not depend on actual knowledge. If it comes to the ISPs’ knowledge that certain suspicious activities are taking place, they can take action. The ‘red flag’ obligation originates from the US Digital Millennium Copyright Act 2000. On this point, some of the important factors that can be considered in assessing ‘awareness’ is whether there are blatant indicators or signs that raise alarm such as the employment of the terms ‘pirate’ or ‘bootleg’ in their URL or header. The standard of awareness has been judicially considered in Viacom International Inc., et al.\(^{56}\) where the Second Circuit in that case propounded that the standard to be preferred here is ‘wilful blindness’ or involves ‘conscious avoidance’ which implicates the deliberate closing of one’s eyes to a blatant infringing activity. This goes further than the system that Malaysia is currently practising, which is that ISP can only take action if there is specific notice by the copyright owner. The rationale is that ISPs must turn a blind eye to certain ‘red flag’ activities on the basis that the copyright owner fails to submit the notice required under the law.

### 4.2.3 Enforcement and Criminal Provisions

The TPPA contains provisions on criminal offences that originate from US laws.\(^{57}\) These provisions are TRIPS-plus or TRIPS-minus in the sense that some of them take away the flexibilities conferred under the TRIPS Agreement.\(^{58}\) The provision on border measures is one

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\(^{54}\)TPPA, Article 18.81 and 18.82.

\(^{55}\)TPPA, Article 18.82 (3).

\(^{56}\)676 F.3d 19 (2d Cir. 2012).


\(^{58}\) Criminal sanctions are set out in Section I of the TPPA.
of such examples. Under the TRIPS Agreement, Member countries are only mandated to take action for the export of counterfeit trademarks and infringing copyright goods. The provision is silent on counterfeit patent goods. In addition, the provision captures the movement of goods outside the country, i.e. exports, and expressly provides in the footnote that it does not cover goods in transit. The TPPA mandates that border measures be applicable to prevent not only the exportation of infringing goods but also importation of such goods, as well as in transit goods.

More extensive criminal provisions could be found scattered in the TPPA. The former notion under the TRIPS Agreement that criminal procedures should be applicable for acts for commercial gain is reversed under TPPA. Commercial gain has been defined in TPPA as applicable not only for acts carried out for commercial advantage but also significant acts, not carried out for commercial advantage or financial gain, but have a substantial prejudice impact on the interests of the copyright owner. Among other activities that deserves criminal punishment under TPPA includes performance of a cinematographic work in a movie theatre and the act of aiding and abetting copyright infringement. In all these instances, the law is modelled after US law, in particular the No Electronic Theft Act (1997), as well as jurisprudence in cases such as Columbia Pictures Industries, Inc. & Anor v Galozuniga, Meadowgreen Music Company, et al., v Voice in the Wilderness Broadcasting, Inc., et al (the United States District Court for the Eastern District of Texas, Beaumont Division), John Lamb, d.b.a. Alpha Productions v Michael Starks, and 3d Tv Corp., United States Of America, v. Julius Chow Lieh Liu, Sony BMG Music Entertainment, Et Al., v.

4.2.4 Patent term adjustment, patent term extension and patent linkage

The TRIPS Agreement sets the period of protection for patent to be twenty years after its filing. This period was said to be unnecessarily short for certain patent products that require other administrative approval for the product to be marketed. There could possibly be some delays in the granting of the patent, resulting in the loss of beneficial time covered under such patent. As a result, patent owners argue that though most countries have already granted twenty years for patents, but not the whole twenty years can be enjoyed by the patent owners in order to recoup their investment, i.e. their effective life is shorter than twenty years. Patent term adjustment and patent term extension were created specifically for this, to compensate the loss of time suffered by the patent owners and effectively lengthening the life span of patent, a practice that is called ‘evergreening’ by critics. The provisions on this in the TPPA were meant to compensate for unreasonable delays in the granting of the patent as well as to compensate the patentee for delays during the marketing and regulatory approval process.

Both patent adjustment term and patent extension term are nothing new in developed countries, such as the US and the EU. However, for countries that import a substantial share of their medicines, the adjustment and extension could result in the delay of entrance of generics into the market. Consequently, the cost of healthcare will rise and the generics industry’s growth will be slowed down. The constraint on the generics industry is further tightened with the patent linkage requirement. Essentially, this requires the marketing authority to check the patent status of the originator drugs before approving generic drugs. Initially, the US was pressing for hard linkage i.e. the generic drugs should not be approved as long as the originator drug’s patent has not expired. Finally, after much bargaining, the parties agreed to a softer approach whereby the approval

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53TRIPS Agreement, Article 51.
54TRIPS Agreement, Footnote 18.
56TRIPS Agreement, Article 61.
57TPPA, Article 18.77.
58TPPA, Article 18.77(4).
59TPPA, Article 18.77(5).


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73TRIPS Agreement, Article 31.
authorities only need to list on their websites any imped ing registration by generic drugs.\textsuperscript{76} The approving authority need not be the patent enforcement agency responsible for preventing generic drugs from entering the market.

4.2.5 New uses, methods or new processes of a known product.

The TPPA mandates that all new use, method or new processes of a known product to be patentable.\textsuperscript{77} The purport of the provision is that there should not be any denial of patents on the basis that the new forms and use do not demonstrate any therapeutic difference from previous patented products. This provision gives rise to the concern that patent is given to a mere ‘tweak’ of a product and may be resorted to by the patent owner to extend the patent life of their pharmaceutical products, a practice which is known as ‘evergreening’\textsuperscript{78}. Such generous protection is nothing new in the developed world where second and third medicinal use is granted over the same product. In the UK and EU, even a change in dosage may be considered as a new medical use.\textsuperscript{79}

4.2.6 Data exclusivity

The TRIPS Agreement does not provide any special obligations with respect to data exclusivity (only that ‘the undisclosed test or other data be protected against unfair commercial use’).\textsuperscript{80} The TPPA mandates that such data be protected for at least five years from the date of the marketing approval of the new pharmaceutical product in the territory where the approval is sought.\textsuperscript{81} Critics voice concern over data exclusivity protection, citing it as an effort to delay the entry of originator products in the market. As generic manufacturers typically rely on the test data of originator drugs to get marketing approval, the conferral of protection over test data would force generics’ companies to further wait for this period to expire first.

For biologics,\textsuperscript{82} the TPPA provides for a maximum of eight years of protection or five years plus other measures that deliver a comparable outcome in the market.\textsuperscript{83} Under the TPPA, the obligation is to a minimum; ‘a product that is, or, alternatively, contains, a product produced using biotechnology processes, for use in human beings for the prevention, treatment, or cure of a disease or condition’\textsuperscript{84}. Such products include vaccines, blood and blood components, allergenics, somatic cells, gene therapy, tissues and recombinant therapeutic proteins. Critics argue that giving biologics a longer data exclusivity period would cost the healthcare industry a substantial amount of money. Further, lengthy protection need not necessarily incentivise the industry further.\textsuperscript{85}

5. CONCLUSION: IMPLICATIONS FOR DOMESTIC POLICY

An International Monetary Fund (IMF) report in 2005 speculated that the streams of FTAs entered into in the Asia-Pacific Region will entail the creation of a complex web of BTAs and RTAs in the Asia-Pacific.\textsuperscript{86} Such a web was described by Jagdish Bhagwati in 1995, as a spaghetti bowl that ‘maligns and threatens the multilateral trading system’.\textsuperscript{87} These trade agreements that are a ‘rage’ or ‘continuing in a feverish pace’ in Asia were described by the Economist magazine in 2009 as leading to ‘worrying times for world trade’. This is because one country may have differing obligations to another under an unrelated framework agreement, with the possible emergence of overlapping and inconsistent rules of origin. To make it more complex, some of the FTAs contain linkages to other global treaties and FTAs. Wan Khatina, for example, identifies four types of linkages in the universe of agreement; inter-linkages between chapters in an FTA, inter-linkages between FTAs, inter-linkages between FTAs and WTO agreements and inter-linkages between FTAs, WTO and non-WTO agreements. She posits that the inconsistency in commitments may result in sub-optimal outcomes; for example, it may be at the expense of flexibility.\textsuperscript{88} There is also the risk that negotiators in different FTAs work in silos, which means that they lose sight of the inter-linkages.\textsuperscript{89} Businesses and investors must also be mindful and alert to all the inter-linkages when they trade different goods in different markets. Failure to fully appreciate the full implications of the inter-linkages may cost them dearly.\textsuperscript{90}

Despite the positive prognosis by Lewis who sees TPPA and RCEP as the impetus for deeper Asian Economic

\textsuperscript{76} TPPA, Article 18.53.


\textsuperscript{79} TRIPS Agreement, Article 39(3).

\textsuperscript{80} TPPA, Article 18.50.

\textsuperscript{81} Biologics are medicinal preparations made from living organisms and their products, including serums, vaccines, antigens, antitoxins etc.

\textsuperscript{82} TPPA, Article 18.51.

\textsuperscript{83} TPP Agreement, Article 18.51(2).


\textsuperscript{90} Mercurio, ‘TRIPS-Plus Provisions in FTAs: Reception and RCEP as the impetus for deeper Asian Economic
Integration, many academics and scholars are worried about the trend, especially in relation to the race to the top with regard to IPR standards. With the exception of the US, other countries are IP dependent, and giving IP platinum protection is not in their best offensive interests. The TRIPS-plus provisions are ‘designed best to protect US domestic interests’. The cost of the triggering upward spiral in IP protection may be passed down to consumers. For example, more stringent IPR protection may eat up public coffers and resources that are already limited. Civil society and non-governmental organisations also question the wisdom of giving away the flexibilities negotiated heavily in the Uruguay Round in the TRIPS Agreement. For example, it was said that lengthening of the patent term, data exclusivity and patent linkages will delay the entry of generic drugs and this will increase drug prices. Furthermore, as Malaysia has a small national and creative industry, extending copyright term would further lengthen the payment of royalties for foreign content used domestically. The estimated cost of the extension is USD 115 million a year for books, music and films. Despite this, in the ISIS report, it was conceded that stronger IP protection on drugs would have minimal impact on firms and that enhanced capabilities of the Drug Control Authority would mitigate any potential risks. In the final analysis, whilst countries are ever ready to negotiate preferential treatment for better market access, they have to be mindful of the implications posed to their domestic policy.

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Abstract: Intellectual Property (IP) is fast becoming an important course not only in law schools but also in engineering, science and other disciplines. This paper explores the growth of IP teaching in Asia, generally, and in Malaysia, specifically. Using simple internet searches, the paper surveys the IP curricula of certain universities in the region. As not all information can be obtained from the Internet, the paper is not able to make any in-depth comparison between the syllabi or make an informed decision as to whether or in what form those courses exist. From the little information obtained through the internet survey, we can distinctly classify the IP courses into several categories: foundation courses, international IP law programme, specialised master’s IP programmes, professional courses and peripheral courses. The paper concludes that with technological developments and expansion of IP in international trade, IP courses and IP professors would have to adapt and change to make them relevant to the needs of the stakeholders i.e. businesses and community at large.

Keywords: Intellectual property teaching, university courses, syllabi, Asian universities

1. INTRODUCTION TO IP TEACHING IN MALAYSIA

IP as a distinct subject came about only in the 1980s in the UK. Most of the IP academics in Malaysia received their early exposure in IP law from academic institutions in the UK. Professors of IP law like William Cornish from the University of Cambridge, Gerald Dworkin and Adrian Stirling from Queen Mary College were instrumental in the training and shaping of the ideas of IP academics in Malaysia. This has led to the introduction of IP as a course for undergraduate law students in University of Malaya (1984), University Teknologi MARA(1984), University Kebangsaan Malaysia (1989) and the International Islamic University Malaysia (1997).

At the initial stage, the teaching of IP was centralised in law schools. The curricula were based on the ones taught in the UK. At that time, the Malaysian IP law was based on UK law, so there was no issue with transplanting UK courses into Malaysia. The basic textbook used at that time was Cornish’s book, Intellectual Property: Patents, Copyrights, Trade Marks and Allied Rights (1981 and 1989 editions). As Malaysian law developed, the curriculum was also revised to meet the changes in the law. As the UK joined the European Union, the differences between Malaysian and UK law became more apparent. Still, as the basic structure of Malaysian law was based in the UK, and as Malaysia is essentially a common law country, the dependence on UK law and case laws continued. Local academics also started to produce their own textbooks, beginning with Khaw Lake Tee’s book Copyright Law in Malaysia in 1994.1 It took nearly another seven years for other books to come including Tay Pek San’s Trade Mark Law and Practice in Malaysia in 20012, my own series of case books on patent,3 trademarks4 and copyright,5 Juriah Jail’s books on Industrial Designs6 and Confidential Information law.7 In 2007 Tay Pek San produced her textbook entitled Intellectual Property Law in Malaysia.8

As more academics being trained in IP, and as local law schools started producing PhD scholars in IP, the number of IP teachers and scholars in Malaysia increased. There are now more than 15 academics with PhDs in different areas of IP at law schools in Malaysia. The increase is not as much as expected, looking at how for over two decades IP has been accepted as one of the popular electives in most law programmes in Malaysia.

Australia is another jurisdiction that has managed to leave a significant imprint on IP academics, not only in Malaysia but also Indonesia due to its proximity to the region. Needless to say, within the last two decades, the number of talented IP academics has grown in Asia and this has contributed to the expansion of IP courses within the region.

In this paper, I will attempt to explore the syllabi of IP courses in Asia. As I could only resort to an internet survey, not much can be obtained on the various IP courses taught in leading law schools in Asia in order to make an informed and more in-depth analysis. As most universities treat internal course outlines as confidential, I am therefore not able to examine these materials, or ascertain whether or in what form those courses existed. As such, not much comparison can be made between all these syllabi.

This paper is based upon my observations of materials gathered from the Internet. As I am more familiar with Malaysia, I will start my observation with that of the IP courses in Malaysia, before I attempt to give a glimpse of what is being taught in other law schools in Asia.

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1 Khaw Lake Tee, Copyright Law in Malaysia (Butterworths Asia1994).
2 Tay Pek San, Trade Mark Law and Practice in Malaysia (Butterworths 2001).
5 Ida Madieha bt. Abdul Ghani Azmi, Copyright Law in Malaysia: Cases and Commentary (1st ed., Sweet & Maxwell Asia2004) and (2nd ed, Sweet & Maxwell Asia 2012.).
6 Juriah Jail, Industrial designs law in Malaysia: Cases and Commentary (Sweet & Maxwell Asia 2004).
7 Juriah Jail, Confidential Information Law in Malaysia: Cases and Commentary (Sweet & Maxwell Asia 2003).
8 Tay Pek San, Intellectual Property Law in Malaysia (Sweet and Maxwell Asia 2007).
2. FOUNDATION COURSES

Most undergraduate IP law courses in Malaysia are centred around the foundation of IP laws. The idea was to expose law students to the basic legal theory surrounding the five major forms of intellectual property - copyright, patents, trademarks, trade secrets and industrial designs. Being a foundational course, the central preoccupation is to train students on essential aspects of the protection of IP law in Malaysia. IP being essentially the creations of statutes, the focal point of the courses stems on issues such as how these rights subsist, the requirements for the registration of the rights, the exclusive rights conferred to the owner and the remedies available to the right owner as laid down in the statutes.

Malaysia, being of common law heritage, not surprisingly relied heavily on the traditional case method as an aid in the interpretation of the statutory provisions. When UK cases were studied, they were usually taught in order to show their similarities and differences from Malaysian laws. At the beginning, the UK cases occupy the central focus. As Malaysia develops a larger body of case law, particularly after the establishment of the IP courts in 2007, more and more Malaysian cases, rather than UK cases, are being used to illustrate certain points.

Even so, as the law progresses much faster than judicial decisions, foreign cases are often resorted to in order to assist in the interpretation of statutory provisions. Over the years, IP laws have been revised to accommodate changes as a result of treaty obligations as well as technological developments. The transposition of Treaty obligations, such as TRIPS, Patent Cooperation Treaty, WPPT and WCT entails that foreign jurisprudence from other jurisdictions would continue to be a source of reference to aid the understanding of the treaty provisions. For example, in Media Corp News Pte Ltd & 3 Ors v Mediacorp (Johore Bharu) Sdn. Bhd & 4 ors, the scope of copyright over broadcast and the applicability of the Rome Convention, the Berne Convention and the TRIPS Agreement on broadcasting rights was discussed. The emergence of biotechnology, the Internet and other forms of digital communication technologies results in foreign cases playing a greater role in the understanding and interpretation of important concepts. For example in Malaysia, in the first case involving a computer programme, Creative Purpose Sdn Bhd & Anor v Integrated Trans Corp Sdn Bhd & Ors, the presiding judge placed reliance on UK cases in determining the difference between source code and object code and finally came to a conclusion on the boundary of copyright protection on a software which was secured via a dongle. As Malaysia, and I am sure the same is true with other Asian countries, struggles to catch up with other developed countries, it will continue to treat these countries as their point of reference. To that extent, the study of IP is substantially comparative by nature.

Table 1: Some law institutions offering undergraduate IP courses in Asia

| Singapore Management University | Indian Institute of Management Calcutta |
| National University of Singapore | The Northcap University |
| Sebelas Maret University | Diponegoro University |
| National School of India University | Thammasat University |
| National Taiwan University | The University of Hong Kong |

Table 1 demonstrates that IP as a subject has become part of the mainstream domain knowledge in law programmes in Malaysia, Singapore, Thailand, India, Hong Kong and Indonesia. In most universities, IP is offered as an elective subject. As IP practice becomes more prominent, more students opt to study IP. This is reassuring as there is a need to create sufficient critical mass for the practice of IP to prosper.

Being an elective subject, not all law graduates have the opportunity to study IP at undergraduate level. This explains the necessity to have a foundation in IP at the master’s level. At this level, IP could be clustered with other commercial law courses such as company law or insolvency law to qualify students for LLM in Commercial Law. In Universitas Gadjah Mada of Indonesia for example, IP is one of the required courses for a Master in Business Law. In my own university, International Islamic University Malaysia, IP is an elective for both the Master in Comparative Laws, LLM in Business Law and LLM in Islamic Law of Banking and Finance.

3. INTERNATIONAL IP LAW

There is not a single law discipline where developments at the international level are as important as in IP. In London, in the early 1990s when I was doing my PhD, the study of IP was further divided into several courses. International IP Law was one of the courses which was highly sought after and was taught at the master’s level. Other courses include technology transfer, licensing, international trade mark law and policy and plant variety protection. Supported by competent IP professors such as Alison Firth, Noel Byrne, Gerald Dworkin, Michael Blakeney, Jeremy Phillips and David Llewelyn, Queen Mary at that time was poised to be the centre of IP teaching in the UK.

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The Paris Convention, the Berne Convention and the TRIPS Agreement, being the cornerstones of the international IP law, usually constitute topics covered at a more advanced course, normally at the master’s level. A basic exposure to other relevant international treaties such as the Rome Convention, Madrid Agreement, Lisbon Agreement, the Patent Cooperation Treaty and European Patent Convention is equally imperative.

As posited by McManis, the teaching of international IP law involves two main pedagogies i.e. (1) engaging in a close reading and analysis of basic legal texts; and (2) utilizing these texts to identify and analyse specific emerging issues of international IP law. The challenge is that these treatises are pretty detailed and lengthy. An in-depth teaching of the treaty interpretation would require a semester course but in so doing would make the course rather dry. Teaching treaty provisions even before the treaty takes effect can make a lot of difference. I remember studying the TRIPS Agreement under Dworkin as the Agreement was being negotiated, drafted and concluded. Sterling’s rendition of the Berne Convention and the Rome Convention came complete with institutional memory of the inside story of the negotiation round and was a real eye opener for students. When foreign law is being taught at this level, often it is to show how and why transplantation takes place. Students should be given case studies to train them on the policy option between literal transposition of the international treaties and purposive transposition of the binding commitments under international law. Hypothetical problems should also be set and framed to test the students’ understanding of how countries could navigate the policy space in order to implement the binding commitments suitable to their domestic needs. As Peter Yu puts it, as these agreements give rise to complex policy issues, it is important that the training of IP goes beyond the treaty text into policy and trade issues.

It is important at this level that there be some attempt to dwell on the economic rationales, political ideology and the various lobby groups as well as positions pushed, so that students should be able to rationalise the compromise that was achieved by the treaty. Treaty interpretation is never an easy task as there are always differing ways of understanding treaty language.

In Malaysia for example, it is expected that the international perspective be subsumed in their master’s courses, for example in University Malaya’s Copyright Law and the Law of Trademarks. In the Copyright Law course, international developments in copyright and their impact on law is examined.

4. SPECIALISED MASTER OR LLM IN IP

Institutions with increased resources may offer specialised master (LLM) in IP programmes. These programmes may involve the clustering of IP courses at both foundational and advanced or comparative/international level.

At the master’s level or more advanced level of IP teaching, the three additional forms of intellectual property are covered - geographical indications, plant variety protection, and layout designs of integrated circuits. It even extends to the intersections between IP and IT, IP and competition law and IP and Biotechnology or Biomedical Law.

Universities that offer this kind of programme have more institutional strength with respect to financial and human resources e.g. Singapore and Hong Kong. For example, at the National University of Singapore, the following courses are available not only for undergraduate students but also for postgraduate students: Artificial Intelligence, Information Science and Law, Biomedical Law and Ethics, Biotechnology Law, Competition Law and Policy, Copyright in the Internet Age, Entertainment Law: Pop Iconography and Celebrity, Global Exploitation of IP, Imitation, Innovation and Intellectual Property, Intellectual Property Rights and Competition Policy, and IP and Human Rights. The University of Hong Kong, which offers courses on IP, also offers Innovation and Development; IP Protection in China; Law; Politics and Culture; and Copyright and Creativity. At the National University of Singapore and University of Hong Kong, a variety of IP courses are available for both undergraduates and master’s students alike. This gives the opportunity for undergraduates and master’s students to mix and intermingle and hence enrich the class discussion. It also guarantees that there are enough students to viably run the course.

With the expansion of IP courses, one popular method is to analyse IP from different perspectives. For some types of IP where there is not yet an internationally accepted norm, it is popular to teach IP in a particular context. For example, a discussion on traditional knowledge (TK) and traditional cultural expressions (TCE) is taught within the context of human rights; and non-national systems such as the UDRP Policy for the resolution of domain name
disputes in a course on arbitration. Discussing patents within the broader innovation eco-system is another practical way of teaching IP. A popular method of teaching these courses is via seminar, whereby professors assign a list of reading materials for students to read and critically analyse. Kwall argues that the legal literature approach enables the student not only to appreciate the internal dynamics of academic discourse but also to appreciate the multi-dimensional approach of the subject. When dealing with areas where the law is still evolving such as TK and TCE, one could explore the contentious issues such as access to genetic resources and compensation or permission from the TK practitioners. The teaching of IP provides the opportunity for students to explore the political schisms within the field.

The conclusion of the TRIPS Agreement and its transposition to Member countries has brought another dimension to the teaching of IP. Since then a body of jurisprudence from the decisions of the WTO Dispute Settlement Body has formed a corpus of knowledge that could form part and parcel of the teaching of TRIPS Agreement. Students could be given different scenarios where the various provisions of the TRIPS Agreement could either be applied or distinguished.

The table below illustrates some of the specialised Master’s Courses in IP in selected universities in Asia.

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### Table 2: Some Specialised Master’s courses in IP in Asia

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<tr>
<th>Name of Institution</th>
<th>Name of Program</th>
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<tbody>
<tr>
<td>National University of Singapore</td>
<td>LLM (Intellectual Property &amp; Technology Law)</td>
<td>Artificial Intelligence, Information Science &amp; Law</td>
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<td>Biomedical Law &amp; Ethics</td>
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<td>Entertainment Law: Pop Iconography &amp; Celebrity</td>
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<td>Foundations of IP Law</td>
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<td>Law of Intellectual Property</td>
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<tr>
<td>IP Academy &amp; National University of Singapore</td>
<td>Master of Science in IP Management</td>
<td>Intellectual Property Law</td>
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<td>The Law of Trade Marks and Unfair Competition</td>
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<td>University of Hong Kong</td>
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<td>Intro to IT law</td>
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</tbody>
</table>
Table 2: Some Specialised Master's courses in IP in Asia

| Institution                                    | Program                     | Content of programme                                                                 |
|-----------------------------------------------|                            |-------------------------------------------------------------------------------------|
| National University of Singapore              | LLM (Intellectual Property Law) | Artificial Intelligence, Information Science & Law                                  |
|                                               |                             | Biomedical Law & Ethics                                                              |
|                                               |                             | Biotechnology Law                                                                   |
|                                               |                             | Competition Law and Policy                                                            |
|                                               |                             | Copyright in the Internet Age                                                        |
|                                               |                             | Entertainment Law: Pop Iconography & Celebrity                                       |
|                                               |                             | Foundations of IP Law                                                                |
|                                               |                             | Global Exploitation of IP                                                             |
|                                               |                             | Imitation, Innovation and Intellectual Property                                      |
|                                               |                             | Intellectual Property Rights and Competition Policy                                  |
|                                               |                             | International Trademark Law and Policy                                               |
|                                               |                             | IP and Human Rights                                                                  |
|                                               |                             | IT Law I                                                                             |
|                                               |                             | IT Law II                                                                           |
|                                               |                             | Law of Intellectual Property                                                         |
| IP Academy & National University of Singapore | Master of Science in IP Management | Patent Law                                                                           |
|                                               |                             | Copyright Law                                                                       |
|                                               |                             | Patent Practice and Procedure (I)                                                    |
|                                               |                             | Patent Practice and Procedure (II)                                                   |
|                                               |                             | Patent Practice and Procedure (III)                                                  |
|                                               |                             | Trade Mark Law                                                                      |
|                                               |                             | Intellectual Property and information Technology                                     |
|                                               |                             | Licensing, Management and Valuation of Intellectual Property                         |
|                                               |                             | Industrial Design Law and Practice                                                    |
|                                               |                             | International Intellectual Property Law                                             |

The clustering of courses depends to a substantial extent on the objective of the programme. The Master of IP Program (MIP) offered by the University Kebangsaan Malaysia for example, is designed to produce patent agents in lieu of the shortage of local patent agents that can draft their own claims. Previously, the drafting of claims was outsourced to foreign patent firms. This explains why the programme has three courses on patent law and practice that includes a considerable in-depth training on patent drafting of claims and specification. The programme also has a course on licensing, management and valuation of IP. The MIP programme is open to graduates from science, technology and engineering backgrounds.

5. PRACTICAL/PROFESSIONAL COURSES

Beside the academic programmes, IP can also be taught in practical and professional courses meant for working professionals as part of continuous learning programmes. The widening gap between theory and practice necessitates those practising IP to supplement their knowledge with practical skills to enable them to practice IP more efficiently. The duration of the programmes varies according to the needs of the audience. Specialised IP academies and institutes

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sprouted in Asian countries, and IP Academy Singapore stands out with the most systematic programmes offered. The Master of Science programme in the Singapore IP Academy is a collaboration with the National University of Singapore, which explains the breath of courses available.

The Indonesian IP Academy has also launched a master’s degree in Intellectual Property with courses like Copyright, Patent and Trade Secrets, Trade Marks, Industrial Design and Layout Design of Integrated Circuits, Plant Variety Protection, Traditional Knowledge, Valuation of Intellectual Property, Competition Law and Intellectual Property Rights and Litigation. The programme is run in collaboration with Universitas Indonesia.

Many corporations have now set up IP units either within their legal or corporate strategy division. Continuous education is now needed for this breed of IP managers. With the growing demand on universities for filing and commercialisation of IP as part of their research portfolio, most universities have also set up IP units or technology transfer offices. One could design programmes that provide these IP professionals with the appropriate knowledge and skill sets to improve their organization’s IP management. Domain knowledge required of these IP professionals would have to be more business related, so as to enable these IP professionals to understand the commercial setting of IP in business. One example of such programme is the Hong Kong Polytechnic University’s Executive Diploma in IP Management. The programme consists of five core courses: IP Fundamentals, Legal Framework and IP Practices, Innovation and Management of IP, IP Commercialisation and Emerging Technologies and Corporate IP Strategy. The core focus of the programme is to train the participants to identify valuable IP assets and how to monetise these assets through the adoption of suitable corporate strategies. For high tech companies, IP could form the backbone of the company’s business. The participants need to understand how IP integrates with knowledge, innovation management, research and development for them to be able to start or manage a high-tech company.

Small and Medium Enterprises (SMEs) comprise the highest percentage of entrepreneurship in most countries, including Malaysia. These entrepreneurs require the correct knowledge and skill sets to develop their business acumen. Of commendable effort is the training programme developed by SMECORP Malaysia to train CEOs and senior management of SMEs in human resources and financial management. One of the modules, ‘Law and Ethics’, provides a brief exposure to contractual, tortious, cyber and intellectual property law. The idea is to train the CEOs on how to build their business ethically through brand development and IP filing, as well as how to refrain from misappropriating other’s intellectual assets.

The Malaysian IP Academy, which has more than two decades of training experience for, have run short courses on the mechanics of patent drafting, patent searching and how to overcome examiner’s objection. The IP Academy has also been given the mandate by the Malaysian government to run an IP valuation training programme to support the governmental initiative to set up an IP marketplace. The comprehensive programme which is designed in collaboration with the World Trade Institute, in Berne, Switzerland, was successfully run for a few occasions with several certified valuers having graduated from the course.

Members of the legal and judicial service constitute another major audience for IP teaching. Resolving IP disputes is never a simple matter. With the setting up of special IP courts, IP cases are expected to be disposed of in a more efficient manner. The recurring complaint is that whilst senior IP practitioners represent the case before the bench, the presiding judges, however, may not necessarily have formal training in IP. In Malaysia, the training of members of the legal and judicial service falls within the purview of Institut Latihan Kekahimandan Perundangan (ILKAP), a training centre which started operating on December 23, 1993. The training courses include the basics of IP, the enforcement of IP and other more intermediate and advanced issues or topical issues such as IP in Islam, IP under international IP treaties and IP on the Internet.

6. PERIPHERAL COURSES

Peripheral courses are designed to demonstrate the interface between IP law and other law courses or non-

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law disciplines. The understanding of IP and its relevance in science, technology and business necessitates the training in aspects of IP for non-law students. For these kind of students, what is required is a simple survey course of related law courses relevant to the workplace. A unique example is the inclusion of IP within the legal system as has been done by the Indian Institute of Management Calcutta, where IP is a component of the Indian Legal System course. This course exposes the students to law disciplines relevant to management, such as the law of contract, company law, insurance law, constitutional and administrative law, consumer protection law and economic legislation.

It is also common for students in economics, accounting and business studies to be exposed to corporate and commercial law relevant to their profession. For example, in my own university, students of the Master in Business Administration are required to complete business law courses which include fundamental principles of contract law, torts, sales of goods, international trade, hire purchase, insurance, agency, partnership, negotiable instruments as well as intellectual property law and cyber law.

I have also taught the patents course for master’s students in engineering in my own university for a year. For non-law students, the case law method of teaching is not suitable. What is sufficient is to train them to be able to identify protectable ideas and differentiate between the various subject matters of IP. However, with the current emphasis on patents as one of the Key Performance Indicators (KPIs) in research, research students should be exposed to IP in greater detail, probably through the inclusion of a discussion of IP in a course on the ethics of doing research.

7. CHALLENGES AND WAY FORWARD

As Peter Yu surmises in his paper, there are three fundamental questions in the designing of an IP programme - why, how and what. Once the why questions are answered then the how and what become obvious.

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If the objective is to produce law students with the basic knowledge on IP, then the foundation course would be sufficient. On the other hand, if the objective is to train students with the required skill to be a patent agent then skills such as patent drafting and negotiation of licensing would be important. There may also be a need for some form of practical training or clinical legal education for experiential learning to take place.

To bridge the gap between theory and practice, guest lectures from practitioners and field visits can be arranged to give the students a sense of what is happening on the ground. Pure theoretical knowledge is no longer sufficient to meet the requisite skill sets for IP practitioners.

With the proliferation of bilateral and regional trade agreements that contain IP binding commitments, the need for inter-country collaboration in IP teaching becomes direr. Within the ASEAN region, attempts to reach harmonisation of IP practices are only possible if more and more people are trained to understand IP practice outside their borders.

Of worthy mention is the Singapore Management University’s Intellectual Property Law and Policy: International and Asian Perspectives course. In this course, the students are exposed to not only the fundamental principles of law, but also the impact of international IP conventions and treaties. The discussion is conducted largely on a comparative perspective, where all the various policy issues which underpin much of the IP debate make up the core discussion. In another course, Intellectual Property and International Trade, all the key international agreements and provisions on IP, as well as the different national policies which have been adopted to date in several jurisdictions or free trade areas, are covered. The course covers the jurisdictions of the European Union, the US, China, Japan and the ASEAN region. As the discussion includes and links all the various treaties, legislation and FTAs, the IP professor is expected to have a comprehensive and up to date knowledge on the legal developments and major events taking place in these jurisdictions.

As huge a task as it is, it is not impossible. For a start, the IP professors must communicate with each other and exchange ideas and share resources. I have seen many IP professors’ networks that are instrumental in the dissemination of relevant teaching materials. Mobility programmes such as fellowships could assist in the enhancement and sharing of knowledge among IP professors as well as exposure to other jurisdiction’s legal system. Perhaps WIPO could establish such mobility programmes to increase literacy on Asian diverse IP legal systems.

As the concept of IP continues to expand its reach to new technological developments, the old style of teaching pure legal theories is no longer sufficient.\(^{12}\) Students must be exposed to the challenges of commercialization and strategies in innovation and product development. Teaching IP is no longer the sole domain of IP legal experts and is no longer confined only to the filing of IP applications. IP professors must be willing to team up with ‘innovation gurus’ or business experts where IP’s role is facilitating the process of bringing valuable new products into the market. In this regard, the Singapore Management University’s Master’s of Science in Innovation and Doctorate of Science in Innovation are worthy of mention. In the course ‘Intellectual Property and Value Extraction’, the different ways in which value can be extracted from the ownership of IPRs are explored. The course also deals with IP management and valuation as management best practice, and methods to identify and exploit enterprise IP value.

The Doctorate in Innovation meanwhile focuses on different types of commercializing technology innovations. The methods to monetize technology may differ in a corporate setting in comparison to a university research setting. So is commercializing B2B/B2G and B2C/C2C innovations. These kinds of courses would require different types of resource materials. Books on IP Management and IP Strategy would be more relevant than a legal textbook in IP law.

The Singapore IP Academy in collaboration with the National University of Singapore has a similar Master of Science in IP Management. As table 2 above illustrates, the variety of courses on IP management is quite commendable, including Management of Industrial Research & Development, Creativity and Innovation, Strategic and New Product Development, New Product Management, Management of Technological Innovation, Corporate Entrepreneurship, Management of Technological Innovation, Corporate Entrepreneurship, Managing and Organizing Open Innovation, Venture Funding, Frugal Innovation and Research in Tech & Innovation Management. This trend of teaching IP in a more practical manner and not detached from the innovation eco-system seems to be the next stage of teaching IP.

It is impossible to expect IP professors to acquire all the related domain knowledge in management, innovation or the latest advances in ICT and biotechnology, but they should be willing to team up with economists, business gurus, entrepreneurs, scientists and IP experts in order to create more value and diversity in the teaching of IP. Unless we are open to collaboration, IP legal professors and the IP courses that they teach would be more and more out of touch with the reality of IP practice.

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REFLECTIONS ON THE EXPANSION OF INTELLECTUAL PROPERTY PROTECTION IN BILATERAL AND REGIONAL TRADE AGREEMENTS

Bryan Mercurio*

Abstract: This paper considers the effects of Bilateral and Regional Trade Agreements (BRTA’s) on intellectual property law. More specifically, it addresses the issues arising from the uniform treatment of different intellectual property rights in relation to the duration of the patent protection. The author discusses instances in which the uniform patent protection period of twenty years may be too short and some instances where the said protection may be too long. With BRTA’s advancing upon the TRIPS Agreement in substance, scope and depth, the context in which these intellectual property rights operate becomes highly important.

Keywords: patent protection, TRIPS, data protection, patent linkage, BRTA

1. INTRODUCTION

The patent system should be designed to effectively balance rewards and incentives to inventors with the interests of users and the public. The TRIPS Agreement attempts to achieve these goals through ensuring widespread coverage of the agreement and by standardising intellectual property (IP) norms. There are undoubtedly many valid reasons for doing so, but one less than ideal consequence of this approach in regards to patents is that very different technologies, sectors and products are treated in the same manner.

One example of issues coming from the uniform treatment of all IP rights relates to the length of patent protection. While Article 33 of TRIPS mandates 20 years protection from date of filing a patent application it seems reasonable to question whether such a period is optimal. It may be that this period offers too little protection, or perhaps too much. What is also lost with the uniform term of protection is the large difference between and among innovative sectors. For instance, while a technology patent used in mobile devices may be relevant in the marketplace for approximately five years the pharmaceutical patent may still have a market well beyond twenty years.

Moreover, while most products can freely enter the market the situation is much more difficult, complex and expensive in regards to pharmaceuticals where the time taken to secure regulatory approval (i.e. clinical trials, application for marketing) significantly eats into the patent period. This reduces the incentive to spend money and resources on complex, risky new drugs. In many respects, the multitude of ways in which the industry seeks to extend patent and other sui generis IP-like protections is simply a means for a minimum period of post-marketing approval exclusivity on the market.

With this in mind, it seems inappropriate to provide the same treatment for all forms of IP. The market for pharmaceuticals and agro-chemicals usually extends well beyond that of most other patented products yet it is only these sectors that must go through prolonged period of pre-market testing and approval from a regulatory agency and thus face a significantly reduced period of market exclusivity. On average, the market exclusivity period for pharmaceuticals is 8-12 years (which means it takes 8-12 years for the inventor to clear all the regulatory hurdles and bring the product to market).1

Of course, it cannot be forgotten that the innovative pharmaceutical industry is also constantly seeking to extend the minimum period and we do not at present operate under a system of a specified period of post-exclusivity protection. The 20 year patent period provides on average 8-12 years protection, but in some cases provides little or no protection for complex products which needed an extensive period of testing and/or faced regulatory hurdles.

In many respects, this author is sympathetic to a call for radical change to a simpler system which guarantees a period of market exclusivity – it could be 8 years, 10, 12, etc. – regardless of the term of patent protection.2 The point here is not to argue that pharmaceuticals are over or under protected, but instead to simply to raise the possibility of a fixed period of market exclusivity as an alternative to the present system. Under a system which guarantees a certain period of market exclusivity, the product would be licensed to all other interested manufacturers and a reasonable royalty paid to the innovator when the term of patent protection exceeds that of the guaranteed period of market exclusivity. Should the term of patent protection exceed that of the guaranteed period of market exclusivity, the product would be licensed to all other interested manufacturers and a reasonable royalty paid to the innovator. Should the patent term expire prior to the period of guaranteed

* Professor of Law and Associate Dean (Research) at the Chinese University of Hong Kong, Hong Kong SAR.

** This article is based on existing works of the author, notably Bryan Mercurio, Winning the War on Drugs: Re-evaluating Pharmaceutical Patent Law and Policy in Hong Kong (Cambridge University Press, expected 2017).

1 This often cited figure can be found in, among other publications, European Commission, “Pharmaceuticals Sector Fiche” (16 December 2011), <http://trade.ec.europa.eu/doclib/docs/2012/january/tradoc_148988.pdf>.

market exclusivity or have never been granted, the innovator still has an incentive to create, with the comfort that it will have the opportunity to recoup its research and development (R&D) costs and make a profit. The point of such a system is to ensure a period of market exclusivity so as to reward the invention and encourage further innovation. The industry would no longer need to create or lobby for enhanced protections and every stakeholder would have certainty in their respective positions.

But of course we do not have such a system. Hence the innovative pharmaceutical industry continues pushing for measures to extend protection. Increasingly, these measures are included as a matter of course in bilateral and regional trade agreements (BRTAs), and even to some extent in WTO accession protocols. This may not be as nefarious as some would have the public to believe; again, the industry is simply seeking to ensure a period of market exclusivity in order to recoup R&D and have the opportunity for profit.

2. THEFallback FROM STANDARDISATION: CONTEXT MATTERS

That being the case, countries should be aware of the realities and vigilant and mindful against overprotection and upsetting the delicate balance between inventors and societal interests. Far too often, important contextual differences between jurisdictions are ignored when agreeing to and/or implementing so-called “TRIPS-plus” obligations. Provisions are adopted almost verbatim from the legislation of the demandeur without considering the context and without any attempt to localise or take account of flexibilities which may be permitted. Two notable examples of this include test data protection and patent linkage.

Test data protection requires the domestic regulatory authority to not “use” originator test data to approve an application for a generic for a period of years (5-11 in most BRTAs). There is no set standard, and permutations are numerous and can be more onerous. For instance, one variation of test data protection would require a domestic regulatory authority to refuse an application from generic for marketing approval on the basis of test data submitted to another jurisdiction, even if the drug is not available in that market.

Separate to patent rights, test data protection rewards the creation of data through rigorous and standardised tests. In most cases, the period of protection runs concurrently with patent rights, but this is not always the case. For instance, there may not have been a patent granted or the period of patent protection may have expired.

While Article 39.3 of the TRIPS Agreement merely protects “against unfair commercial use”, BRTAs go further in safeguarding data from any use other than by the originator. The use of alternatives and limitations vary among BRTAs but, in the main, are fairly restricted in scope and do not differentiate between and among the needs and priorities of treaty partners. What is also lost is that while the justification for test data protection is ultimately to allow the originator to recoup R&D and provide incentives for further meaningful testing, it is doubtful whether small markets, developing and LDCs cumulatively possess enough purchasing power to influence the behaviour of pharmaceutical companies.

Patent linkage is another TRIPS-plus obligation found in many BRTAs. Patent linkage is the practice of national pharmaceutical registration authorities “linking” the traditionally separate process of granting marketing approval — that is, the right to market the drug after demonstrating that it is safe and effective — with the patent status of an originator drug. Patent linkage is not mentioned in the TRIPS Agreement, but its genesis predates the Agreement with the Hatch-Waxman Act (1984) as part of a grand bargain which facilitated the entry of generic pharmaceuticals into the US market. Patent linkage now exists in countries as diverse as, inter alia, China, Japan, Mexico, South Korea, Singapore, Cambodia and Canada but technically remains unlawful in the EU.

Often included in trade agreements, especially with the US, are various versions of patent linkage that usually include most if not all of the following:

- a requirement on the generic to notify the patent owner when it applies for marketing approval;
- an obligation on the regulatory agency to prevent a generic drug applicant from gaining marketing approval for a product covered by an originator during the patent term;
- a register of patents and to verify the patent status of any drug during the registration process;


4 In some cases, include that of Cambodia and China, test data protection was included as part of the countries WTO accession protocol.
the possibility of an (automatic) injunction against the generic once an infringement claim is made;
- an incentive for the generic to challenge the patent, in the form of an exclusive sales period for the first generic to have successfully challenged the validity of the patent at issue.

The importance of context cannot be overstated. Prior to the Hatch-Waxman Act, the availability of generic pharmaceuticals in the US was extremely limited owing to the fact that clinical trials or other originator data submitted in an application for marketing approval was treated as a trade secret.7 Thus, generic manufacturers could not apply for marketing approval during the life of the patent, absent conducting their own clinical trials. In exchange for granting generics the opportunity to apply for marketing approval during the patent term, the US implemented patent linkage and other measures, including test data protection. By contrast, in Canada pre-1987 medicines were almost automatically compulsory licensed at a 4% royalty rate and even after 1987, only provided for a waiting period of 7-10 years before issuing a compulsory licence, depending on whether the active pharmaceutical ingredient was imported into Canada or manufactured domestically.8 As a result of agreeing to patent linkage in the NAFTA, Canada abandoned its generic-friendly system and in the process delayed the availability of generic pharmaceuticals to the marketplace. The point, again, is that the same law can have vastly different consequences depending on the state of the law.

Despite obvious differences in context, most adopters of patent linkage rely on the same justification as the US and virtually copy the US model.7 In many situations, the result is counterproductive and/or harmful and in many others simply inappropriate. As an example of the latter, we will look at providing an incentive to the first generic to successfully challenge the patent of the originator. Patent litigation is notoriously extremely expensive, but in the US market it may be worthwhile for a generic to initiate proceedings. The value to the generic in US, which has 50 percent of the worldwide pharmaceutical market, is potentially vast. But for most other countries, the market exclusivity in the incentive period may not even recoup the costs of litigation. Thus, generics rarely challenge the originator product and the net result is to delay generic entry into the market, with potential costs to health spending in the country.

To date, the only two countries which seem to have fully considered the context and effectively tailored their patent linkage regime are Australia and South Korea. While both countries have adopted patent linkage as a result of BRTAs with the US, both have deviated from the US model. For instance, Australia requires the patent owner to apply to a court in order to receive an injunction against a generic competitor. South Korea, meanwhile, requires an originator to register all patents prior to it receiving market approval and issues injunctions only to prevent significant damage.

What should be clear is that BRTAs significantly advance upon the TRIPS Agreement. This should not be surprising. In many respects, TRIPS is a minimum standards agreement and (ostensibly) limited to “trade related” aspects of IP.9 By contrast, BRTAs never had to stay within or defend the “trade related” constraint. Thus, BRTAs have advanced the TRIPS agenda in subject matter, scope and depth, both procedurally and substantively. In building upon the minimum standards of TRIPS, BRTAs have also increasingly become more regulatory in appearance and design.

While one thinks of regulatory cooperation or even harmonisation, what is usually meant in the IP context is that a demandeur requests that the partner country(ies) take its approach to IP law. The system is not so much reaching an agreement but “harmonisation” through the export of one regime to a partner country. Such an approach was demonstrated above in the context of test data protection and patent linkage.

This export-oriented approach to BRTA IP negotiations can, however, fail under certain circumstances. The perfect example here is the poorly named and ill-fated Anti-Counterfeit Trade Agreement (ACTA). The ACTA was in large part initiated and negotiated to remedy the failings of TRIPS in regards to enforcement. Negotiations became stuck when several countries refused to agree on anything which actually required changes to their legal setting and thus provisions drafted to provide for any number of options.9

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8 For information on Canada’s schemes, see Christopher Scott Harrison, “Protection of Pharmaceuticals as Foreign Policy: the Canada-U.S. Trade Agreement and Bill C-22 versus the North American Free Trade Agreement and Bill C-91” (Spring 2001) 26 North Carolina Journal of International Law & Commercial Regulation 457.
9 These countries include Canada, Singapore, Mexico, Cambodia, China and Russia.

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8 In reality, the limited “trade-related” nature of TRIPS became a fiction as the negotiations progressed, and as recently pointed out by Antony Taubman, Director, Government Procurement, Intellectual Property and Competition Policy Division at the WTO, it is extremely difficult to ascertain what is “trade-related” in goods, and more difficult to determine when IP embedded in service sectors. Antony Taubman, “The Coming of Age of the TRIPS Agreement: Framing Those “Trade-Related Aspects”” in Christophe Geiger (ed) The Intellectual Property System in a Time of Change: European and International Perspectives (CEIPI, 2016).
So when no less than six negotiating countries claim that the ACTA would not require any changes to the domestic system, one has to question whether the agreement would have any effect on combating counterfeiting and piracy. The answer is pretty clearly, no. Proponents of the ACTA were not disinclined, however, and simply shifted the narrative to provide an ex post justification for the negotiations – that was, to embed meaningful standards among like-minded countries in the hope others eventually follow.

This is not to say that the trend towards the regulatory approach is all bad for the “taking” country. There are instances where it can be beneficial, or appropriate. For instance, many BRTAs build upon Article 51 of TRIPS which obliges Members to suspend the release of imported goods into the local market by customs authorities (trademark or copyright) upon an application. While Article 51 provides that Members “may also provide” such treatment to exports, numerous BRTAs in fact do make this a requirement. That customs should refuse to knowingly and wilfully allow the exports of counterfeits and pirated goods does not seem to be harmful (particularly, when the counterfeit is a pharmaceutical), although it should be noted that it may add considerably to the workload and responsibilities of the local customs agency.

Another advance would be to add precision to the undefined and vague terms in the TRIPS Agreement. One example here, perhaps controversial, is by defining the term “commercial scale” in Article 61 of TRIPS, which mandates criminal liability for wilful counterfeiting and piracy “on a commercial scale”. While the WTO DSB has weighed in on the meaning of the term,10 countries are free to provide for a stricter definition in BRTAs. This can of course arguably go too far, for example, Article 17.11.26(a) of the US-Australia FTA requires criminal procedures and penalties to be applied to “wilful trademark counterfeiting or copyright piracy on a commercial scale”, with the latter including: “significant wilful infringements of copyright, that have no direct or indirect motivation of financial gain; and wilful infringements for the purposes of commercial advantage or financial gain”. Such provisions are noteworthy because they require parties to implement their TRIPS obligations so as to require them not only to criminalise conduct that is objectively on a “commercial scale” but also conduct involving particular commercial “purposes”.

Some BRTAs also explicitly provide for exceptions. For example, BRTAs can explicitly provide for bolar/regulatory review provisions or set perimeters which enshrine the legality of a generic pharmaceutical manufacturer to use a patented product for the purposes of making an application for marketing approval from the relevant authority. Again, while a panel in Canada—Pharmaceutical Patents11 found such activity to fall within the scope of the Article 30 exception in TRIPS this does not mean that every Member must explicitly allow for such an exception. With the negotiation of a BRTA and implementing legislation, this exception becomes part of domestic law. Other examples of TRIPS-Plus provisions which may be more neutral include the prioritization of either trademarks or geographical indications, depending on whether the negotiation is with the US or EU, respectively.13

But the regulatory approach taken in many BRTAs can also have detrimental effects on the “taking” party. Again, these negative effects normally come when the demandeur, and quite frankly the “taking” country, fail to recognise or take account of the different contexts and abilities of the negotiating countries. For example, while US now exports not only obligations akin to its Digital Millennium Copyright Act (DMCA) but also some “fair use” provisions, what is lost is that some partner countries would not have needed the fair use provisions because the underlying action would not have been deemed to be a violation of domestic copyright law.

We can also see this effect in Technical Protection Measures (TPMs), which is unaddressed in TRIPS and where WIPO treaties require Contracting Parties to merely provide “adequate legal protection and effective legal remedies against the circumvention of effective technological measures” used by authors, performers and phonogram producers in connection with the exercise of their rights that restrict unauthorized acts in respect of their works, performances or phonograms.14

BRTAs entered into by the US provide a far more detailed two-tiered approach which tracks the language in the DMCA on liability and civil and criminal penalties for: (1) the act of circumventing a TPM that controls access to a protected work, performance, phonogram, or other subject matter; (2) the manufacture of and trafficking in devices, or the provision of services, for the circumvention of all types of TPM (that is, both access

10 See China — Measures Affecting the Protection and Enforcement of Intellectual Property Rights, DS362. The panel defined the term commercial scale to be “the magnitude or extent of typical or usual commercial activity with respect to a given product in a given market” before finding the US as complainant failed to provide evidence which demonstrated cases excluded from criminal liability met the standard for “commercial scale”.
11 This provision is followed up by subsection (b), which obliges each Party to treat “wilful importation or exportation of pirated copyright goods or of counterfeit trademark goods as unlawful activities subject to criminal penalties to at least the same extent as trafficking or distributing such goods in domestic commerce.”
14 WIPO Copyright Treaty, Article 11. See also WIPO Performances and Phonograms Treaty, Article 18.
control and copy control devices). While there is some difference between agreements in terms of the level of prior knowledge required of protection (actual, constructed or simply left unaddressed) across all agreements, the exceptions to this obligation are limited in all these agreements.15

3. CONCLUSION

These reflections on the incorporation of IP into trade agreements are by no means comprehensive. Instead, the simple point to be made in this article has been to demonstrate some ways in which BRTAs advance upon TRIPS in substance, scope and depth. In most cases, this involves adding detail and becoming more prescriptive. In the process, the “taking” country often relies on the same justification for the measures and adopts a similar if not the same version of the measures as the demandeur. The loss of context is regrettable, less than optimal and often done on the basis of no empirical research or studies. With more countries adopting TRIPS-Plus obligations there is an increasing amount of evidence which could, if utilized correctly, be used by researchers and policymakers when deciding whether to adopt or amend these measures. This article is therefore foremost a call not to ignore this evidence.

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15 See Handler and Mercurio, above n 13.
Abstract: Intellectual Property (IP) is not a new notion in Vietnam. IP has played an important role for the development of Vietnam and people’s awareness about IP is partly increasing. So IP is a course not only for law students but also for other students such as engineering and business students in Vietnam. Although the demand for IP teaching is high in the context of Vietnam’s fast international economic integration, the available courses are very limited and the syllabus is poor. The courses are primarily introductory courses in nature, although issues in IP from an academic and practical perspective are vast. It is submitted that policy-makers, business people and students should have their own specialized courses. To improve the situation, it is the author’s view that Vietnamese higher education institutions, together with the assistance of the relevant authorities, liaise and more with foreign partners to increase the quality of IP courses and syllabi. This paper considers the current status of IP teaching in Vietnam and also analyses the demand thereof. The paper also recommends potential solutions to promote IP education in Vietnam, improve the content of available courses and syllabi, and concludes that IP education in Vietnam requires significant development.

Keywords: Intellectual property teaching, courses, syllabi, book, Vietnam

1. INTRODUCTION

Vietnam is an underdeveloped economy. Since its shift to an open economy in the year 1986, it has seen more progress. The Vietnamese economy has been in double transition: it is moving from a centrally planned state economy to a market economy; and it is also moving from an agricultural economy to an industrial economy. To reach this objective, Vietnam requires advanced technologies. The best ways to secure such technologies is to promote foreign technology transfers and to build a solid domestic technology market with strong R&D institutions. Acquiring local advanced technologies with strong R&D institutions takes time, however in the interim, the most suitable way to secure advanced technology is through foreign technology transfers, in particular the transfer of technology via foreign direct investment into Vietnam.

Vietnam’s open door policy has contributed to development of Vietnam due to foreign investment. Between 1988 and 2016, Vietnam has received 336.757 billion USD in foreign investment. The upward direction of economic development and foreign direct investment is similar. Technology levels, particularly in the fields of precise mechanics, electronics, software industry, telecommunication, biotechnology, etc. have improved.

However, Vietnam still lacks the technologies for national development to accelerate its industrialization and modernization process, and needs more advanced technologies transferred from developed countries. To attract more foreign investors and to also ensure the protection of the rights of such foreign investors, Vietnam needs to promulgate stricter protection of intellectual property rights (IPRs) for foreign technologies. However, Vietnam faces various challenges in this regard, in particular after its accession to World Trade Organization (WTO) in 2007, and after joining the ASEAN Economy Community (AEC) in December 2015 and participating in the Trans-Pacific Partnership (TPP) Agreement trade negotiations up until 2016.

The objective of IP as stated in the Preamble of TRIPS (Agreement on Trade-Related Aspects of Intellectual Property Rights) is, “[d]esiring to reduce distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade”. Article 7 of TRIPS also stipulates “[t]he 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 and economic welfare, and to a balance of rights and obligations”. The objective of IP protection and enforcement is also stated in the Article 18.2 of the TPP which provides 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 and economic welfare, and to a balance of rights and obligations”.

On the basis of the aforementioned texts, it is apparent to the author that in the context of international integration and free trade development, IP plays a very important role not only for different stakeholders, including business persons, governmental officials, inventors and creators, but also the general public. The effective protection of inventions is one of the factors...
that encourage foreign companies to invest in Vietnam, which leads to the promotion of foreign technology transfer in Vietnam and also helps to pave the way for domestic technology development.

Universities and research institutes are the main source of new inventions to be patented and commercialized. Thanks to patent commercialization development, Vietnam aims to have an innovation-driven economy based on IP. This means that people should know about IP, more particularly researchers and technologists, who need to be trained effectively and efficiently in the universities.

Therefore, IP teaching is very important in raising awareness about IP at different levels. Awareness leads to a nurturing of the IP culture, better protection of IPRs, and the promotion of IP commercialization. This is an important step in the setting up of technology markets and for the socio-economic development of the country.

The following sections will examine the current status of IP teaching in Vietnam, illustrate the gaps therein and also suggest possibilities and opportunities for further development in IP education in Vietnam.

2. CURRENT STATUS OF IP TEACHING IN VIETNAM

While there were IP regulations in Vietnam before 1981, which aimed at promoting creativity, there were very few and did not have as its objective, the effective protection of IP. IP law was developed between the period between 1981 and 1995 with the introduction of the Ordinance on Industrial Property and other decrees regulating specifically to patent protection (i.e. Decree No. 31/CP dated on 23/01/1981 regulating patent protection; Decree No. 200/HDBT dated on 28/12/1988 regulating utility solution protection; Decree No. 201/HDBT dated on 28/12/1988 regulating the purchase of patent and utility solutions use rights). However, it can be noted that the IP protection was effective. The period between 1995 and 2005 was marked by two important events: the issuance of the Civil Code of 1995 when IPRs were recognized as civil rights for the first time; and a new IP Law in 2005 when Vietnam could be said to have integrated into the global economy. Since 2005 there has been further development of IP law in Vietnam, with modifications in 2009 and the negotiations of IPRs laws within TPP framework. IP law also began being taught in Vietnam as a separate subject in 2005.7

With the socio-economic and technological development of Vietnam, IP subjects have been taught more and more at the universities, using the WIPO Handbook.6 Further, many theses, dissertations and books about IP have been published locally as IP protection and exploitation became increasingly important for building national policy.7

With the author’s personal teaching experience of IP subjects, IP teaching in Vietnam can be classified by the author into two main categories:

- IP teaching for university students;
- IP teaching for government officials, business persons and the general public.

Regarding IP teaching for university students, in general, IP and some IP-related courses are taught mainly for law students (specializing in civil law, economic law and international law) with two credits per subject as compulsory subjects. The following higher educational institutions provide compulsory IP courses for two credits: Hanoi University of Law; School of Law under Vietnam National University, Hanoi; Hochiminh City University of Law; School of Law under Hue University; School of Law under Danang University; School of Law under Can Tho University; School of Law under Thai Nguyen University; and Open University; Banking Institute. In fact, the law students learn about both national and international IP law.

The content of IP law courses is made up of the following subjects:

Chapter I – Introduction to IP Law
- Introduction to IP: notion, demand for protection of IPRs
- Introduction to Vietnam’s IP law: establishment history, sources, contents
- Introduction to international IP law: establishment history, system of conventions on IP

Chapter II – Copyrights and related Rights
- Introduction to copyrights and related rights: definition, characteristics, demand for protection, principles for protection
- Content of Vietnamese laws on copyright and related rights protection: conditions for protection, subject matter and rights, rights transfer
- Contents of some conventions on copyrights and related rights

Chapter III – Industrial Property Rights
- Introduction to industrial property rights: definition, characteristics, principles, subject matter
- Contents of Vietnamese laws on industrial property protection: conditions for protection, subject matter and rights, rights transfer
- Contents of some conventions on industrial property rights

6 Extract and translation from
https://vi.wikipedia.org/wiki/L%E1%BB%8Ch_s%E1%BB%AD_%u0E1%BA%AD_%u0E1%BA%AD_s%E1%BA%A1ng_%u0E1%BA%A6_%u0E1%BB%8C_%u0E1%BA%A7a, VN%E1%BB%87, Nam (accessible on 28 May, 2017).

Chapter IV – Plant variety rights
- Introduction to plant variety rights: definition, characteristics, principles for protection, demand for protection
- Contents of Vietnamese laws on plant variety rights: conditions for protection, subject matter and rights, rights transfer
- Contents of some conventions on plant variety rights

Chapter V – IPR protection
- Notion, definition, characteristics
- Enforcement - Infringing behaviour
- Methods for protection of IPRs pursuant to Vietnamese and international laws

Notwithstanding the small differences unique to each institution, each Chapter is usually taught in five or six sessions. The textbooks often used for law students are the Textbook of IP Law from Hanoi University of Law and Materials of IP Law from Ho Chi Minh University of Law.

With regard to non-law students (i.e. students from the disciplines of Business, Social Sciences and Arts/Culture schools), an introductory course on IP is taught, but this is normally an elective subject. For example, the Foreign Trade University teaches an introductory IP course to students in Faculty for International Economy and Business which is made up of the following basic contents:

Chapter I – Introduction to IP
- What is IP
- Importance of IPRs to business
- Vietnam’s IP history
- Vietnam’s current IP laws
- Some International Conventions on IP

Chapter II – Industrial Property Rights
- Definition
- Characteristics
- Principles
- Subject matter: patent, trademarks, trade secrets, geographical indications, trade names
- Conditions for protection, subject matter and rights, rights transfer
- Contents of some conventions on industrial property rights

Chapter III – Copyrights and related Rights
- Definition
- Characteristics
- Principles for protection
- Demand for protection
- Contents of Vietnamese laws and of some conventions on copyrights and related rights

Chapter IV – Plant variety rights
- Definition
- Characteristics
- Principles for protection
- Demand for protection
- Contents of Vietnamese laws and of some conventions on plant variety rights

Chapter V – IPR protection
- Definition
- Characteristics
- Principles for protection
- Methods for protection of IPRs pursuant to Vietnamese and international laws.

Each chapter is also taught in four to five sessions depending on the need and with a focus on business aspects of IP. The material is prepared by the lecturer of the university or by the visiting professor. In some instances, the University also invites experts to teach some specialized or advanced IP related courses such as trademarks and copyrights.

IP is currently taught as an elective subject in only a few technical universities and schools although textbooks and other academic materials on IP, technology transfer and patent information exploitation have been available.
since 2008. The teaching of IP is primarily focused on patents and technology transfer.

IP courses available in Vietnam are still general introductory courses and lack specialization in areas such as patent, trademark, design, layout topology, trade secret, copyright, or domain name. There is often insufficient time to teach these specialised areas and also insufficient human resources. Despite the importance of training and developing IP lecturers at higher education institutions in Vietnam, no such training currently exists.

IP education for governmental officials, businessmen and the general public is taught in various ways such as via seminars, short training courses, or online courses by National Office of IP (NOIP), Vietnam in collaboration with foreign institutions and other relevant ministries (for example, Ministry of Industry and Trade, Ministry of Culture, Sport and Tourism).

In light of the above, it can be noted that IP teaching is established in Vietnam but the content of the available courses are is limited and not broad enough to address the interests of different kinds of students. Moreover, in the context of the rapid socio-economic and technological development of Vietnam, the teaching of IP protection and dissemination is necessary and should be further developed for many reasons.

Firstly, the Vietnamese government has launched many policies and laws to promote science and technology (S&T) markets, in particular to promote the transfer and commercialization of technologies. This is illustrated in the following documents:

- S&T Strategy to 2020;
- Reforms of S&T Management mechanisms;
- Strategy of technology market development;
- Strategy of International integration in S&T;
- Law on Science and Technology (2000, amended in 2013);
- Law on Intellectual Property (2005, amended in 2009);
- Law on Standards and Technical Regulations (2006);
- Law on Technology Transfer (2006);
- Law on High Technology (2008) and 52 related decisions, decrees to guide law implementation.

Secondly, there are some programs and projects which are funded and supported by the government and foreign agencies to promote the technology commercialization with 14 programs at the state-level (ten in S&T and four in social sciences and humanities), with the cooperation of 70 countries (more than 80 signed Agreements). Following these cooperation agreements, good projects are being implemented such as the IPP (Innovation Partnership Program, 2nd term); FIRST (Fostering Innovation through Research, Science and Technology), V-KIST and BIPP (Support to the Innovation and Development of Business Incubators Policy Project).

Thirdly, according to the Ministry of Science and Technology, there are 505 R&D organizations; more than 400 universities and colleges, and 400000 enterprises including 2,800 S&T enterprises. There is a huge demand in these institutions for IP education and other IP-related subjects such as IP management, TT, innovation and technology management.

Fourthly, there has been a rapid increase of industrial property certificate numbers in Vietnam. This is illustrated in the following tables and figures below.

![Figure 1: Number of IP Certificates from 2003 to 2007](Before its accession to the WTO)

<table>
<thead>
<tr>
<th>Year</th>
<th>Patent</th>
<th>Utility</th>
<th>Trademark</th>
<th>Design</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1386</td>
<td>1634</td>
<td>117</td>
<td>1388</td>
</tr>
<tr>
<td>2004</td>
<td>19659</td>
<td>20579</td>
<td>86</td>
<td>1634</td>
</tr>
<tr>
<td>2005</td>
<td>1121</td>
<td>1152</td>
<td>107</td>
<td>1634</td>
</tr>
<tr>
<td>2006</td>
<td>20042</td>
<td>21440</td>
<td>87</td>
<td>1634</td>
</tr>
<tr>
<td>2007</td>
<td>22730</td>
<td>23290</td>
<td>69</td>
<td>1634</td>
</tr>
</tbody>
</table>

16 In comparison with the contents of IP teaching in WIPO, WIPO Intellectual Property Handbook, op.cit.
17 See more details on the website of Ministry of Science and Technology, www.most.gov.vn
18 As above.
20 See more at www.noip.gov.vn
Table 1: Number of IP Certificates from 2008 to 2014

(After its accession to WTO)

<table>
<thead>
<tr>
<th>Year</th>
<th>Patents</th>
<th>Utility Solutions</th>
<th>Industrial Designs</th>
<th>Trade Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>666</td>
<td>75</td>
<td>1337</td>
<td>23290</td>
</tr>
<tr>
<td>2009</td>
<td>706</td>
<td>64</td>
<td>1236</td>
<td>22730</td>
</tr>
<tr>
<td>2010</td>
<td>822</td>
<td>58</td>
<td>1152</td>
<td>16520</td>
</tr>
<tr>
<td>2011</td>
<td>985</td>
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<td>1145</td>
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<tr>
<td>2012</td>
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<td>86</td>
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</tr>
<tr>
<td>2015</td>
<td>1388</td>
<td>117</td>
<td>1386</td>
<td>18340</td>
</tr>
</tbody>
</table>

Fifthly, thanks to the efforts of Vietnam, the Global Innovation Index (GII) of Vietnam has improved with a higher ranking as illustrated in Table 2 below:21

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21 Figure extracts from GII scores. See details on the website: https://www.globalinnovationindex.org/ (accessed on 27 May, 2017)
<table>
<thead>
<tr>
<th>Year</th>
<th>No of countries</th>
<th>Highest score</th>
<th>Vietnam</th>
<th>Malaysia</th>
<th>Singapore</th>
<th>Thailand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Score</td>
<td>Rank</td>
<td>Score</td>
<td>Rank</td>
</tr>
<tr>
<td>2011</td>
<td>125</td>
<td>74.1</td>
<td>36.71</td>
<td>51</td>
<td>44.05</td>
<td>31</td>
</tr>
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<td>141</td>
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<td>33.9</td>
<td>76</td>
<td>45.9</td>
<td>32</td>
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<tr>
<td>2013</td>
<td>142</td>
<td>66.59</td>
<td>34.82</td>
<td>76</td>
<td>46.92</td>
<td>32</td>
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<tr>
<td>2014</td>
<td>143</td>
<td>64.78</td>
<td>34.89</td>
<td>71</td>
<td>46.60</td>
<td>33</td>
</tr>
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<td>141</td>
<td>68.3</td>
<td>38.35</td>
<td>52</td>
<td>45.98</td>
<td>32</td>
</tr>
</tbody>
</table>

**Table 2: Rank of Global Innovation Index of Vietnam and some countries**
3. RECOMMENDATIONS AND CONCLUSIONS

Although the awareness of policy-makers, business persons and the general public in Vietnam is increasing and the number of IPR registrations has also increased in recent years, more needs to be done in relation to IP education.

Moreover, there is a high demand for IP teaching in Vietnam that could in turn promote IP activity. In the short term, Ministries and higher education institutions need to design a more detailed curriculum for IP and IP-related courses, and they also should update the types of IP subjects available for students to reflect current issues in IP law. Introducing IP as a compulsory course for technical and business students should also be considered. In addition, there should also be more specific courses, projects, programs and online courses for government officials, businessmen and other stakeholders regarding IP, for example in respect to TT, Innovation Management, IP Licensing, and IP enforcement.

In the medium to long term future, Vietnam invests in increasing the number of professional IP teachers. It is necessary to train IP teachers in Vietnam through learning experiences and in line with international standards.

It is submitted that higher education institutions cooperate with local enterprises and competent agencies to revise and update the existing IP courses and thereafter classify IP teaching courses into the following levels:

Level 1 - Basic IP:

This introductory program should be aimed at first-time learners (law and non-law), businesspeople, policy-makers, creators, innovators and inventors and should aim to provide the students with the most basic knowledge of IP including the role of IP, importance of IP, perspectives and development tendency of IP, basic principles of IP law, basic IP rights of owners and authors, basic skills and methods to protect IPRs, etc. The duration of the course should be about 10 lessons for two credits.

Level 2 - Advanced IP:

- This intermediate program should be aimed at students or persons seeking a deeper understanding and knowledge of IP law and IP management. This course would consider IP law and management, economic and legal aspects of IP, patent, trademark, design, and copyright, as well as the domestic and international IP system. The duration of the course should be about 15 lessons for 3 credits, including exercises and a small dissertation.

Level 3 - Expertise in IP / Master's in IP:

- This program should be aimed at persons who want to become IP lawyers or IP practitioners. This programme will be made up of general IP law as well as specialized subjects such as: patent, trademark, design, copyright, technology transfer, innovation management, IP commercialization, IP valuation, IP assessment and IP expertise, IP and e-commerce, IP with biotechnology, and IP with Internet. The duration of this programme should be about 8 months of in-class lessons, 2 months of training and an additional 6 months to prepare a thesis.

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PROVING AUTHORSHIP AND OWNERSHIP UNDER MALAYSIAN COPYRIGHT LAW

Sik Cheng Peng*

Abstract: Authorship and ownership are distinct concepts in copyright law. It is important to distinguish the two for several good reasons. However, there has been some confusion about the two concepts, as demonstrated in a few Malaysian court decisions on copyright matters. The presumption of authorship in section 26(4)(a) of the Copyright Act 1987, in particular, has been applied to determine copyright ownership. This undoubtedly blurs the demarcation between authorship and copyright ownership. Hence, this article aims to clear the air by first explaining the two concepts and the necessity of differentiating authorship from copyright ownership. Next, this article analyses the case law in which confusion on the two concepts arose. This is followed by a discussion on proving authorship and ownership, respectively, in accordance with the Copyright Act 1987.

Keywords: Copyright law; authorship; ownership; presumption of authorship; voluntary notification of copyright

1. INTRODUCTION

In lay person’s terms, an “author” is the creator or maker of a work while a “copyright owner” refers to the person or body who owns copyright in a work. In the beginning, an author is, usually, also the copyright owner. This is clearly provided in section 26(1) of the Copyright Act 1987 (hereinafter referred to as “the Act”) which states that copyright “shall vest initially in the author”. Since copyright is transferable as a movable property, copyright may not remain the author’s property at all times. When the copyright in a work passes to another person or body, the other person or body becomes the copyright owner of the work and thus the copyright no longer vests in the author. It should be noted that while copyright ownership may change hands; authorship, obviously, does not.

While copyright may be transferred by way of assignment, testamentary disposition, or by operation of law, it may also be deemed to be transferred in two circumstances, as prescribed in section 26(2) of the Act. First, section 26(2)(a) provides that where the author is commissioned to produce a work, copyright in the work shall be deemed to be transferred to the person who commissioned the work. In Syed Ahmad bin Jamal v Dato Bandar Kuala Lumpur, for instance, the late Dato’ Syed Ahmad bin Jamal was commissioned by a company, UMBC Harta Sdn Bhd, to design a sculpture named “Lunar Peaks” (or “Puncak Purnama” in Malay). Undoubtedly, the late Dato’ Syed Ahmad bin Jamal was the author of the sculpture, but the copyright in the sculpture belonged to UMBC, which commissioned the work.

Second, section 26(2)(b) of the Act states that where the author creates a work in the course of his employment, copyright in the work shall be deemed to be transferred to his employer. In Radion Trading Sdn Bhd v Sin Besteam Equipment Sdn Bhd & Ors, for example, the technical design drawings for an automatic swing gate actuator were created by the plaintiff’s director. By virtue of section 26(2)(b), copyright was transferred to the plaintiff due to the author’s employment with the company.

Both deeming provisions are subject to any express agreement between the parties which may exclude or limit such transfer. An example of an express agreement excluding such transfer of copyright may be seen in Wedding Galore Sdn Bhd v Rasdah Ahmad, where disputes arose regarding the ownership of copyright in pre-wedding photographs shot by the respondent. The appellant argued that if there was any copyright in the photographs, the copyright belonged to the wedding couple who commissioned the respondent for the making of the works. However, the court found that the terms and conditions attached to the invoice expressly stipulated that the photographs taken shall be treated as the respondent’s intellectual property and that the respondent would transfer the copyright in the photographs to the client for a sum of RM 1000. Accordingly, the court held that the agreement between the respondent and the client excluded the transfer of the copyright in the photographs to the client.

It is clear that under the Act, in most cases, an author of a work is the first copyright owner of the work but may not always remain the copyright owner. Hence, the concepts of “authorship” and “ownership” should not be

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1 See the definition of ‘author’ in section 3 of the Copyright Act 1987 (hereinafter “the Act”).
2 This is so except in the respect of the works prescribed in section 11 of the Act.
3 This is subject to an exception as provided in section 26(3) of the Act. Section 26(3) states that copyright in works made by or under the direction or control of the Government, Government organizations and any prescribed international body shall vest initially with the Government, Government organizations or international body, and not the author.
4 See section 27(1) of the Act. See Rock Records (M) Sdn Bhd v Audio One Entertainment Sdn Bhd [2005] 3 MLJ 552 which involved an assignment of the copyright in a sound recording.
5 See section 27(1) of the Act.
8 Section 26(2) of the Act.
10 This is subject to an exception provided in section 26(3) of the Act. Section 26(3) states that copyright in works Government, Government organizations and any prescribed international body (see section 11 of the Act) shall vest initially in the Government, Government organizations or international body, and not the author.
intermingled. As observed by Steve Shim J in Yeoh Kee Aun v PI Capital Asset Management Sdn Bhd & Anor,11 “authorship” and “ownership” are “quite clearly two different concepts under the Copyright Act.”12 It is crucial to treat and deal with the two distinctly for the reasons which are discussed next.

2. “AUTHORSHIP” VS “OWNERSHIP”

A clear distinction between authorship and ownership is imperative, and with good reason. First, it is authorship which plays an important role in determining subsistence of copyright. A literary, musical or artistic work shall be original in order to be protected by copyright in Malaysia.13 As indicated in section 7(3)(a) of the Act, the originality condition requires sufficient effort being expended in creating the work. “Originality” has been explained in case law as meaning that the work shall originate from the author, and shall not be copied from others.14 It follows that the author is the protagonist to be focused on in ascertaining “originality” of a work.

In addition, section 10 of the Act provides three alternatives in which a work may be qualified for copyright protection in Malaysia.15 One way for a work to be so qualified is that if the author is a qualified person16 at the time when the work is made as provided in section 10(1)(a) of the Act. If it involves a work of joint authorship, the work is qualified for copyright protection if any of the authors is a qualified person.17 Again, the author, not the copyright owner, takes the centre stage in deciding the qualification requirement.

Section 17(1) of the Act provides that copyright in a literary, musical or artistic work subsists during the life of the author, plus fifty years after the death of the author.18 It follows that the author’s lifespan and the date of his death, as opposed to the copyright owner’s, determine the duration of copyright in literary, musical or artistic works.

As discussed earlier, except in respect of works of government, government organizations or international bodies, an author is always the first copyright owner but he may divest himself of ownership. When this takes place, the author is no longer entitled to enjoy the exclusive rights that are exercisable only by a copyright owner, also known as the economic rights. The economic rights of a copyright owner, such as the exclusive rights to control the reproduction or communication to the public of a copyright work, are contained in section 13(1) of the Act.19

On the other hand, authors are entitled to moral rights, which are inalienable, as provided in section 25 of the Act. Moral rights of an author subsist as long as copyright subsists in the work and are exercisable by the author or his personal representative after the author’s death.20 Authors’ moral rights under the Act comprise the right to be identified as the author;21 and the right to object to modifications on the work with a negative impact on the author’s honour or reputation.22 The case of Syed Ahmad bin Jamal v Dato Bandar Kuala Lumpur23 provides an example of circumstances where the author based his action on moral rights.

It should also be noted that copyright owners’ exclusive rights as prescribed in section 13(1) are limited by, or subject to, the exceptions listed in section 13(2). Several exceptions in section 13(2) impose a common requirement, that is, a proper acknowledgement of the title of the work and its authorship. For instance, the fair dealing exception requires the doing of an act, to fall within section 13(2)(a), to be accompanied by an acknowledgement of the said matters. It is the authorship, instead of copyright ownership, of the work that shall be acknowledged. A similar requirement on an acknowledgement of the authorship of the work is also imposed under the exception for inclusion of a work as illustration for teaching purposes in section 13(2)(f) and the exception for making quotations in section 13(2)(m).24 It follows that while the establishment of

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13 A literary, musical or artistic work shall meet four conditions to be protected by copyright in Malaysia, namely, it falls within one of the categories of works eligible for copyright as stated in section 7(1) of the Act; it is original as required under section 7(3)(a) of the Act; it has been reduced to material form as provided in section 7(3)(b) of the Act; and it is qualified for copyright protection in Malaysia as stated in section 10 of the Act. Other works, namely, broadcasts, films and sound recordings, only have to meet two conditions regarding the categories of works eligible for copyright and qualification.
14 See University of London Press Ltd v University Tutorial Press Ltd [1916] 2 Ch 601 at 608.
15 Section 10(1)(b) of the Act provides that a literary, musical or artistic work, film, or sound recording is qualified for copyright protection if it is first published in Malaysia. Whereas a work of architecture erected in Malaysia or an artistic work incorporated in a building situated in Malaysia is similarly qualified. A broadcast is likewise qualified if it is transmitted from Malaysia. Section 10(1)(c) of the Act, on the other hand, qualifies a work for copyright protection if it is made in Malaysia.
16 See the definition of ‘qualified person’ in section 3 of the Act.
17 Section 10(1)(a) of the Act.
18 As for copyright duration of other works, see sections 18, 19, 20, 22 & 23 of the Act.
19 See also sections 36A and 36B of the Act which provide additional rights exercisable by copyright owners in relation to technological protection measures applied to their copyright works in digital forms.
20 Section 25(2) of the Act.
21 Section 25(2)(a) of the Act.
22 Section 25(2)(b) of the Act.
24 The exception for the reading or recitation in public or in a broadcast of any reasonable extract from a published literary work in section 13(2)(h) imposes a condition that the act shall be accompanied by “sufficient acknowledgement”, which may reasonably be construed as
those exceptions may defeat a copyright owner’s claim for copyright infringement, the acknowledgement which is required to be made is with regard to authorship, not ownership, of the work.

Lastly, as discussed earlier, copyright in a work initially vests in the author and may be transmitted to another person or body. When copyright ownership is in dispute, it is necessary to determine first who is the author, and next, if and how copyright has been transferred to another person or body. In many instances, it is inevitable to trace the transactions back to the very beginning when the author was also the first copyright owner. For example, the plaintiff’s claim to copyright ownership in a photograph in Ultra Dimension Sdn Bhd v American Home Assurance Company; Rewardstreet.com (Malaysia) Sdn Bhd (Third Party) failed because the court found that the copyright was not assigned to the plaintiff by the group of people who took the said photograph, namely, the authors of the photograph. The chain of ownership shall be unbroken and established.

3. MISAPPLICATION OF SECTION 26(4)(A)

Section 26(4)(a) of the Act states that the name on a work purporting to be the name of its author shall be regarded as such, unless the contrary is proved. Plainly, section 26(4)(a) provides for presumed authorship of a work, as opposed to the presumed author’s legal representative in section 26(4)(b), or the presumed copyright ownership in section 26(4)(c). Nevertheless, the rule on presumed authorship in section 26(4)(a) was applied to determine the question of copyright ownership in several local court decisions.

In Microsoft Corp. v Conquest Computer Centre Sdn Bhd, disputes arose relating to the sale of a PC loaded with Microsoft Windows 7 Home Premium by the defendant. One of the questions was whether the plaintiff is the copyright owner of the computer software. The High Court took note of the display of the plaintiff’s name, “Microsoft”, on the original CD-ROMs of the computer software, the CD-ROMs casing, and the screen of the computer downloaded with the software. The court then went on to hold that “as the defendant had failed to prove the contrary, the copyright in the computer software was vested in the plaintiff under section 26(4) of the Act.” As it may be seen here, the court had applied the statutory presumption of authorship to determine ownership of copyright, which is an entirely different matter from authorship. In deciding the question, the court cited the case of Creative Purpose Sdn Bhd & Anor v Integrated Trans Corp Sdn Bhd & Ors.

In Creative Purpose Sdn Bhd, questions arose regarding copyright ownership in a computer program. The plaintiffs argued in the case that there was a statutory presumption in favour of the copyright ownership being vested in them by virtue of section 26(4) of the Act while the defendants emphasized that the authorship of a work is totally different from ownership of the work. The defendants’ submission was, however, rejected by the court on the ground that such submission failed to take into account the full import of section 26, which reads “First ownership of copyright.” The court proceeded to express as follows:

It is obvious therefore that where there is a claim to authorship which can be presumed by the name of the author appearing on the works, then by virtue of sub-s (3), the claim to ownership (subject to s 11 of the Act..) shall be presumed to also vest with the authorship.

The court concluded that the presumption raised in section 26(4) cannot be limited to mere authorship, but should be properly read to cover the issue of ownership.

A few comments may be made on the interpretation of the provisions relating to authorship and ownership in Creative Purpose Sdn Bhd as stated above. First, section 26 does not deal with ownership of copyright

an acknowledgement of the title of the work and its authorship.

28 Section 26(4)(b) provides that the publisher indicated in the work is the presumed legal representative of the author in respect of an anonymous or pseudonymous work, unless the contrary is proved. Section 26(5) of the Act provides that this rule ceases to apply once the identity of the author is known.
29 Section 26(4)(c) deals with an unpublished work where the author’s identity is unknown but there is every reason to assume that he is a Malaysian citizen. Section 26(4)(c) provides that the copyright in such work shall be deemed to vest in the Minister in charge of culture. See also section 26(5) of the Act.
See Khaw, L.T., *Copyright Law in Malaysia (3rd ed)*, Petaling Jaya: LexisNexis, 2008, at 65, 160 (observing that there was confusion between authorship and ownership in *Creative Purpose Sdn Bhd*).


40 Khaw commented on the confusion between authorship and ownership in *Berjasa Information System Sdn Bhd* where the two terms were used interchangeably. See Khaw, L.T., *Copyright Law in Malaysia (3rd ed)*, Petaling Jaya: LexisNexis, 2008, at 158.

41 [2015] 3 MLJ 1.


43 Issues may arise as to whether the person who merely reduced the work to a material form, while the ideas and expression in the work originated from another person, could be regarded as the “author” of the work. See *Donoghue v Allied Newspapers Ltd* [1938] Ch 106; *Walter v Lane* [1900] AC 539.

44 “Work of joint authorship” is defined in section 3 of the Act as “a work produced by the collaboration of two or more authors in which the contribution of each author is not separable from the contribution of the other author or authors.”
In circumstances where disputes arise as to who the author is and there is a name indicated on the work, section 26(4)(a) applies. The name so stated on the work will be regarded as its author, unless the person who contends otherwise may rebut the presumption by proving the contrary. The application of section 26(4)(a) may be seen in Dura-Mine Sdn Bhd v Elster Metering Ltd & Anr, as mentioned earlier. In this case, the Federal Court noted that the name of the predecessor in title of the first respondent appeared on each of the engineering drawings for the water meter in dispute. The presumption of authorship in section 26(4)(a) applied and was not rebutted by any evidence to the contrary. Hence, it was concluded that the first respondent’s predecessor in title was the author of the engineering drawings.

With the author being identified, section 26(1) applies with the effect that copyright in the work vests initially in the author. This rule, however, does not apply to works of Government, Government organizations and international bodies, as stated in section 26(3). Where anonymous or pseudonymous works are involved, section 26(4)(b) is relevant and the publisher of the work will be presumed to be the author’s legal representative. The publisher will thus be entitled to exercise and protect the author’s rights under the Act, namely, the economic rights as well as the moral rights. Whereas if the anonymous or pseudonymous work is unpublished but the author is believed to be a Malaysian, section 26(4)(c) applies with the effect that the copyright of the work is deemed to vest in the Minister in charge of culture. The presumption in section 26(4)(b) and (c) is inapplicable once the identity of the author is ascertained.

In any event, copyright may be transferred to others by assignment, testamentary disposition, or by operation of law, as provided in section 27(1) of the Act. Section 27 has two deeming provisions on dealings with copyright, which are of relevance to determining ownership. First, section 27(5) provides that persons shall be deemed to be co-owners if they share a joint interest in the whole or any part of a copyright. Second, section 27(7) provides that under a testamentary disposition, a person who is entitled to the manuscript of a literary, musical, or artistic work which has not been published before the death of the testator will be deemed to be entitled to the copyright in the work as well. This is so if the testator was the copyright owner immediately before his death.

Since copyright protection does not depend on any registration or formalities, proving copyright subsistence, authorship, and ownership of copyright could be a strenuous task. The 2012 amendments to the Act have introduced a voluntary notification system. The author of a work, the copyright owner of a work, an assignee of copyright, or a person to whom an interest in the copyright has been granted by licence, may file a notification of copyright in the work with Intellectual Property Corporation of Malaysia (MyIPCO). The notification shall contain, inter alia, a statutory declaration that the applicant is the author of the work, or the owner of the copyright in the work, or an assignee of the copyright, or a person to whom an interest in the copyright has been granted by licence. Regulation 5 of the Copyright (Voluntary Notification) Regulations 2012 requires a copy of the work to be filed together with the statutory declaration.

All copyright notifications as prescribed in section 26A are to be kept in a register called the Register of Copyright. Certified true extracts from the Register of Copyright may be obtained for a fee. Section 26B(5) provides that certified true extracts from the Register of Copyright shall be “prima facie evidence of the particulars entered therein and such certified extracts of the Register of Copyright shall be admissible in all courts”. It is clear that section 26B(5) has provided another means of proving copyright ownership, apart from that found under section 42, which will be discussed below. More significantly, it is submitted that the certified extracts of the Register of Copyright may also serve as prima facie evidence of authorship since a copyright notification includes a statutory declaration made by the applicant, who could be the author of a work, claiming that the applicant is the author of the work.

It should be noted that section 42 of the Act provides for the means by which copyright ownership may be established. Prior to the 2012 amendments, section 42 provided that an affidavit or statutory declaration made by a person claiming to be the copyright owner of a work shall be admissible in evidence in any court proceedings under the Act and such affidavit or statutory declaration shall be prima facie evidence of the facts contained therein. As explained by Justice Abdul Malik Ishak in Rock Records (M) Sdn Bhd v Audio One Entertainment, section 42 was intended “to facilitate and ease the process of proving copyright ownership.” The effect of having filed such an affidavit or statutory declaration is to shift the burden of proof to the defendant, the alleged infringer, to challenge and displace the plaintiff’s prima facie ownership.
It should be noted that the methods prescribed in section 42 are not intended to be the only means of proving ownership. As rightly explained by the Federal Court in Dura-Mine Sdn Bhd v Elster Metering Ltd & Anr, other than the means prescribed in section 42, a person claiming copyright could adduce oral evidence and tender other evidence. Oral evidence is open to cross-examination and thus of higher evidential value. Accordingly, the court may allow oral evidence ‘to augment, correct, or even supplant’, a defective affidavit or statutory declaration filed under section 42.

With the introduction of the voluntary notification system in 2012, section 42 was also amended whereby “certified extracts of the Register of Copyright referred to in section 26B” were included as the admissible evidence and, thus, prima facie evidence of copyright ownership. Section 42(1)(a) now reads:

(1) An affidavit, certified extracts of the Register of Copyright referred to in section 26B or statutory declaration made before any person having authority to administer oath by or on behalf of any person claiming to be—

(a) the owner of the copyright in any works eligible for copyright under this Act stating that—

(i) at the time specified herein copyright subsisted in such work;

(ii) he or the person named therein is the owner of the copyright; and

(iii) a copy of the work annexed thereto is the true copy thereof; or

shall be admissible in evidence any proceedings under this Act and shall be prima facie evidence of the facts contained therein. (emphasis added)

It is indisputable that section 42(1)(a) provides the various means in which subsistence of copyright and ownership of copyright may be proved, be it through an affidavit, certified extracts of the Register of Copyright, or a statutory declaration. However, section 42(1)(a) is confined to the situations where the affidavit, the certified extract of the Register of Copyright, or the statutory declaration was made by a person or body claiming that copyright subsists in the work and that he or the person named is the copyright owner. This is supported further by the fact that section 42 is placed in Part VI of the Act entitled “Remedies for Infringements and Offences”, which is concerned with the exercise of copyright owners’ rights. It follows that sections 26B(5) and 42(1) overlap in so far as proving copyright subsistence and ownership is concerned. However, section 26B(5) appears to have introduced a statutory means of proving authorship of a work, that is, through certified extracts of the Register of Copyright.

5. CONCLUSION

The preceding discussion draws a clear distinction between authorship and ownership. Given the significant differences between the two and the resulting implications under copyright law, authorship should not be mistaken for ownership. The two terms should not be used interchangeably as it will lead to confusion and misapplication of the rules on presumption embodied in section 26, and, potentially, those in section 27 as well. The misapplied presumption of authorship in determining ownership in effect creates a new rule on presumption of ownership, which is beyond the scope of the Act.

The question of ownership should be determined and established in accordance with the Act which provides a number of means for the plaintiff to do so, as discussed above. Consequent to the 2012 amendments, it may be said that the Act also provides a new method of establishing authorship, that is, through the certified extracts of the Register of Copyright. In light of the assorted means which render the proving of authorship and ownership easier for a plaintiff, there is no need and no room for the invention of a new rule on presumption of authorship which may adversely affect the burden of proof of the parties in a court action on copyright infringement.

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With the introduction of the voluntary notification system in 2012, section 42 was also amended whereby section 42 are not intended to be the only means of authorship and ownership easier for a plaintiff, there is no need and assorted means which render the proving of authorship extracts of the Register of Copyright. In light of the said that the Act also provides a new method of proving authorship of a work, that is, through section 26B(5) appears to have introduced a statutory means of proving authorship of a work, that is, through section 26B or statutory declaration made before

The question of ownership should be determined and ownership. Section 42(1)(a) provides for affidavit, statutory declaration (ii) he or the person named therein is the (i) at the time specified herein copyright subsisted in such work;

(a) the owner of the copyright in any works (b) any person having authority to administer—

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26B or statutory declaration made before

Register of Copyright referred to in section 27 as well. The misapplied presumption presumption embodied in section 26, and, potentially, confusion and misapplication of the rules on presumption of ownership, which is significant differences between the two and the authorship and ownership. Given the previous discussion draws a clear distinction 5. CONCLUSION

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Rock Records & Tapes Co Ltd & 5 Ors v Season Karaoke Sdn Bhd & 4 Ors [1999] 1 AMR 78.

Rock Records (M) Sdn Bhd v Audio One Entertainment Sdn Bhd [2005] 3 MLJ 552


University of London Press Ltd v University Tutorial Press Ltd [1916] 2 Ch 601 at 608.


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TEACHING INTELLECTUAL PROPERTY AT AN ENGINEERING UNIVERSITY: A PERSPECTIVE FROM MONGOLIA

Dr. Dambadarjaa Purevdorj

Abstract: At present, law students are the main focus of Intellectual Property (IP) law education and courses in Mongolia. However, the inclusion of IP law in non-law curricula and programs is necessary for a successful interdisciplinary higher education. In particular, the teaching of IP can be important for future engineers, offering them more career options upon graduation. Still, it remains challenging for non-law academics and non-lawyers to teach IP law as an interdisciplinary component of the engineering curriculum at the Mongolian University of Science and Technology (MUST). More specifically, there appears to be an insurmountable cognitive barrier for both teachers and students. For example, we have not established a clear methodology or pedagogy on how to incorporate IP knowledge in the engineering curriculum, although efforts to define better teaching pedagogies are ongoing at MUST. In this respect, academic curriculum designers are working to enhance the design of the IP curriculum and delivery of the courses to students. MUST has also adopted the international engineering education framework proposed under the CDIO™ Initiative, since there is a need to adopt the CDIO standards as a practical teaching model to educate engineering students about IP law. As mentioned, knowledge of IP law may be a useful research tool for engineers and entrepreneurs, who can better evaluate IP analysis outcomes and consequently encourage product commercialization efforts once they are equipped with both engineering and IP knowledge. The interdisciplinary non-law curriculum development process depends on the ability of professionals from different disciplines to work together in producing a balanced teaching pedagogy for MUST students. At present, the design, development, implementation and evaluation of IP education in non-law curriculum for interdisciplinary higher education is carried out with academic resources available at MUST with a focus on learning outcomes and assessment strategies.

Keywords: IP in engineering education, teaching IP to non-law students, academic entrepreneurship, IP as a research tool.

1. INTRODUCTION

Incorporating IP knowledge into the engineering curriculum is part of a complex educational challenge to produce innovative engineers with the motivation, competence, and critical thinking skills that will add to Mongolia’s socio-economic growth and prosperity. This article addresses the benefits of having IP knowledge as well as the challenges that undergraduate and graduate engineering students at MUST face in learning about IP as a subject taught by law and non-law professors.

MUST is a national engineering university with 39,000 students and over 3,000 academic staff and researchers. MUST’s mission is to provide higher education for engineering students to allow them to achieve their professional career goals and aspirations across a range of sectors, ranging from the mining industry to the financial services sector. Producing scientists and engineers with knowledge and skills in our university is vital to our economy and society. Certainly, MUST holds valuable intellectual capital. The university possesses profound engineering knowledge and technological know-how in many different engineering fields. It is also rich in human resources. MUST has recruited numerous young academics who have earned degrees from the world’s best universities. Additionally, there is a strong alumni connection, which can facilitate university-industry collaborations or partnerships, knowledge and technological transfers to develop commercially valuable innovations that can boost the nation’s economy. Hence, it would be a waste and a tragedy if such intellectual capital remains an untapped resource and an undeveloped potential. While the engineering discipline has always been an important driver of technological innovation, the practical application of engineering principles and research findings is vital for the creation of new technological capability necessary for Mongolia to be effectively engaged in the global economy.

In 2012, MUST’s senior management developed a strategic vision for the university’s research and development department. It has plans for MUST to become an “Entrepreneur University”1 that would provide broader opportunities for entrepreneurial education2 at every level of higher education in engineering. This entrepreneur program is still under development. MUST’s strategic road map represents an ongoing journey to identify and implement institutional support projects to better prepare engineering students for professional practice. MUST hopes to implement an academic program infrastructure that would remain

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1 Professor, School of Industrial Technology, the Mongolia University of Science and Technology (MUST), Mongolia.
2 MUST-2012 Roadmap Strategic Plan, Mongolia University of Science and Technology, Mongolia. 
sustainable in a period where there are changes in faculty, leadership and funding. The university will continue to promote IP education for MUST engineering students while establishing a culture of entrepreneurship and innovation in order to become an Entrepreneur University in Mongolia.4

However, it remains challenging for non-law academics and non-lawyers to teach IP law as an interdisciplinary element of engineering curriculum at MUST. There appears to be an insurmountable cognitive barrier for both teachers and students. In this respect, we have not established a clear methodology or pedagogy to incorporate IP knowledge into the engineering curriculum, although efforts to define better teaching pedagogies are ongoing at MUST. Academic curriculum designers are working to enhance the design of the IP curriculum and delivery of the lessons to students. In particular, the interdisciplinary non-law curriculum development process depends on the ability of professionals from different disciplines to work together in producing a balanced teaching pedagogy for MUST students. At present, the design, development, implementation and evaluation of the IP education in non-law curriculum for interdisciplinary higher education is carried out with academic resources available at MUST with a focus on learning outcomes and assessment strategies.

Since 2014, following the CDIO™ Initiative, MUST has adopted the CDIO’s international engineering education framework and standard in teaching engineering students IP law. Educating MUST students and graduates in IP law ensures that there are enough skilled engineers to meet future demands for students who have entrepreneurial skills and are also competent in IP. Furthermore, MUST graduates equipped with IP knowledge will be in greater demand within the engineering industry.

2. IP LAW AND MONGOLIA’S INNOVATION POLICY

It is widely accepted that IP is an intangible property, a product of creativity, which plays an important role in capital accumulation. IP is also undoubtedly fundamental to the success of the economy as it fosters business growth and enhances competition in the market.

As such, the Intellectual Property Office of Mongolia (“IPOM”) was established in 1996. Patent, copyright and trademark laws were legislated before a year after Mongolia became the 131st member of the WTO in 1997. Recently, the IPOM and the National Registration Authority of Mongolia merged to form the General Authority for Intellectual Property and State Registration of Mongolia (GAIPO-SR) with restructured Departments of Copyright and Industrial Property that enforce and implement the government’s policy regarding the protection of IP rights (IPRs) in Mongolia.

During the past three decades bridging the last century and the beginning of the 21st century, we have witnessed dramatic changes as developing economies previously focused on industrial manufacturing transform into knowledge-based economies. In a knowledge-based economy, competition is driven by scientific knowledge, technological know-how, innovation, entrepreneurial initiatives and heavy financial investments in both research and production capacities.5 In such economies, IPRs would be effective legal instruments that offer creators of IP, economic rights, which indirectly creates intangible wealth for the country. Thus, the government of Mongolia has implemented pro-innovation and pro-IP policies, such as the Innovation Law of Mongolia 2012, which promotes IP-protected innovation within the country.6 Additionally, IP education has been incorporated into selected modules of higher education curriculum in Mongolia.7

As one of the best national universities, MUST bears responsibility in contributing and enhancing society’s socio-economic progress. MUST should encourage the building of industrial capacity and facilitate the implementation of existing national development plans by creating jobs and generating national wealth to improve our economy and the standard of living for the nation in the near future.

MUST has a vision to undertake all the necessary measures to establish a culture of innovation in the university with IP and technology transfer infrastructures to become an Entrepreneur University. The university has also formulated an innovation friendly policy by facilitating the process of obtaining IP protection for innovative initiatives within the university to foster a spirit of entrepreneurship. This will help to transform engineering knowledge into valuable social and economic assets for the Mongolian society.8 Most importantly, licensing of these exclusive rights through

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6 Resolution No4, dated on 27 July, 2016 of the Mongolian Government.

7 D. Purevdorj, “Innovation and Intellectual Property Rights Issues in Knowledge Based Economies” in a training manual for professionals working in the field of mining engineering, School of Mining Engineering (2013) at p130-143.


Perform patent searches to identify and critically evaluate relevant patents, as well as, compile search reports for higher management to facilitate product commercialization efforts.  

4. IP SYLLABUS AND TEACHING PEDAGOGY IN MUST

An interdisciplinary higher education, which includes IP law in a non-law curriculum, would provide future engineers with more career options upon graduation. Students can undertake an apprenticeship and be involved in technology transfer studies. These academic initiatives will hopefully promote interdisciplinary dialogues and allow IP academics, non-law academics and engineers to appreciate the value of sharing across different disciplines to seed IP thinking for future engineers in Mongolia. According to McLaughlan and Killen, three types of IP curricula are commonly practiced in IP teaching, namely speaking firstly IP law focused, secondly based mainly on legal fundamentals and principles; and the last one or the third approach is directed to social and professional responsibilities of future engineers. However, in our IP teaching practice to the engineering students, we are more focusing on IP thinking rather than IP law. Therefore, we are of the opinion that the MUST IP curricula should not focus heavily on IP law teaching, but IP thinking with emphasis on entrepreneurship responsibilities.

IP is an intangible right, which is territorial in nature. Ownership of an IPR, grants the IP owner exclusive advantages over its market competitors throughout the duration of the IP right.

Traditionally, IP-related legal subjects have been taught to law students in Mongolian law schools. However, since 2012 the government of Mongolia has been promoting IP education at higher education levels. Higher education is expensive in Mongolia. Most people believe that investment in knowledge and skills is important to secure a professional career. Having said that, many social factors, over and above the skills they possess, also affect an individual’s opportunities.

MUST owes society a responsibility to produce well-educated, skilled scientists and engineers, who are vital to our economy and who offer technical capabilities to effectively diversify the economy. A modern infrastructure is essential for an effective and rigorous education in engineering. An engineering education

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requires appropriate infrastructures, a conducive learning environment, laboratory facilities and teaching staff. At present, MUST students take up the following IP courses:

- S.IR101 IP Law: 16 lectures (24 hrs.), 11 seminars (16.5 hrs.) for undergraduate students at the School of Industrial Technology (“SIT”)
- G.FE319 Patent Law: 16 lectures (24 hrs.), 11 seminars (16.5 hrs.) for undergraduate students at the SIT
- S.IP810 IPR Protected Innovation: for all MUST Master and Ph.D. students (3 credits)

Academic teaching is a complex process. Its complexity gradually increases with the level of the student’s knowledge. The S.IR101 IP law course was developed in 2013 as a result of a collaborative effort with the Innovation, Technology Transfer Office of MUST. It caters to undergraduate students at the SIT, who may pursue a career in the field of nutrition, biotechnology and textile industries. The course examines IP Law, covering materials on copyright issues, trademarks, utility models, design patents, patent law, patent claim drafting, standard essential patents, engineering ethics, licensing of IPRs, technology transfer and other IP issues. Students who have enrolled in this course are expected to gain:

- the ability to understand how IPRs are enforced;
- the ability to comprehend what constitutes infringement and consequently how to avoid infringing existing IPRs;
- knowledge on drafting patent applications and patent claims; and
- an understanding of the importance of IPRs, especially patent rights in modern engineering and how these rights can be strategically commercialized.

At present, the design, development and implementation of an interdisciplinary curriculum to include IP education in the engineering curriculum is done with academic resources that are currently available at MUST. The success of the curriculum is evaluated based on certain learning outcomes and assessment strategies. Nonetheless, there remains room for improvement in the IP curriculum.

In relation to the IPR.101 IP law course, MUST is working to adopt the CDIO standards to enhance the design of the curriculum. The CDIO standards recognize that IP is an ever-changing art (C) and emphasizes the importance of developing an IP perspective (D), putting IP knowledge to practice (I) and producing generations of engineering entrepreneurs after graduation. The process depends on the ability of professionals from different disciplines to work together and contribute different perspectives that can enhance the design of an IP education for MUST students.

Ultimately, the MUST strategic road map remains an ongoing journey. Hopefully, higher management will continue to encourage IP education for engineering students, build startups, include IP education in entrepreneurship courses, and collaborate with international IP organizations or other universities. These initiatives will establish a strong foundation to transform this engineering university into an Entrepreneur University.

5. CONCLUSION

Incorporating IP knowledge into the engineering curriculum and equipping engineers with critical thinking skills and legal competence is a challenge. Students at MUST will receive benefits and also face great challenges.

The university’s asset includes a large intellectual capital. This can facilitate the establishment of university-industry collaborations and knowledge or technology transfer activities to boost the national economy. Although engineering disciplines have always driven technological innovation, teaching engineers the practical aspects of patent research, for instance, will give an additional edge in building technological capability that Mongolia needs.

The government has implemented pro-innovation policies by offering IP protection under the Innovation Law of Mongolia 2012. Thus far, IP education has been incorporated in selected modules within the higher education curriculum in Mongolian universities.

As the future Entrepreneur University, MUST is expected to be engaged in a wider range of commercial activities. In working towards the goal of becoming an Entrepreneur University, MUST will face great challenges as business entities may require critical management knowledge on top of engineering knowledge. Nonetheless, competence in IP facilitates the evaluation of search results, compilation of search reports and enhances routine communication of findings to higher management, which may eventually lead to the commercialization of technological ideas.

Since higher education is expensive in Mongolia, most people believe that investment in knowledge and skills is important to secure a professional career. Still, having said that, many social factors, over and above the skills they possess, also affect an individual’s opportunities. A modern infrastructure is essential for an effective and

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15 Department of Education and Policy, Curriculums and Education Standards, the Mongolia University of Science and Technology

rigorous education in engineering. An engineering education requires appropriate infrastructures, a conducive learning environment, laboratory facilities and teaching staff.

The interdisciplinary non-law curriculum development process depends on the ability of professionals from different disciplines to work together in producing a balanced teaching pedagogy for MUST students. At present, the design, development, implementation and evaluation of the IP education in non-law curriculum for interdisciplinary higher education is carried out with academic resources available at MUST with a focus on learning outcomes and assessment strategies. MUST has adopted international engineering education framework proposed under the CDIO™ Initiative as a practical teaching model to educate engineering students about IP law. This will enhance the design of the IP curriculum for engineering students in MUST.17

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THE PROTECTION OF THE PERFORMING ARTS IN INDONESIA, INCLUDING IN THE DIGITAL AGE

Laina Rafianti

Abstract: This paper identifies the parameters of the protection that is currently given to Traditional Cultural Expressions (TCEs) as the performers’ rights in Indonesia. The paper also offers a description of the legal mechanisms that could be used to further protect TCEs as performing arts. Finally, this paper attempts to suggest ways to enhance the protection of TCEs, and the role that digital media could play in promoting and commercially exploiting performances in the digital era. In particular, this paper notes how performing arts today often digitized not necessarily by, or on behalf of, the performers of TCEs. Instead, this is done, by third parties who rarely aim at protecting TCEs but rather intend to exploit them without being part of the traditional communities that are the custodians of these TCEs.

Keywords: Traditional Cultural Expressions, performing arts, performers rights, digital performance

1. INTRODUCTION

Currently, the legal protection granted to performing arts¹ and performers in Indonesia is lower than that given to authors of creative works that qualify for full copyright protection, such as literary and artistic works. Also, copyright may not adequately protect TCEs. This is because TCEs largely consist of closely resembling creative works that have existed and have been passed down from generation to generation. In other words, a large part of works falling under the TCE umbrella are based on pre-existing works and may lack a key characteristic necessary for copyright protection – originality.² In other cases where TCEs take the form of contemporary iterations the work is likely to achieve sufficient originality to be given copyright protection.³ Granting sufficient proprietary protection to TCEs in favour of the performing artist is especially important given that the performing artist in Indonesia lacks a steady income.⁴

From his in-depth research, Jaszi finds that almost all Indonesian traditional artists acknowledge an ethic of sharing. He cites, among others, their belief that art exists to be built upon by others and that imitation was an inherent and positive part of the process of artistic production. However, artists still have concerns about the manner in which imitation might occur, particularly where there is no attribution to the original creator.⁵ They may not always like to dispute the case on performing arts as TCEs, but they question the moral and economic context when someone misappropriates their TCEs.⁶ One case in point would be John Hardy v. Ketut Deni Aryasa.⁷ In that case, a Balinese artist, Ketut Deni Aryasa, was accused of illegally copying the silver jewellery design called “Batul Kali”. The design had been registered at the Indonesian intellectual property (IP) office by John Hardy International Ltd. Ketut argued that

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³ Interview with Apep Agus Sobandi Hudaya, Sundanese wayang puppet master, 22 January 2017. Some members of Indonesia Puppet player Association in West Java against modification on puppet player who change the story from the original pattern, such as the used of mobile phone by Kresna character. Besides internal misappropriation, also occur external misappropriation by video shooting service who asked to make documentation of wedding or circumcusion events including its entertainment. My puppet performance uploaded occasionally by them to YouTube without permission. I am afraid the uploaded material will harm traditional cultural reputation because my spontaneous puppet characters’ conversation is not ready to be record and disseminate because of rude or impolite. I intended the video shooting company asked permission to choose which part to be published or not. I have experience to ask benefit sharing for my performance which published but they refuse it. In the original language, ‘...di antara para dalang yang tergabung dalam Persatuan Pedalangan Indonesia, terdapat pendapat yang menentang modifikasi oleh dalang yang melanggar reputasi wayang golek, misalnya tokoh Kresna yang menggunakan telepon genggam. Selain misappropriasi secara internal, terdapat pula penyalahgunaan oleh pihak lain, misalnya penyelenggara jasa video shooting yang disewa oleh penyelenggara pesta pernikahan, Pertunjukan wayang saya sering diunggah oleh pihak jasa video shooting ke youtube. Kebanyakan yang mengunggah tidak punya etika dalam penyelenggaraan ini dan kadang-kadang merusak reputasi wayang golek sebagai budaya tradisional. Inginya ada etika, pemilihan bagian-bagian yang ditampilkan terlalu banyak.‘; See also PV Valsala G Kutty, ‘National Experiences with the Protection of Expressions of Folklore/Traditional Cultural Expressions: India, Indonesia and the Philippines’ (2002) <http://www.wipo.int/edocs/pubsdocs/en/tk/912/wipo_pub_91 2.pdf> at p 32.
the design had been known traditionally in his community as the “Crocodile Skin motif”. In Australia, the performers of TCEs similarly brought an action seeking an injunction and damages for the unauthorized use of their performances.

Part II of this paper begins by outlining the types of performing arts or TCEs in Indonesia. Next, Part III surveys the current legal landscape relating to TCEs. Part IV and V proceed to analyse the future of TCEs and the mechanisms to cope with the trend of digitization. Finally, the paper will make some concluding remarks in Part VI. This paper supports the notion that the IP system should consider mechanisms that more thoroughly protect performers’ rights in the performing arts, particularly in the context of TCEs and dissemination of TCEs with digital technologies. This argument considers that protecting performing arts as TCEs is relevant in order to both safeguard cultural heritage in Indonesia, and create a more performer-friendly environment in terms of TCEs within the Indonesian market. More specifically, it is argued that a higher degree of protection for performing arts in Indonesia would assist performers of TCEs in better promoting their works through various platforms including in the digital media, and preventing the unlawful use of performing arts commercially by unauthorized third parties.

2. PERFORMING ARTS IN INDONESIA THAT ARE TCES

Indonesia is a multi-cultural country where performing art makes up a small part of Indonesian culture. Performing arts in Indonesia are divided into three parts: dance, music and theatre.

A. Traditional Indonesian Dances

There are three main types of dance namely pure dances, dances combined with another art, and dances related to games. Pure dances can be presented with or without a story. Pure dances with stories are performed to fulfill ritual needs, such as the Elang (Eagle) dance in West Sumba that aims to pay respect to eagles as manifestations of Marapu (ancestors). The Bandara Dance, which hails from the same region, expresses appreciation to Marapu who gave blessings and is played solely by women. New ritual dances have also been created for contemporary events and festivities. This includes the Hajat Buri ritual, which was choreographed in 2012 specifically for the annual Tomato War Festival in the Bandung Barat Regency. The dance purports to show gratitude towards God who gives food to all mankind.

Dances without stories usually come from kingdoms. This was because kingdoms were cultural centres, with cultural influences from India, China, Arabia, Portugal and the Netherlands. Some of these dances were performed during the 17th century in two of the most famous kingdoms in Central Java, Yogyakarta and Surakarta. The dances were performed only in the palace. Outside Java, dances without stories include the Pattu du originating from Mandar, and the Pajoge from Bone, South Sulawesi. In Bali, the Legong Keraton is known as a dance that emerged from the Bali Kingdom. These dances were initially performed exclusively for noblemen inside the kingdom, but have been taught and have spread outside the kingdoms since the 20th century. As part of the effort to preserve Indonesian culture, the modern day Legong Keraton dance has developed into a dance with a story. For instance, the dramatic Legong Keraton dance illustrating the Sampak Eng Tay story was created by Ayu Bulanrinsa Djelantik and Ni Made Suartini. This has been performed during the Chinese Lunar Festival for the past three years in Jakarta.

While some dances without a story originated from kingdoms, others were developed as folk dances. In West Java and Betawi, Ronggeng is famous as a folk dance. In Central Java and East Java this kind of dance is also known as Teledek. The elements of this folk dance include free movement without rules and a specific head movement when the gong is hit. It is performed with a shawl by women dancers and can be humorous. On
occasion, the dancer may place her shawl on a man’s shoulder to indicate her willingness to dance with him. 27

Dances combined with other arts could be attached with dialogues, songs, or both. Examples would include Didong 28, a performing art from Central Aceh, and Dolo-dolo from Flores, which also has a chorus to be sung while dancing. 29 Dances related to games may incorporate acrobatics, magic, or other bodily demonstrations. One example of dance related to games is Pencak. Pencak or Pencak Silat is a type of traditional self-defence in Indonesia. Different regions of Indonesia have different types of Pencak and can be found in five regions: Sumatera, Java, Bali and Nusa Tenggara, Kalimantan and Sulawesi. 30 Dances with magic called Sintren can be found in Cirebon 31 while dances with body immune demonstration called Debus are performed in Banten. 22

B. Traditional Indonesian Music

According to the way they are played, Indonesian musical instruments can be placed into three categories: played by blowing (e.g. suling), by plucking (e.g. kacapi) and with a bow (e.g. rebab). 32 Most traditional music in Indonesia also utilise percussion instruments. According to the cultural background, there are three groups of Indonesian music. First, there is Kingdom music, which is developed in Sunda, Java, and Bali. Such music is played by the gamelan, a traditional ensemble of instruments that consists of the saron, demung, bonang, rebab, kendang, and gong in Sundanese music. With technological development, it has been observed by Agus Sardjono that traditional music played by the younger generation is increasingly produced with the synthesizer keyboard using digital sounds. 33 For instance, the keyboard is now capable of producing sounds imitating Sundanese Gamelan music in a wedding ceremony.

The second group of music is the Coastal music. It emerged from the coastal business centres of Indonesia, with influences from India, China, Portuguese and Arabia. This melange of music has resulted in Melayu music, Islamic Music and Bazaar music with distinct Indonesian characteristics. 34

The third kind of Indonesian music is folk music. This kind of music is preserved by farmers or fishermen. Its practical function is to be used as entertainment or as a part of rituals. The spontaneous and non-sophisticated attributes of folk music exhibit the authenticity of tone and rhythm. The development of folk music has constantly evolved with the absorption of foreign influences. Thus, we can see how Java’s folk music has been influenced by Kingdom music while Batak’s music is strongly influenced by church music. Music from Maluku is also shaped by Hawaiian music.

C. Traditional Indonesian Drama and Theatre

The last category of performing arts, theatre or drama, is also further divided into several sub-categories such as Wayang puppet show, Wayang shadow performance, folk theatre, and Melayu theatre. However, pinpointing the original form of traditional Indonesian theatre is no easy task. For example, the Indonesian Wayang puppet show that originates from India, has been modified numerous times before achieving its current unique style. Whereas Indian shadow performances either have very few or no musical instruments at all, their Indonesian counterparts are accompanied by extensive ensembles of Gamelan music. Unlike the Chinese shadow theatre that is considered a minor form of opera, the Indonesian shadow plays stand out as the preeminent art form in Java and has been hailed as “one of the world’s most complex and refined dramatic and theatrical forms”. 26

D. Functions of Performing Art TCEs in Indonesia

Performing arts in Indonesia derive from different ethnic groups for various cultural purposes. Edi Sedyawati gives a comprehensive list of specific functions of traditional performing arts in Indonesia. This mainly includes the summoning of supernatural powers, to recall the spirits of the ancestors, to perform rituals in specific time periods, and to express aesthetic values. 27 Soedarsono adopts a different classification, classifying the functions into ritual media (e.g. the birth event, circumcision, marriage, death, harvest, war); private entertainment (e.g. Jaipongan dance in West Java, Tayuban dance in Central Java and East Java); and aesthetic presentation

24 Id n 16 at p 102
25 Id at p 60-62
27 Id n 10 at p 128.
29 Id n 10 at p 136.
31 Edi Sedyawati, Pertumbuhan Seni Pertunjukan di Indonesia (Sinar Harapan 1981) at p 53.
commercial performances where tickets are sold to audiences).28

The functions of performing arts can thus broadly be divided into two types: first, for ritual needs and second, for artistic interest. For instance, everything related to supernatural powers, traditions from their ancestors, and any effort to have a relation with God could be attributed to a ritual function. On the other hand, performing arts for entertainment and/or aesthetic purposes would correlate with artistic interest. An observation that may be made is that ritualistic intent is more evident in performances by rural communities, but in urban contexts such performances are more artistically inclined. The shift in function owes to the abundance of venues and incentives for performers, leading them to convert into professional artists. Nevertheless, both functions need to be taken into account in determining how performing arts can be legally protected.

3. LAWS GOVERNING TCEs IN INDONESIA

The abstract, traditional nature of Indonesia’s performing arts entitles them to be categorised as intangible cultural heritage (ICH), which calls for efforts for cultural preservation. The types of legal protection that is currently given to TCEs in Indonesia can be identified as protection through ICH, copyright and related rights laws. It should be highlighted that safeguarding the ICH performing arts as ICH is a distinct instrument from IP protection.29 As explained earlier in this paper, copyright may not afford sufficient protection to TCEs because works protected by copyright must be original.30 Also, to some extent, related rights in TCEs must have different treatment with common related rights, particularly for the performers who are usually custodians of the original TCEs.

A. Intangible Cultural Heritage

Performing arts can be designated as an ICH for safeguarding or preservation purposes. According to the Article 2 of the 2003 UNESCO Convention for the Safeguarding of ICH, “safeguarding” means measures aimed at ensuring the viability of the intangible cultural heritage, including the identification, documentation, research, preservation, protection, promotion, enhancement, transmission, revitalization of various aspects of such heritage.31 Preservation in the ICH context ensures that certain social practices and representations are maintained.32 In Indonesia, the protection of performing arts as ICH is provided by the ratification of the UNESCO ICH Convention through the Presidential Decree Number 78 of 2007.33

B. International Law Copyright Protection

In contrast, IP rights establish private property rights in creations and innovations in order to grant control over their exploitation and to provide incentives for further creation. The objective of IP protection is to facilitate the orderly functioning of markets through the avoidance of confusion and deception, to safeguard the integrity of and rights of attribution to certain works and creations, and to protect undisclosed information from bad faith use or misappropriation.34

I. Berne Convention for the Protection of Literary Artistic Works

The Berne Convention for the Protection of Literary and Artistic Works (the Berne Convention)35 made an attempt to introduce copyright protection for folklore at the international level during the 1967 Stockholm Diplomatic Conference. As a result, Article 15(4) of the Stockholm (1967) and Paris (1971) Acts of the Berne Convention provide that in the case of unpublished works where the identity of the author is unknown, but where there is every ground to presume that he/she is a national of a country of the Union, it shall be a matter for legislation in that country to designate the competent authority which shall represent the author.

28 RM Soedarsono, Seni Pertunjukan Indonesia di Era Globalisasi (Direktorat Jenderal Pendidikan Tinggi Departemen Pendidikan dan Kebudayaan 1999) at p 57.
30 Eddy Damian, Hukum Hak Cipta (4th ed, Alumni 2014) at p 106 mentioned that only original products are considered works protected by copyright. See also LM Hayyan Ul Haq, ‘Requesting the Existence of the Indonesian Copyright Regime in Protecting Cultural Property’ in F Willem Grosheide and Jan J Brinkhof (eds), Intellectual Property Law: Articles on Crossing Borders between Traditional and actual (Intersentia Antwerpen-Oxford 2004) at p 228, which shows that for TCEs, imitation of original materials from generation to generation is common.
33 Presidential Regulation of the Republic of Indonesia No. 78 of 2007 Ratifying the Convention for the Safeguarding of the Intangible Cultural Heritage, State Gazette No. 81 of 2007
who shall be entitled to protect and enforce his or her rights in the countries of the Union.\textsuperscript{36} 

In the Article 15(4)ab, it is stated that countries of the Union that designate such an authority under the terms of this provision shall notify the Director General by means of a written declaration giving full information concerning the authority thus designated. The Director General shall at once communicate this declaration to all other countries of the Union. Indonesia is a member of the Berne Convention by its ratification on 7 May 1997 through the Presidential Decree Number 18 of 1997.\textsuperscript{37} In Indonesia, an international treaty requiring no parliamentary approval will be submitted to the president for an approval in the form of presidential decree (recently presidential regulation). Therefore, this convention is binding on Indonesia.

II. The WIPO Performances and Phonograms Treaty

The WIPO Performances and Phonograms Treaty (WPPT) allowed for the protection of TCE performing arts.\textsuperscript{38} This treaty defined “performers” as actors, singers, musicians, dancers, and other persons, who act, sing, deliver, declaim, play in, interpret, or otherwise perform literary or artistic works or expressions of folklore.\textsuperscript{39} Performers are also accorded with moral and economic rights under Chapter II or WPPT.\textsuperscript{40} Specifically, performer shall have the right to be identified as the performer of his performances in regard to live aural performances or performances fixed in phonograms. The performer shall also have the right to object to any distortion, mutilation, or other modification of his performances that would be prejudicial to his or her reputation. While all of these provisions are favourable for performers of the performing arts, the major shortcoming of the WPPT is that it is limited to aural performances.\textsuperscript{41} Hence, the WPPT would not protect against an unauthorized audio-visual recording of a dance or theatre performance that are TCEs, for instance.

\textsuperscript{36} The Republic of Indonesia Law No. 12 of 2011 on Legislations, Article 10 (1)c prescribes a definition for ‘certain treaties’ in order to qualify as content of the laws and the rest will be approve in the form of presidential regulations (previously presidential decree). ‘Certain treaties’ refers to treaties that will result in an extensive and fundamental impact on the lives or livelihoods of the people which is linked to the state financial burden, and/or that will require an amendment to or an enactment of a law. See: Damos Dumoli Agusman, Treaties Under Indonesian Law: A Comparative Study (PT Remaja Rosdakarya 2014) p 363.


\textsuperscript{38} \textit{Ibid}, Article 2(a).

\textsuperscript{39} \textit{Ibid}, Chapter II, see especially Article 5 and 6.

\textsuperscript{40} \textit{Id} n 40, Article 2(b).

C. Domestic Law Copyright Protection

The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPs) of the World Trade Organization (WTO) reinforces and expands to some extent the protection of copyright and related rights under the Berne Convention, but excludes the protection of moral rights. While obtaining moral rights over TCEs is important for acknowledgement and appreciation, performers and actors of TCEs also need to make a living and to build a career using their professional skills of singing, dancing or acting. As stated in Article 7 of TRIPS, protecting and enforcing intellectual property rights should be to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare.\textsuperscript{42} TRIPS’ emphasis on economic rights does not distinguish between traditional and modern expressions. However, the IP system under TRIPS is often individualistic. This is incongruent with the ideals of TCE performing artists who subscribe to collective and communal forms of custodianship, or equitable ownership.\textsuperscript{43} These opposing fundamental principles could instead become a barrier to protecting traditional Indonesian performing arts.

Indonesia joined the WTO in 1995 by ratifying the Agreement Establishing the WTO\textsuperscript{44}, including the Agreement on TRIPS in its Annex 1C.\textsuperscript{45} Since its independence, Indonesia has enacted several copyright laws in 1982 and 1987.\textsuperscript{46} After joining the WTO, Indonesia amended its copyright law in 1997\textsuperscript{47}, now contained in a new legislation in Law No. 19 of 2002, in order to meet TRIPS’ requirements.\textsuperscript{48} In 2014, the law was again amended, as in Law No. 28 of 2014, which is currently in force, to keep pace with social, economic, cultural and scientific developments.\textsuperscript{49}

\textsuperscript{42} TRIPS Agreement s 7.


\textsuperscript{44} Agreement Establishing the WTO (Enacted 1994) <http://www.jus.uio.no/english/services/library/treaties/14/14-02/wto.xml> accessed on 15 May 2017.

\textsuperscript{45} Law Number 7 of 1994 on Ratification Agreement Establishing the World Trade Organization.


As a preliminary observation, traditional performing arts are definitely part of TCEs under the Law No. 28 of 2014 regime because the explanation to Article 38(1) provides that verbal, textual, music, body movement and theatre all fall under the scope of TCEs. Performing arts on verbal texts may be both spoken and written forms. Music could be categorized as vocal, instrumental, or a combination of both. In this provision, body movement could encompass dance. Finally, performing arts such as puppet shows and folk story theatre would fall in the theatre category.

Next, the successful performance of I La Galigo, a performing arts production based on the TCEs from Bugis, South Sulawesi’s epic directed by Robert Wilson, is useful in illustrating the difference between the 2002 and 2014 legislations. Under the previous Indonesian copyright regime, there was a significantly different procedure to be followed if Indonesian folklore was commercialized by a foreign national. In contrast, under Indonesia’s Copyright law as amended in 2014, nationality is no longer a differentiating factor. In addition, the 2014 legislation clarifies that Indonesia’s TCEs are held by the State and the State is the custodian that regulates the utilization of the TCEs. However, this provision raises more issues than it resolves. At a fundamental level, the State is not a natural or legal person who can own and control the use of TCEs. Coming back to our initial story of I La Galigo, it is questionable whether Wilson was legally prohibited from promoting the ancient story of the Bugis people. Should he have first asked the State for permission to utilize the ancient story for his production? Nevertheless, even though the production was directed by a foreigner, there were tangible benefits for the Indonesian community that cannot be ignored. First, the performers of the production were mostly Indonesian. The producers gave an opportunity for Indonesian performers to be involved in their international productions based on Indonesian mythology. These productions gave socio-economic benefits in terms of wages to the artists and social pride in their community.

Second, such works facilitate cooperation between local and foreign talent in the performing arts industry, resulting in beneficial skill transfers. In this respect, it is notable that Rama Soeprapto, the Assistant Director of I La Galigo, became the director of the Indonesian drama titled “Timun Mas”.

Indonesia now has a better provision for regulating TCEs in the Law No. 28 of 2014. In the Law No. 19 of 2002, it is stated that any person who is not a citizen of Indonesia shall, firstly, seek permission from the relevant institution. This provision ensured some State control over the utilization of TCEs to prevent monopoly, commercialization, or misappropriation without consent. This provision was primarily drafted to prevent actions by foreign nationals that may offend the cultural values of Indonesian TCEs. This provision is regarded as violating the national treatment provision of the TRIPS Agreement through express distinctions among local and foreign nationals. In Law No. 28 of 2014, there is now no such distinction in terms of grant of permission in protecting and utilizing TCEs. The main principle of utilization of Indonesian TCEs in the recent copyright law is respecting the existing living values in its custodian communities.

D. Protection of Related Rights

Related rights, including those related to the performing arts, were not provided in the first two copyright laws in Indonesia and were first added in Article 43 (c) (d) of Law No. 12 of 1997 on copyright law. The definition of “performers” is more or less same as in the WPPT that includes works or expressions of folklore. On the other hand, in Law No. 28 of 2014, the definition of performers appears to have been narrowed; it does not explicitly define that performers include those practicing traditional cultural expressions. My suggestion would thus be to interpret the definition of “performers” to include performers of TCEs because of the problems with the current legal definition. This is an appropriate suggestion given that a performer is defined as a person or some people who alone or together perform their works.

51 The Explanation which defines TCEs is on Article 38 paragraph (1) Law No. 28 of 2014 on Copyright.
53 Law No. 19 of 2002 on Copyright, Section III Article 10 paragraph (3). To publish or reproduce the works as referred to in paragraph (2), any person who is not the citizen of Indonesia shall, firstly, seek permission from the institution related to the matter.
54 Law No. 28 of 2014 on Copyright, Section V Article 38 paragraph (3) provides utilization of TCEs as mentioned in paragraph (1) shall regard the living values of custodians.
55 Law No. 28 of 2014 on Copyright, Section V Article 38
57 Explanation of Article 10(2) Law No. 19 of 2002 on Copyright.
59 Law No. 28 of 2014 on Copyright, Article 38(2)
60 The first two copyright laws in Indonesia: (1) The Republic of Indonesia Law No. 6 of 1982 on Copyright (2) The Republic of Indonesia Law No. 7 of 1987 on Copyright amendment of Law No. 6 of 1982 id n 47. The protection of performing rights first provided in The Republic of Indonesia Law No. 12 of 1997 on Copyright amendment of Law No. 6 of 1982 and Law No. 7 of 1987 id n 48.
61 Lorraine V Aragon, ‘Copyrighting Culture for the Nation? Intangible Property Nationalism and the Regional Arts of

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59 Law No. 28 of 2014 on Copyright, Article 38(2)
57 Explanation of Article 10(2) Law No. 19 of 2002 on Copyright.
However, this new aspect of copyright law still faces challenges in its future implementation. Richard Arnold elaborates some arguments against performers’ rights: performers are less deserving since their contribution is subsidiary to that of authors; granting rights to performers may prejudice the rights of authors; performers’ rights are an industrial relations issue, they are a matter for collective bargaining between unions and employers; granting rights to performers is impracticable. In general implementation, related rights are challenged, while the implementation of related rights in TCEs is more complex because of communal ownership. Conflicts of interest between copyright holders and performers will also arise. This law delegates the task of putting further regulation in place to regulate Indonesia’s TCEs on the government. Hence, the Directorate General of Intellectual Property, Ministry of Law and Human Rights of the Republic of Indonesia has been drafting these regulations for the past few years.

4. THE FUTURE OF PERFORMING ARTS OR TCES

Although TCEs are protected under IP law as long as the expression exists, this protection only grants right holders a limited monopoly. The theory of property generally recognizes the concept of commons and anti-commons.

Eggertsson wrote that commons is “the first step on the long and complex path from open access to individual exclusive property.” In contrast, an anti-commons is a resource from which each person has a normative power to exclude others and in which no one has a liberty or right to use without the permission of others. Thus, the concept of private property lies between the concepts of commons and anti-commons. Similarly, the concept of state property also lies between them. Related to the need of sui generis system of TCEs, Munzer further says that while an individual person or a corporation has private property, a tribe has communal property and a government has public or state property. This theory is compatible with the ownership problem of IP and TCEs.

To protect TCEs, IP law uses the instrument of copyright for literary and artistic works, and uses trademark and geographical indications for cultural products and services. Besides traditional trademarks - like signs comprising words, letters, colours and combination thereof – protection of non-traditional trademarks such as sound and moving pictures are increasing being granted protection. Despite these measures, protection of TCEs is still piecemeal. Thus, on the international front, recent discussion amongst the members of the Intergovernmental Committee of Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore have proposed introducing a sui generis treaty to protect TCEs in a more comprehensive manner.

At the domestic level, Indonesia’s copyright law faces the challenge of deciding whether the creator of TCEs in the performing arts, such as a song writer, a choreographer, an art director, or a puppet master, is also a beneficiary of IP protection as a “new” copyright holder in addition to the State. One argument in support of such a move would be that TCEs are “living culture” that evolves with time and influences, inducing new and creative expressions by the performer. Hence, there should be a delegation of rights between copyright holders and performers to perform and publish their works. There have been instances in Indonesia where works based on TCEs are not protected by copyright because it is not considered an original creative expression. For example, the Merak Dance was created by R. Tjetje Soemantri in 1950 inspired by a dance from West Java from a Sundanese tribe. Subsequently, Irawati Durban re-created the Merak Dance in 1965. However, as the Merak Dance was based on their traditional dance, the Sundanese tribe has always regarded the Merak Dance (including its spin offs) as a TCE from West Java.

Performing arts in Indonesia can be divided into pre-existing works and contemporary expressions of such work. Pre-existing works are usually orphan works that cannot be protected by copyright. Nevertheless, related rights can still protect performances of TCEs. Contemporary expressions of pre-existing work can either be individually or communally owned. Both types of ownership are protectable by copyright and related...

63 Law No. 28 of 2014 on Copyright, Article 38 paragraph (4).
66 Id.
67 Id at p 149.
rights. According to the Copyright Law 2014, a compilation of TCEs is also protected by copyright.\textsuperscript{70} While there is no time limit for the protection of TCEs, a compilation of TCEs may only be protected for a maximum of 50 years from the date of communication to the public.\textsuperscript{71} Also, the term of protection of performers’ right for any kind of works is 50 years after fixation.\textsuperscript{72}

Rights of performers in Copyright Law 2014 include protection against unauthorised audio and audio-visual fixation. This provision is different from the existing international regulation that only provides for audio fixation. To address the lack of protection against unauthorised audio-visual fixation in the protection of related rights, WIPO adopted the Beijing Treaty on Audio-visual Performances in 2012.\textsuperscript{73} This treaty has not yet entered into force. Currently, only 15 member states have fulfilled this requirement as against the required number of 30. While Indonesia signed this treaty on 18 December 2012, it has not deposited its instrument of ratification or accession.\textsuperscript{74}

Similarly, problems with the IP mechanism in protecting TCEs could highlight the need of having a sui generis domestic legislation. Such legislation could accomplish two objectives. First, it could push for further legislation on communal IP ownership rather than individual IP ownership of TCEs. Second, TCE performers’ right could be amended to be without time limit. This should be done in order to be consistent with length of protection of TCEs itself. Third, a way of protecting unfixed TCE performances also needs to be found.

5. PERFORMING RIGHTS AND THE DIGITAL AGE

More TCE performances are needed to better promote TCEs since no registration is needed for copyright protection. Alternatively, cultural institutions, performers or individuals can circulate information and knowledge through mass media. According to the International Federation of the Phonographic Industry’s report of April 2016, digital revenues accounted for 45 per cent of total revenues, compared to 39 per cent from physical sales.\textsuperscript{75} Thus, another effective way of promoting TCE performing arts in Indonesia could be by digital media. Based on the statistics, I believe that digitization has a huge potential and is likely to play an important role in the establishment of TCE performing arts in Indonesia. This is supported by the fact that Indonesia is aiming to become the country with the highest use of e-commerce in South East Asia by 2020.\textsuperscript{76}

There are numerous benefits in using digital media as a platform to publicize TCEs. First, the use of digital media costs very little in comparison to other mediums. Second, publication also costs less for the performer because he is able to bypass the middleman publisher. Finally, social benefits also accrue to the TCE right holders if digital media is used. Puppet show performance through digital media is one of the best examples. The puppet master will gain social benefits from the use of digital media as an acknowledgment from his junior puppet masters and puppet admirers’ community. The other non-monetary benefits are capacity building of local community and cultural preservation through media promotion.\textsuperscript{77}

One disadvantage of using digital media to promote TCEs for the community is that it is easy to distribute without permission. The custodian of the TCEs must be able to prohibit third parties from reproducing, translating, adapting, granting further access to the public or commercialization beyond what is authorized.\textsuperscript{78} Another possible obstacle may be the TCE performer’s lack of human resources with information technology (IT) skills and technological resources.\textsuperscript{79} To gain that expertise, TCE performers will have to collaborate with IT personnel. Having regard to both the pros and the cons, we now turn to examine how the digitization of TCEs can be better managed.

A. Preserve Culture by Digitizing TCE recordings

Currently, digitization is being utilized by museums, libraries, and archives to preserve intangible cultural heritage. Likewise, such technology has been used in music recording and archiving in the Traditional Music Archive (TRAMA), a research and documentation centre in the University of Khartoum in Sudan focusing on the collection, documentation, preservation, and dissemination of traditional music and folklore. In order to ensure that the tribal groups’ related rights are protected, TRAMA takes care to sign consent forms with tribal representatives of each group it represents before any performance is recorded. In its archive, approximately 4,000 recordings are being considered for digitization for preservation and dissemination purposes.

\textsuperscript{70} Law No. 28 of 2014 on Copyright, Article 40 (1j).
\textsuperscript{71} Law No. 28 of 2014 on Copyright, Article 59 (1j).
\textsuperscript{72} Law No. 28 of 2014 on Copyright, Article 63 (1)\textsuperscript{a}
\textsuperscript{77} Miranda Risang Ayu, Harry Alexander and Wina Puspitasari, Hukum Sumber Daya Genetik, Pengetahuan Tradisional Dan Ekspresi Budaya Tradisional Di Indonesia (1st ed, Alumni 2014) at p 237.
\textsuperscript{78} Id at p 216.
Thus, TRAMA works with tribal representatives to make and sell recordings and shares financial benefits with them in a fair manner. ⁸⁰

In Indonesia, the usage of digital documentation for cultural preservation is in line with the UNESCO ICH Convention. While the objective of this treaty is to improve the public’s access of information of TCEs, ⁸¹ free flow of information in this digital era can also bring harm to the custodian of TCEs by unfairly exploiting and commercialising their work. TCE performers should be fairly remunerated for their published performances and should be able to protect their artistic reputations. The ICH Convention does, indeed, limit the public’s access to information of secret cultural heritage, as mentioned in Article 13 (d) (2) of this convention. ⁸² The report of the independent World Commission on Culture and Development on the ICH Convention, said that the notion of intellectual property might not be right concept to be used when dealing with living creative traditions. The intellectual property protection only giving to the launched idea of developing new concept based on ideas inherent in traditional rules. ⁸³

Noting that the development of information and communication technologies represents a challenge to cultural diversity, UNESCO enacted the Convention on the Protection and Promotion of the Diversity of Cultural Expressions in 2005. ⁸⁴ In Article 12, this convention obliges the parties to endeavour to strengthen their bilateral, regional and international cooperation for the creation and promotion of the diversity of cultural expressions. In particular, the parties are to promote the use of new technologies, encourage partnership to enhance information sharing and cultural understanding, and foster the diversity of cultural expressions. ⁸⁵ In terms of TCEs, access to information, as well as bilateral, regional, and international cooperation is needed. Again, ASEAN through AWGIPC should take appropriate steps to cooperate to have better establishment in the preservation and promoting TCEs.

B. Additional Legal Safeguards for the Digital Environment

In the digital age, there are at least four sectors that potentially have important roles in utilizing TCEs as performing rights. The four sectors are the government, broadcasting organizations, audio-visual hosting services and user generated content media. The government at any level should take advantage of digitization as a means of preservation, safeguarding, promotion and utilization of TCEs. The national broadcasting organizations should have more broadcasts of TCE performing arts since one of its purposes is to enhance the local culture. ⁸⁶ As the internet may have a broader outreach than broadcasting companies, it can help to educate the masses on Indonesian TCEs on a larger scale. Moreover, user generated content on the internet has grown in terms of its audience, providing another avenue for spreading recognition of Indonesian TCEs. Of relevance is Indonesian Law No. 11 of 2008 on Electronic Information and Transaction that makes provision for TCEs in the digital environment. Article 25 states that the IP rights of electronic information and electronic document formatted as intellectual works, internet sites, and intellectual works therein shall be protected as such. ⁸⁷

In addition, Copyright Law 2014 also provides for technological protection measures (TPM) in Section VII, Article 52 – 53. Article 52 prohibits the destruction of TPM except for the sake of public interest. Meanwhile, Paragraph 1 of Article 53 provides that works or related rights that use information and communication technology (ICT) must comply with rules of licensing. However, the enforcement of this law will continue to pose a challenge given that the next paragraph of Article 53 delegates the task of enacting further provisions to the government.

The following chapter in Copyright Law 2014 concerns copyright and related right content in ICT. Article 54 gives the government authority to prevent infringement of copyright and related right using ICT. It states that the government shall supervise the manufacture and dissemination of infringing content, as well as cooperate and coordinate in the national or regional level with stakeholders to prevent such infringements. Coordination at the regional level is facilitated by the ASEAN Framework Agreement on Intellectual Property Cooperation, with the ASEAN Working Group on Intellectual Property Cooperation being the responsible group for IP issues in the region. ⁸⁸ The government shall also strengthen supervision of any recording actions using media in performance venues. However,

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enforcement might be problematic if the government is unable to obtain the resources and manpower to carry out these tasks.

Article 55 provides for a process for discovering whether an infringement of copyright and related right has occurred. Any person who has knowledge of a copyright or related right infringement through the electronic system can report this to the Minister. After investigation, the minister may recommend, at the reporter’s request, that some parts or all the content and/or user access should be removed. However, this is unlikely to be an effective solution given that the infringer may simply upload the deleted content again after it has been removed.

C. Other Legal Instruments

Other legal instruments and techniques can also be utilised to make it more commercially viable for TCE performers to exploit the use of digital media. These are Creative Common License (CC License), the use of smart contracts, and the enhancement of Collective Management Organization (CMO), as explained further below. These three tools have been used for traditional copyrighted content, but are more complex to use in a digital era.

A CC license is a legal tool that creators and other rights holders can use to grant a limited right to use, while reserving other rights. Hence, right holders who want to make their work available to the public for limited kinds of uses while preserving their copyright may consider using CC licenses. Benefits of such a license structure include a broad distribution, increased legal certainty and simplification of legal transactions, and the ability to deliberately give up control while retaining some rights. Yet, IP scholars are often reluctant to encourage CC licenses because of its ‘no royalties’ paradigm. This system may be criticized as being too optimistic in that users may not buy the physical form of works available digitally.

Another simple yet practical suggestion would be the smart use of contracts. The success of using a contract outlining the legal arrangement relating to the creation and use of a work in multiple contexts is illustrated by Mycelia, Imogen Heap’s latest endeavour project which brings together all players such as tech companies, labels, collective management organizations, streaming platforms and creators, to shape the technical, ethical and commercial standards needed. With the infrastructure in place, an artist would be notified and the relevant royalties are paid directly to all those involved in its creation each time the work is used. Although in a different industry, Indonesia has succeeded in establishing such a payment system with the Go-Jek application, which provides various services such as food delivery and massage by motorcyle. Here, these drivers get the payment directly from the application system. In my opinion, the use of a similar system to the music or audio-visual industry for TCE performing arts has great potential. For example, YouTube was visited 14,5 million times in Indonesia in 2016, representing 11% of the use of social media. If TCEs performers use this media, the economic and social benefit could be great.

The final digital-smart tool available in the toolbox is the Collective Management Organization (CMO). CMOs play a crucial role in managing both transactional and general online use licenses. Currently, the Indonesian CMOs are more concerned with the subject matter of music. However, performing arts such as dance and theatre can be included in the future. Thus, in the Indonesian TCE music industry for example, it is difficult for users to find how to legally download traditional Sundanese music. New technology will probably minimize the role of CMOs but it could also lead to a significant expansion of their role. Furthermore, CMOs also face possible competition from other players such as commercial entities that offer music on the internet. Ultimately, for CMOs to succeed in its role, it is necessary to understand the internet-based picture of file sharing rather than the simplistic concept of ‘piracy’. In Daniel Gervais’ opinion, the online mass peer to peer (P2P) platform is one that CMOs should partner to organise, not quash. With the aid of technology such as Digital Rights Management (DRM), CMO will become an efficient solution in certain cases. Despite Gervais’ optimistic outlook, the role that CMOs will play in managing licenses in the future is still unclear. In order to succeed, CMOs must be able to acquire the rights they need to license digital uses of protected material and build information systems to deal with more complex rights management and licensing tasks. They will also need to cooperate more fully on both a national and international scale to fully achieve their role as facilitators of rights clearance.

90 Till Kreutzer, Open Contract – A Practical Guide to Using Creative Commons Licences (German Commission for UNESCO; North Rhine-Westphalian Library Service Centre; Wikimedia Deutschland 2015) at p 13 - 15.
95 Id
96 Id, at p 17.
97 Id, at p 17.
98 Id, at p 17.
99 Id, at p 19.
6. CONCLUDING REMARKS

“He who receives an idea from me, receives instruction himself without lessening mine; as he who lights his taper at mine, receives light without lessening mine, receives light without darkening me.” This is a famous quote by Thomas Jefferson, the founding father and author of the United States Declaration of Independence, in a letter to Isaac McPherson.\(^{100}\) In the quote, Jefferson emphasises that the exclusive rights to invention (patent) are not given as natural right, but for the benefit of society.\(^{101}\) Akin to patents, the most important consideration in protecting TCEs is whether this will benefit society. Hence, it is important to bear in mind the balance between culture dissemination and protecting the interest of an artist, which includes the integrity of his or her work and the prevention of misuse. This is one of the core conclusions of my paper when evaluating current and future measures.

In summary, my paper has detailed the layers of protection that TCE performers currently enjoy in Indonesia. First, there is ICH which safeguards acknowledgment and moral rights. Second, the IP system (e.g. copyright) and related right safeguards economic rights. Also, I have highlighted developments and put forth suggestions that could be used to further protect TCE performing arts in Indonesia. These include building a TCE digital library as to preserve and represent indigenous communities’ interests; enacting a sui generis legislation on related rights, with a focus on performing arts, recognising the importance of protection through non-traditional trademarks, and enhancing protection based on geographical indications.

At the international level, several steps should also be taken to enhance the protection of TCEs. With respect to digital media, the Indonesian government should improve IT capacity, as well as bilateral and regional cooperation. In particular, cooperation could be enhanced by working closely with other Member states of ASEAN in the ASEAN Working Group on Intellectual Property Cooperation (AWGIPC) discussions\(^{102}\). Also, there needs to be better regulation of consent and contract in the use of digital media. Finally, a collective management of TCEs must be in place to ensure that the licence system covers all beneficiaries such as the community, art directors and performers to meet fairness and share benefits equitably.

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PROMOTING GEOGRAPHICAL INDICATIONS FOR AGRICULTURAL PRODUCTS IN INDONESIA

Dr Mas Rahmah

Abstract: The agricultural sector is crucial to the Indonesian economy as agriculture is one of its key sectors; employing and providing income for the majority of Indonesians today. National agricultural products also satisfy the largest demand for these products domestically and Indonesians primarily consume home-grown products. It is thus not surprising that Indonesia is home to many local agricultural products with unique qualities and special characteristics, and that these products are associated with geographical factors such as Cianjur Rice, Cilembu Cassava, Toraja Coffee, Alor Vanili, Banda Nutmeg, Java Tea, Deli Tobacco, etc. In this context, this paper will analyze how geographical indications (GIs) can assist in supporting agricultural development by protecting the unique product attributes and the quality of agricultural products. This paper also highlights that using GIs to identify and market agricultural products may support the development of agricultural products by exposing the benefit that GIs can bring to the agricultural sector, such as increasing productivity, diversity and product availability, improving exports, and increasing the competitiveness of local products both in the national and international market. Moreover, promoting GI protection and using GIs for agricultural products in Indonesia may promote agricultural development and may indirectly contribute to promoting national food security through adding value by incorporating territory-specific cultural, environmental and social qualities into production, processing, and developing of unique local, niche, and special agricultural products.

Keywords: geographical indication, food security, agricultural products, Indonesian IP law.

1. INTRODUCTION

Agriculture in Indonesia is a key sector that contributes to the Indonesian economy and trade surplus, and is the main source of fulfilling domestic consumption. Domestic consumer demand for agricultural products has been increasing over the years and its growth has largely been attributed to per capita income growth. With its vast and abundant fertile soil, Indonesia continues to be a major global key producer of a wide variety of agricultural tropical products. Important agricultural commodities include palm oil, natural rubber, cocoa, coffee, tea, cassava, rice, and tropical spices. Indonesia is among the world’s largest producers of palm oil, coffee, rubber, cocoa, and spices (nutmeg, cinnamon, and cloves).1

Despite the advantages that Indonesia enjoys with regard to the agriculture sector such as its abundant natural resources and high agricultural production, Indonesia is still facing the problem of food security due to adverse weather conditions, political instability, economic factors (unemployment, rising food prices), a growing population, and its system of agriculture.

Historically, the agricultural sector in Indonesia has performed well by focusing on the production of staple food crops such as rice, corn, sugar, and soybeans. This has contributed significantly to Indonesia’s growth, generating a significant increase in employment rates and markedly reducing poverty rates.2 Despite this, the productivity gains of most food crops has been significantly slowing down, with the majority of farmers today operating with less than one-half hectare of land. Because of this, there is now less potential for agricultural production to generate additional employment and income for the country.3

Currently, the agricultural sector in Indonesia is characterised by low and declining productivity rates, poor market access and access to information, environmental degradation, vulnerability to unpredictable climate and weather, including rainfall, pest infestation, floods and other natural disasters, which inevitably cause crop failures. This situation has posed a huge threat to the availability of agricultural food products, thus influencing the food security situation in the country.

To address the problem of availability of food, it is necessary to focus on the import policy concerning food staples in order to increase the domestic food staple supply. Import policies are often introduced due to the failure of the government to fulfill rising food demand in the face of low rates of productivity of food crops and the declining competitiveness of local products. This appears to be the situation for Indonesia today. Currently, Indonesia imports a variety of food staples from countries such as Thailand, Vietnam, India, China, and the Philippines.4 As Indonesia continues to increase its imports of food staples every year, it is probably one of the most import-dependent agrarian countries in the world.5

3 Id.
5 “Food Security for Indonesia Should Be Top Priority, Experts Warn”, Jakarta Globe, 23 November 2013
A factor contributing to the low productivity rates of agricultural products in Indonesia are the falling prices of such products. As the selling prices of such products are far lower than the costs, farmers are often less incentivised to produce and often cease farming activities altogether. Another factor contributing to the low productivity rates is the unstable production levels of agricultural products. This is because production levels are highly influenced by soil fertility, climate change, weather, including rainfall, disasters, and outbreak of pests and diseases.

Furthermore, declining competitiveness of local food crops is a factor impacting food availability and food security in Indonesia. Since Indonesian agricultural products are less competitive than imported products and farming systems—which are scale-based and linked to the production of commodities—have weakened, an alternative for the development of agricultural products across certain regions is to consider local specificities as factors that determine the identity of such products. Today, developing identities for traditional or local products is regarded as a key strategy for diversifying economic activity, conquering foreign markets and combating competition from imported products. This can be achieved through promoting GIs.

GI protection for agricultural products is crucial given that agriculture remains a key sector for growth of the Indonesian economy and as a source of income for the majority of Indonesian households today. Agriculture also plays an important role in national economic development, especially in reducing poverty rates, providing employment to citizens, improving farmers’ welfare and maintaining sustainable use of natural resources and environment, as well as, fulfilling domestic consumption.

In Part I, this paper will examine the definition of food security. In Part II, this paper will introduce the concept of GI and detail the GI protection in Indonesia. In Part III, this paper will highlight the GI protection initiatives for agricultural products. In Part IV, the benefits of using GI to achieve food security will be analysed.

2. AGRICULTURAL PRODUCTS AND FOOD SECURITY IN INDONESIA

2.1 Food Security Defined

In its narrowest sense, food security refers to the availability of sufficient food, whether at the global, national, community or household level. However, food security is not only about producing more food. It is also about providing physical and economic access to balanced diets and safe drinking water to all people at all times. This idea is reflected in the definition of food security provided by the 1996 World Food Summit and Article 1 of 1996 Rome Declaration on World Food Security, which highlights that food security exists when all people, at all times, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life.

The term “food security” is also coined with the concept of a right to food as ‘the right of every man, woman and child, alone or in community with others, to have physical and economic access at all times to adequate food or means for its procurement in ways consistent with human dignity.’ In order to ensure the right to food, there is a need for states to be proactively engaged in strengthening people’s access to food, their utilization of resources, and their means to maintain their livelihood, as these factors would impact their food security in the long term.

Food security has also been defined under the Indonesian Food Law of 2012 (Law No. 18/2012), as a situation where an “individual” at all times, has physical, social and economic access to sufficient, diversified, safe and nutritious food that meets his or her dietary needs necessary for an active and healthy life.

2.2 Agricultural Development and Food Security as Indonesian National Goal

Improved access to food — through increased agricultural productivity and incomes — is essential to meet the food needs of the world’s growing population. However, it


12 Article 1.4 of Indonesian Food Law of 2012.
should be noted that a number of factors related to the production of seeds and control over plant materials can impact the attainment of food security.\textsuperfootnote{14}

In many parts of the world, gains in agricultural productivity have lifted millions out of poverty and provided a platform for both rural and urban economic growth. In Indonesia, the agricultural sector plays a crucial role given its significant contribution to economic growth, foreign exchange earnings, and in achieving food security. Despite this, Indonesia is facing difficulties in sustaining its food production capacity due to a limiting factor: the availability of natural resources, which also influences the food security situation in the country. First, the fertile agricultural land necessary for food production is decreasing due to the rampant conversion of agricultural lands into land for non-agricultural use. Second, the availability of water resources is fast decreasing mainly due to the decline of irrigation services and increased competition in the use of water for non-agricultural needs. Third, the emerging negative impacts of global climate change certainly has generated increased risks and uncertainties in the availability of natural resources. According to the Indonesian Food Law of 2012, failure to meet targets of food production are caused by factors such as climate change, outbreak of fish and animal diseases, natural disasters and natural hazards, social disasters, environmental pollution, degradation of land and water resources, competition in the use of food production resources, shift in land use, and economic disincentives.\textsuperfootnote{15}

The Indonesian Food Law of 2012 states that food is the most essential human need and fulfilling it is part of according human rights as guaranteed in Indonesian Constitution (the 1945 Constitution of the Republic of Indonesia). This means that the Indonesian Constitution guarantees the right to food for Indonesian citizens. With a rapidly increasing population, estimated to be about 293 million people in 2050\textsuperfootnote{16} - the critical question is how Indonesia will feed the population and ensure the right to food in the next 33 years?

The Indonesian Food Law of 2012 strongly regulates food security, providing that it should be developed primarily through domestic production and Indonesia’s ability to define its own food preferences (food sovereignty) based on local specific needs and resources. The law also emphasizes that Indonesian food security has to be based on local food availability and food sovereignty.

There is a need for the government to be proactively engaged in strengthening people’s access to food; their utilization of food; and their means to earn a livelihood. The Indonesian government should also develop food security systems and strategies that fit into five interrelated subsystems that include production, process, distribution, access, and consumption of food.\textsuperfootnote{17} These efforts can go a long way to ensuring food security in the long term.

Greater focus is usually placed on the security and development of plant genetic resources for food and agriculture in food security programmes because these serve as the raw materials used by plant breeders and farmers to create new crop varieties. As such, they are viewed by many as forming the foundation for modern agriculture and for being essential to achieve food security.\textsuperfootnote{18}

To this end, the Indonesian government started the Green Revolution in the 1980s\textsuperfootnote{19} to attain self-sufficiency in certain agricultural products, particularly rice, which is the main staple food for the majority of the population.\textsuperfootnote{20} The Green Revolution was used to produce rapid increases in staple food yields through improved, high-yielding varieties combined with the expanded use of fertilizers and other chemical inputs,\textsuperfootnote{21} which led to a dramatic impact on incomes and food supplies in Indonesia. The Green Revolution has also facilitated institutional and social changes in rural areas and provided opportunities for sustaining economic growth and reducing poverty rates.\textsuperfootnote{22} By implementing the Green Revolution, self-sufficiency was temporarily achieved in the mid-1980s. The Indonesian National Logistic Agency (BULOG) has also succeeded in stabilizing domestic rice prices as part of its conscious effort to keep domestic rice prices aligned with the long-run trend of world prices\textsuperfootnote{23} to make rice farming more profitable from 1975-1996.

\textsuperfootnote{19}The “green revolution,” a term coined by William Gaud in October, 1968, is a process that leads to improved agricultural productivity. It is coined by the term “ever-green revolution” to highlight the pathway of increasing production and productivity in a manner such that short- and long-term goals of food production are not mutually antagonistic. The Ever-green Revolution used by to reflect a balance between human numbers and human capacity to produce food of adequate quantity, quality and variety. See at M.S. Swaminatha, “Ever-Green Revolution and Sustainable Food Security”, in Allan Eaglesham, et.al (ed), Agricultural Biotechnology: Finding Common International Goals, National Agricultural Biotechnology Council: Minnesota, 2004, pp.64.
\textsuperfootnote{20}Indonesia has the highest per capita rice consumption in the world (approximately 139 kilo per capita per year).
\textsuperfootnote{22}Id.
Since rice is a primary staple food commodity, stable prices of rice allowed consumers to have access to the additional rice produced and gave farmers greater confidence to make the necessary investments to raise productivity, thus promoting greater agricultural growth.

Hence, it cannot be denied that growth in the agricultural sector in Indonesia went in tandem with the Green Revolution. Seed-fertilizer technologies and substantial government subsidies allowed increased production through crop intensification, thus ensuring agricultural growth and productivity for Indonesia.

With Indonesia’s agricultural development, this affected its agricultural trade patterns, food security status, and outlook on these trends. Food security in Indonesia has generally been driven by a pro-economic growth attitude and a successful Green Revolution, led by high-yielding rice varieties, massive investments in rural infrastructure, including irrigation, and availability of fertilizers. In Indonesia, growth in agricultural production led to increased food availability and higher income levels, which resulted in improved food accessibility for most citizens. Food utilization in Indonesia was also positively affected by increased education, better nutrition, and improved food safety and sanitation.

Historically, the agricultural policy in Indonesia focused largely on achieving self-sufficiency in food and price stability. However, such policies have since been narrowed to focus mainly on rice, sugar, and palm oil, and the policy instruments deployed were principally trade interventions and input subsidies. The government has used a wide variety of policy instruments in pursuing these goals and has spent substantial sums of public monies to give subsidies and finance investments in agricultural research, innovation and dissemination.

Ironically, after achieving self-sufficiency, Indonesia currently depends on imports to secure its domestic rice supply. According to agronomist Jhamtani Hira, the weaknesses of food security programs in Indonesia are its over-emphasis on rice production and the dominant role assumed by the government, which leaves little opportunity for people to develop food security initiatives based on local resources. The Indonesian experience with the Green Revolution indicates that it was focused on increasing rice production rather than farmers’ income and that the program was not cost-efficient as it required huge funding.

After evaluating the previous policy on food security, several programmes are currently being implemented to reach the target of self-sufficiency in staple foods in 2017. Since 2007, the government has started revitalization programs for small farmers to raise food production levels. In January 2016, the President of Indonesia formulated a food policy with the main purpose of fulfilling the peoples’ need for food, decreasing poverty rates, making farmers more prosperous, and increasing the contributions given to domestic food producers to better fulfill the needs for producing food. In addition, improving trade chains, data systems, agricultural productivity levels, agricultural information, and technologies have become key target areas for food-policy support programs. However, it remains doubtful whether those programs can make significant progress and overcome the food security problem in Indonesia.

This is why the author argues that it is necessary to develop another mechanism to support food security programs: through the promotion of GI protection for agricultural products. Supporting food security based on GIs is one of the best ways to achieve this since GIs are typically used for agricultural products, foodstuffs, wine and spirit drinks, and industrial products. The promotion of GIs for agricultural products will give locals opportunities to develop local agricultural products as food security. It will also support the target of the Indonesian Food Law of 2012 through its emphasis on food security having to be based on optimal utilization of local resources and performed with food diversification and prioritization of domestic food production. GIs could develop local and domestic agricultural production, increase local income, add to the economic value of local products and generate many other benefits. GIs could also provide a trade benefit in generating market appeal, and a non-trade benefit of promoting local agricultural traditions and methods.

3. GI DEFINITION AND PROTECTION IN INDONESIA

3.1 GI Definition

GIs are one form of industrial property, a term that is not limited to industry and commerce but which also applies to the agricultural and extractive industries, as well as to all manufactured or natural products, such as “wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers and flour”. According to the World Intellectual Property Organization (WIPO), a GI is a sign used on goods that have a specific

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27 Indonesia Cabinet Secretary, “Indonesia’s Food Prices are Still High”, 27 January 2016, http://setkab.go.id/en/indonesias-food-prices-are-still-high-president-jokowi/
geographical origin and possess certain qualities or a reputation that are due to that place of origin”. They may highlight particular qualities of a product, which are due to natural (e.g., race, variety, soil, climate, etc.) and human factors, such as specific manufacturing skills and traditions, found in the place of origin of the products. In order to function as a GI, a sign must identify a product as originating in a given place and the qualities, characteristics or reputation of the product should be essentially due to the place of origin. Since the qualities of product depend on the geographical place of production, it is evident that there is a clear link between the product and its original place of production.\(^3\)

Article 22 (1) of the Agreement on Trade Related Aspect of Intellectual Property Rights (TRIPS) defines GIs as:

> indications, which identify a good as originating in the territory of a member, or a region or locality in that territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

Indonesia has also adopted this definition in the new Indonesian Trademark Law (Law No. 20/2016)\(^3\) and the Government Regulation on GI (PP 51/2007).\(^4\) Article 1(1) of Government Regulation on Geographical Indication defines GI as:

> a sign which indicates the place of origin of goods, which due to its geographical environment factors, including the factor of the nature, the people or the combination of the two factors, gives a specific characteristics and quality on the goods produced there in.\(^5\)

While, the new Indonesian Trademark Law (Law No. 20/2016 adds the product and reputation on GI definition by defining GI as:

> a sign which indicates the place of origin of goods and/or products which due to its geographical environmental factors including the factor of the nature, people or the combination of these two factors, gives reputation, quality, and specific characteristics on the goods and/or products produced there in.\(^6\)

Based on the above definition, GI is perceived to be a geographic term used in relation to a product indicating three aspects: (1) its place or area of origin; (2) qualities or characteristics of the products; and (3) qualities or characteristics due to the geographical and human characteristics of the place of origin.\(^7\)

However, the definitions of GI in the TRIPS Agreement, the Indonesian Trademark Law, and the Government Regulation on GI are different in some aspects. The definition of GI in Article 1.6 of the Indonesian Trademark Law uses the term “sign”. While under the TRIPS Agreement, for a GI to be protected, it has to be an “indication” that may not necessarily be the name of a geographical place on earth.\(^8\)

Moreover, the TRIPS definition includes GI protection for products having specific characteristics because it considers the natural aspects only and excludes the human factor influence. On the contrary, the scope of the GI definition in Article 1.6 of Indonesian Trademark Law differs from TRIPS in so far as the GI definition covers all products. However, the Indonesian GI definition only provides protection for products achieving specific characteristics because of the natural and the human factor influence, as well as the combination of both. This scope is similar to Article 2(1) of the Lisbon Agreement:

> the geographical name of country, region or locality, which serves to designate a product originating therein the characteristic qualities of which are due exclusively or essentially to geographical environment, including natural and human factor.

The scope of the GI definition in Indonesian Trademark Law seems broader than the TRIPS GI definition because of the inclusion of the human aspect. However, as long as the GI regulation complies with TRIPS’s minimum standard, any member of TRIPS can provide a broader scope of protection, which would then allow GI to cover any goods, whether natural, agricultural, manufactured or human made.

### 3.2 GI Protection in Indonesia

According to Article 22.1 of TRIPS, there is obligation for TRIPS Members to provide the legal means for GI protection:

> in respect of geographical indications, Members shall provide the legal means for interested parties to prevent: (a) the use of any means in the designation or presentation of a good that indicates or suggests that the good in question originates in a geographical area other than the true place of origin in a manner which misleads the public as to the geographical origin of the good; (b) any use which constitutes an act of unfair competition within the meaning of Article 10bis of the Paris Convention (1967).

However, TRIPS does not specify the legal means necessary and thus leaves TRIPS Members free to decide on the form of protection of GIs at the national level.


\(^{32}\)Id.

\(^{33}\)Law No 20/2016 regarding Trademark and Geographical Indication has been enacted on 25th November 2016 in order to amend and replace Law No 15/2015 regarding Trademark.

\(^{34}\)The Government Regulation on GI (PP 51/2007) issued on 4th September 2007 is the implementation rules of previous Indonesian trademark law (Law No 15/2015).


\(^{36}\)Article 1 (6) of Indonesian Trademark Law (Law No 20/2016).


\(^{38}\)Mark Davidson, “Geographical Indication”, Paper, 2007, p. 3.
According to Article 1.1 of TRIPS, Members are allowed to determine their own legal system and practices of GIs, evident from how “...members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice.”

Consequently, GI implementation occurs in the most diverse and uncoordinated manner. The different dimensions of GI are closely embedded in the different legal and institutional frameworks, which are mainly divided into three models: (a) laws focusing on business practices such as unfair competition, misleading of consumers passing off; (b) protection under trademark law; (c) sui generis law or special protection such as under collective, certification, guarantee marks and prior recognition requirement. In order to comply with the GI provisions in TRIPS, Indonesia has chosen to protect GI under its trademark system.

Article 53(2) of Indonesian Trademark Law requires registration for the granting of legal protection. It is clear that the first to file principle is applied to protect GI, such that GI shall be protected after registration. Article 53 (3) of Indonesian Trademark Law also specifies two eligible parties that can apply for GIs registration:

a. an institution that represents the society in the area which produces the goods concerned, which consists of parties who undertake business
b. groups of consumers of the goods concerned.

As Indonesia has ratified the Agreement Establishing World Trade and its attachments such as Trade Related Aspects of Intellectual Property Right (TRIPS) by enacting the Law No 7/1994, Indonesia must implement TRIPS obligation including the obligation to protect GI in national level.

Concerning the eligible parties to register GI, there are conflicting regulations between Indonesian Trademark Law and Government Regulation on GI because Indonesian trademark Law excludes merchants who sell the goods and groups of consumers of the goods concerned, while Government Regulation on GI includes them. Moreover, Indonesian Trademark Law specify two parties to eligibly register GI, while Article 5 (3) of Government Regulation on GI specifies three parties that include:

a. an institution that represents the society in the area which produces the goods concerned, which consists of: a) parties who undertake business on goods of natural products or natural resources; b) handicraft (c) industrial products;

b. an institution that is given the authority to do so.

c. groups of consumers of the goods concerned.

In the case of legal order conflict between trademark law and government regulation on GI, there is a general principle of derogation rules to resolve this conflict of norms i.e. lex superior derogat lex inferior (the higher ranking law prevails over the lower ranking law) – see more in JH Jackson, “The Status of Treaties in Domestic Legal System : A Policy Analysis”, AJIL, Vol. 86, 1992, p.316-318). Under this principle, since the trademark law has higher ranking, trademark law prevails over the government regulation on GI. Thus, mechanism who sell the goods and group of consumer of the goods concerned, are not capable anymore to register GI under Article 5 (3) of Indonesian Trademark Law.

According to Article 53(2) of the Indonesian Trademark Law, individuals cannot register and hold the ownership of GIs. This indicates that GIs are clearly a communal or collective right, which is not capable of ownership by any individual but rather a fixture to the region or locality.

The application process in Indonesia is the most critical obstacle standing in the way of achieving GI protection. This is because GI registration is much more complex than trademark registration, which requires applicants to: (a) register the product name and GI name; (b) identify in detail the distinguishing characteristics and quality of the product; (c) describe the characteristic or quality that relates to the originating location of production; (d) describe the geographical environment, and the natural and human factors contributing to the making of the product, (e) provide an acknowledgement of the GI product from the community of origin; and (f) including the production process and quality testing method.

The second obstacle concerning the application process is the requirement to provide a book of requirements (specification book), which is difficult to create. In the book of requirements, a GI applicant must describe and define the typical characteristics of the product, which distinguishes it from other products in the same category, provide the description of the relationship of the geographical factor to the qualities or characteristics, as well as, provide a description of the method used to examine the characteristics of the product. As there is no database of GI identification in Indonesia, it is also difficult to determine the description of the history and tradition of GI use, social acknowledgement related to the GI use, and the description of the border of the geographical area.

In addition, the producers must also register to use and produce GIs. Hence, the granting of GI registration is unlikely to give an automatic exclusive right to use and produce GI products. There seems to be an additional burden for an applicant to register twice for GI registration and then second, for using and producing GIs. In order to use and produce GI items, the parties must comply with the stipulations in the book of requirements as a basis to determine the infringement of GI rights.

Prior to or on the date of application for registration of a GI, if a sign has been used in good faith by another party who has no right to register, the party who has been acting in good faith may continue to use the sign concerned for a period of 2 (two) years as from the date

41 The new Indonesian Trademark amends and makes clear “an institution that is given the authority to do so” regulated in previous trademark law (Law 15/2001) by identifying provincial or municipal government as the authorized institutions to register GIs.

42 Article 6(3) of Government Regulation on GI.

43 Article 15 (1) of Government Regulation on GI.
of its registration as a GI. However, the regulation does not further explain how the trademark owners will acknowledge the GI. Consequently, the question remains whether or not the rights of the owners of such trademark registrations will be limited in terms of enforcing their trademark rights against any use by the community that represents the GI concerned.

If the application meets the registration requirements, the Directorate General of Intellectual Property (“DGIP”) will grant the certificate of registration, according legal protection to the GI products. A registered GI thus enjoys legal protection, which persists as far as the features and/or the quality on which the protection has been conferred still exists.

The right holder of a GI may file a lawsuit against an unlawful user of the GI, in the form of a claim for damages and an order interdicting the usage, as well as disposal of labels of the GI concerned, which have been unlawfully used. To prevent any further loss on the party whose right has been infringed, a judge may order the infringer to cease any activities of producing, multiplying, and may order the destruction of labels of the GI, which have been unlawfully used.

GI protection under the Indonesian Trademark Law is likely to be unsuitable because of the different natures of, and conflict between, trademarks and GIs. While the essence of trademarks and GIs is that they both regulate the use of signs in the marketplace by enabling their communicative function, and are built upon exist existing reputation, they have significant distinctions between them and are completely different legal concepts. Trademark is a sign used by a company to distinguish similar goods and services from those of other companies and gives the owner the right to exclude others from using it. However, a GI tells consumers that a product is made in a certain geographical area and has certain characteristics influenced by geographical factors. It may be used by all producers who make their products in the place designated by a GI and whose products share typical qualities. GIs can indicate many origins of goods, as long as all origins emanate from the same geographical area, whereas a trademark must indicate only one origin of the source of goods.

Furthermore, trademarks and GIs differ in the requirement of distinctiveness. As compared to a trademark, which requires distinctiveness, GIs lack the requisite distinctiveness because a GI describes the geographical origin of the product rather than its trade or commercial origin.

Additionally, trademarks and GIs also differ in function. Trademarks are used to distinguish particular goods and services from similar products, while GI signs are used to distinguish products from a particular region from similar products coming from outside that region. Trademarks function as the main communication between a manufacturer and the consumers to give information about quality, whereas GIs underline the geographical origin of a good and the characteristics derived from it. GIs are linked to something more than mere human creativity but includes topography, climate or other factors independent from human creativity, while trademarks are mostly the result of only human creativity.

Trademarks and GIs also differ in their duration of protection. In order to remain protected, a trademark must be renewed within a certain period of time. In contrast, GIs can obtain perpetual protection and do not need to be renewed to gain validity, as long as the specific characteristics still exist.

Trademarks and GIs also differ in the type of rights they are. GIs are clearly a collective right which are not capable of ownership by any individual, but is a fixture to the region or locality which it represents, while trademarks are personal properties. As property, trademarks can be licensed to third parties, whereas licensing of GIs is banned. Since GIs cannot be licensed or sold to producers outside the region, some argue that GI is not property. GIs are categorically not associated with private ownership but ought to instead be characterized as a right to use. As it can never be privately owned, a

44Article 68 (1) of Indonesian Trademark Law.
45The Directorate General of Intellectual Property(DGIP) is the governmental institution which has the authority to administer and develop the IP system in Indonesia. The DGIP operates under the Ministry of Law and Human Rights.
46Article 61 of Indonesian Trademark Law and Article 4 Government Regulation on GI.
47Article 69 (1) of Indonesian Trademark Law.
48Article 69 (2) of Indonesian Trademark Law.
51Jeremy Philips, Trademark Law — A Practical Anatomy (Oxford University Press, 2nd ed. 2003), see also Bernard O Connor, above note 27, pp. 107
53WIPO, Summary of Replies to the Questionnaire on Trademark Law and Practice, at 80, WIPO Doc. SCT/14/S Rev. (Nov. 1, 2005).
54Id.
56Id
57In Indonesia, the period of trademark protection is 10 years and can be renewed for the next 10 years, see Article 35 (2) of Indonesian Trademark Law.
58Article 58 (1) of Indonesian Trademark Law.
59WIPO, note 59.
60See Article 42 (1) of Indonesian Trademark Law.
61Jeremy Phillips, note 57.
GI right differs from other IP rights.63 The protection of GIs under trademark law remains controversial, since some still believe that GIs are not IP64 and thus should not be subject to the IP regime.

4. GI PROTECTION INITIATIVES FOR AGRICULTURAL PRODUCTS

The first project in developing GIs for agricultural products was initiated by the municipal of South East Bali to protect Kintamani Coffee. This process of registering GIs for Kintamani Coffee took six years (from 2002 to 2008).65 According to the data of GI registration at the Indonesian IP Office, namely the DGIP, there were two registered agricultural products for GIs in 2010, namely MuntokWhite Paper, Gayo Coffee, Sumedang Forest Tobacco, and five agricultural products were registered as GIs (Sumedang Forrest Tobacco, Sumedang Mole Tobacco, Sumbawa Horse Milk, Lombok Kale, Sumbawa Honey) in 2011. The GI registration number remained the same from 2012 (Adan Krayan Rice, Flores Bajawa Coffee, PurwacengDieng, Carica Dieng, Alor Vanili) to 2014 (Robusta Coffee of Lampung, Temanggung Srintil Tobacco, Kubu Bali Cashew, Kulonprogo Jogja Palm Sugar, Java Sidoro Sumbing Coffee) with a total of ten registrations. The same number of registrations also occurred in 2013 and 2015 with eight registrations each. In 2016, the registration increased by 37.5% with eleven registrations.

Based on the GI registration data, the registrations are mainly dominated by domestic agricultural products (39 registrations), with only six foreign products registered (Parnigiano Reggiano, Champagne, Pisco, Lamphun Brocade Thai Silk, Tequila, and Grana Padano). The non-agricultural products registered consisted of three handicrafts (Jepara wood carving, Gringsing Bali Woven, Mandar Silk Woven Fabric) and four processed products (Sumbawa Horse Milk, Sidoarjo Milky Fish and Kulonprogo Palm Sugar). This means that 75% of registrations are dominated by agricultural commodities, 11.5% by foreign products, and 13.46% by non-agricultural products.

The number of GI registrations for staple food only stands at three (Adan Krayan Rice, Cianjur Rice and Cilembu Sweet Potato) whereas a surprising 35% of GIs are dominated by coffee products that includes Kintamani Bali coffees, Gayo Coffee, Flores Bajawa Coffee, Kalosi Enrengkang Coffee, Java Preanger Coffee, Java Ijen Raung Coffee, Java Sindoro Sumbing Coffee, Sumatera Simalungun Coffee, Sumatera Mandailing, Lampung Coffee, Liberika Tungkal Jambi Coffee, Liberika Rangsong meranti Coffee, Toraja Coffee, and Sumendo Coffee (14 registrations).

Overall, there have been a total of 46 GI registrations for Indonesian products, which are listed in Annex A to this paper.

Indonesia has since encouraged its local government and local community to register GIs for agricultural products as it regards the first step in building the GI system to empower the local community or farmer’s organization. The involvement of the local community is also important, given that a GI is a communal right that belongs to society.

For GI initiatives, the government has encouraged local communities to establish GI organizations such as the GI Protection Community, which is based on pre-existing traditional producers or farmers organizations as representatives of the community. The GI Protection Community will be an important organization because it bears the duty of managing the preparation and registration, promoting, engaging in marketing activities, controlling the use of the product and product quality, including the regulation and avoidance of social conflicts related to GI ownership and utilization.

Several regions have since established the GI Protection Community (GIPC) such as GIPC of Kopi Kintamani Bali, GIPC of Gayo Coffee, GIPC of Sumedang Tobacco, GIPC of Flores Bajawa, GIPC of Purwaceng Dieng, GIPC Minahas Cloves. The most GI registrations and ownership are held by GIPC. However, there are also GI registrations and ownership held by local governments, such as the Muntok White Pepper registered by the Agency of Management, Development and Marketing for Pepper, the province of Bangka Belitung and by networks such as Network of Sumbawa Flores Honey. Some GI registrations and ownership are also held by associations such as the Association of Sumbawa Horse Milk Development, the Lombok Kale Commodity Association, Association of Indigenous People for Adan Krayan Protection, the Association of Vanili Farmers of Alor Islands, the Association of Cilembu Sweet Potato Agrobusiness.

The first initiative of GI protection to embark on should be empowering local communities or farmer’s organizations. This should be followed by efforts to define the unique and specific characteristics of a product, improve the quality of products, undertake remote sensing studies to provide information on estimated areas of plantation, distribute growing areas and distribute production-based agrosystem, train GIs, and prepare a “Specifications Book” necessary for GI registration.

Another initiative to embark on is to establish internal and external controls to ensure the quality of GI products since the most vital factor for ensuring GI protection is in ensuring the qualities or characteristics of GIs. Although ensuring the quality of GI as a controlling mechanism is difficult due to the collective nature of GI ownership, combining auto-control or self-control by each producer, control by GI organization, and external control by National GI Expert Team of the DGIP will help to solve the problem of quality control. The control mechanism must be equipped with rules and regulations which are applicable to the GI users. Having a set of common rules for GI utilization among producers is crucial to prevent misuse or expropriation, avoid unfair production and commercial practices, prevent abuse or damage to the GI reputation, ensure quality of the products, direct the behavior of local producers, and coordinate support and cohesion to create, preserve or improve the GI product’s reputation and name value.  

Furthermore, another initiative to consider is the promoting and marketing of GIs, which is important in improving market access and establishing a direct business partnership between farmers and traders or exporters. This is essential to obtain guaranteed sales and better prices for high-quality products. Keeping in constant communication with both current and potential consumers and providing information on the specific quality and characteristics of the GI product will increase consumer willingness to purchase and pay for GI products. The initiatives to empower the integrated collective (by a GI organization) and individual marketing (by its members) are based on having the right balance and coherence.

5. GI BENEFIT FOR AGRICULTURE DEVELOPMENT

Generally, GIs function as a tool of product differentiation, an indication of a guarantee of quality, and an indication of source, an advertisement for the product, and even promotion of a country. GIs also assist in rural development and protection of traditional knowledge. Other benefits of GIs include assisting marketing strategies in both domestic and international spheres, adding value to the potential GI products, improving producers’ livelihood, developing rural areas on the basis of the good reputation of their quality, improving the reputation of the GI product in global trade, ensuring equal treatment and providing a tool for promotion abroad, and avoiding unfair competition, misrepresentation or misleading and deceptive conduct. For the purposes of this paper, reputation refers to the opinion consumers have of a given product, which generally requires a substantial period of time to be formed.

A benefit of a GI is that it serves as an identification of source, for which the GI protection will indicate the geographical origin of the Indonesian agricultural products. Numerous Indonesian agricultural products with their specific quality are designated by their place of origin, which is the geographical name of the place where they were developed such as Cianjur Rice, Toraja Coffee, Banda Nutmeg, Bangka White Pepper, Tuban Starfruit, Palu Onion, Batu Apple. The quality of Indonesian agricultural products are commonly associated with various geographical aspects such as natural factors, local tradition, culture, and human factors as the main factors which lead to excellence and a good reputation of the products. This association establishes a link between the quality, origin, and reputation of the products as derived from their place of origin.

By functioning as an identification of source and product differentiation, GI permits the identification of products with unique qualities and characteristics based on geographical factors and distinguishes products from other similar products on the market. Without a GI to distinguish the products, producers of high-quality products may not be incentivised to remain in the market as undifferentiated agricultural products may tend to be sold at the same price.

Furthermore, GIs serve not only as an indication of origin, but also as a reference to quality. The environment, by virtue of its soil composition, climate, biodiversity, confers specific qualities and characteristics on the products, making them unique. These qualities can also be determined in relation to the product’s nutritional properties, flavor, appearance, or the process and raw materials used to produce it. In addition, the product’s characteristics which are associated with geographical factors can be determined by its physical or chemical or organoleptic traits. The qualities or
characteristics of the product may comprise of attributes such as color, texture or fragrance that may be regarded as neutral or even unfavorable to consumers.\textsuperscript{77} Moreover, geographical factors such as local breeds and plant varieties, traditional equipment, and human factors such as know-how and traditional knowledge, traditions, culture and philosophy play a key role in forming the qualities, characteristics, and reputation of these products.\textsuperscript{78} Overall, these are important factors in distinguishing a product from the same product from other areas.

Since GIs function as an indication of quality and a guarantee, it enables agricultural producers to sell a considerable quantity of their products and thus becomes a worthwhile marketing tool. As an indication and guarantee of quality, a GI confers benefits onto consumers by ensuring the continued quality of a product and this generates a positive perception for the product amongst consumers. Since consumers have a positive perception towards GI products, GIs can play an important role in improving market demand and access for these agricultural products.\textsuperscript{79} This will allow a GI to become an effective tool, since it allows producers to gain competitive advantages, achieve market recognition and differentiate their products from those produced elsewhere. A GI also helps producers to gain market power because if a product bears a GI, it must have special qualities attributable to its geographical source.\textsuperscript{80}

By developing GIs, agricultural producers also create an image of “exoticism” or “scarcity” that enables them to capture premium prices for their products, which would otherwise be ascribed a commodity status.\textsuperscript{81} The origins of exoticism comes from the history and tradition associated with the production processes used in the specific geographical areas from which the products originate.\textsuperscript{82} The exoticism may be derived from the mystique surrounding the product, human diligence, heroism, morality, or sacrifice\textsuperscript{83} in producing the agricultural products, and unique characteristics that are attributed to a unique production carried out in a particular geographical area.\textsuperscript{84} For instance, the first Indonesian GI product, that is, Bali Kintamani Coffee has specific characteristics attributed to it, due to the effect of a farming process organized by a unique farmer organization called “Subak Abian”\textsuperscript{85}, established by and operated under Balinese Hindu Philosophy.\textsuperscript{86} Also, the farming system in Kintamani (a highland of the south east Bali) such as organic farming, single stem pruning, shade trees application, as well as the diversification with tangerines is expected to be a unique factor which influences the taste of coffee produced in the Kintamani area.\textsuperscript{87} In addition, the Kintamani territory is favorable for products grown by the Balinese people who strongly believe in the Hinduism philosophy of “Tri Hita Karana”\textsuperscript{88} which guides them to adopt the tradition of cultivating land and applying farming techniques in respect to their God, humans and the environment. The combination of specific local characteristics, agricultural farming, processing practices and philosophical aspects, generates a high quality of Kintamani coffee beans which come with a specific taste.\textsuperscript{89}

Such added economic value of agricultural products can then provide for better contributions to food security, development of the agro-economy and agro industry. It will also encourage professionalism and enhance the local skills in producing and improving the quality of agricultural products, thus increasing the competitiveness of local agricultural products. The heightened competitiveness of these products may then eradicat one of the problems of food security, that is, the imported agricultural products being more competitive than local products.

By enhancing competitiveness of local agricultural products and qualifying products that are difficult to transfer to other territories, GIs can be better understood as a catalyst for processes and endogenous territorial development. A GI is already recognized as a qualification strategy that emphasizes on the socio-cultural aspects of a territory where the product is made, ensuring the development of agribusinesses in that territory. With these added efforts, GI will then establish itself as a counterpoint to general dynamics of the agri-food system in terms of standardization, globalization, and market concentration.

The added economic value of agricultural products will also attract more producers to enter the agricultural industry and potentially encourage existing producers to develop their small holder production modes or small scale enterprises (SME) to grow more efficient with greater plantations or bigger agro industries. Thus, this will help in maintaining the supply of products and improving the development of the agro-economy and agro-industry. This will likely implement the provisions of the Indonesian Food Law of 2012 that require food

\textsuperscript{77}David Vivas Eugui, Christoph Spennemann, “The Treatment of Geographical Indications in Recent Regional and Bilateral Free Trade Agreement, in Meir Perez Pugatch (eds), The Intellectual Property Debate, Perspective from Law, Economic and Political Economy ( Edward Elgar, Cheltenham, UK, 2006, pp. 305.
\textsuperscript{78}Id.
\textsuperscript{80}Article 22 (1) of TRIPS Agreement.
\textsuperscript{82}Id
\textsuperscript{83}Id, pp. 3.
\textsuperscript{84}Id
\textsuperscript{85}Jeffrey Neilson, Josephine Wright,Lya Aklinaawati,” Geographical Indications and value capture in the Indonesia Coffee Sector”, Paper, pp.11.
\textsuperscript{86}Surip Mawardi, note 75, pp.3
\textsuperscript{87}Id
\textsuperscript{88}Tri Hita Karana (three happiness causes) has meaning of “harmonization of relationship to the God, human and environment.”
\textsuperscript{89}Id, pp.7.
security to be primarily based on domestic production and local food availability.

Another benefit of GIs is that it enables better distribution of value along the production chain, moving from producers of raw materials to manufacturers and to those who help in diversifying the production. The diversification of agricultural production will ensure a better balance between supply and demand in the market, and provide better support to food distribution and availability. Thus, the protection of GIs for local agricultural products will support the food security program because such protection will promote the diversity of agricultural and food products. This is crucial as the diversity of agricultural and food products is one of the key steps to ensuring food availability, which ultimately affects food security.

In addition, GIs improve product demand and boost consumer confidence for it. Today, there is a growing demand among consumers for quality products with specific characteristics. As the demand of GI products comes from both domestic consumers and those abroad, the quantity of agricultural exports has been increasing. According to Article 34 of Indonesian exports of 2012, products other than food can be exported having regard to domestic consumption necessity and national interest, while food can be exported only after fulfilling the national food supply requirements, particularly for staple food consumption. The ability to export thus indicates the ability of country to fulfill the national demand and ensures food availability, since Indonesia prohibits producers from exporting agricultural products unless the national supply is met.90

The protection of GI for agricultural products can affect tourism in the country since numerous tourists like to visit the GI location in order to understand the production process of the GI products and obtain the original products. Thus, GIs become an effective advertisement and promotion tool of the country. The increase in the number of tourists will further affect the country’s development.

GIs also have an important role to play in the regeneration of the countryside since they ensure that agri-foodstuffs are produced in a way that conserve local plant varieties, reward local people, support rural diversity and social cohesion, and promote new job opportunities in production, processing and other related services. This helps to ensure that the needs of today’s population are met, while safeguarding natural resources and traditional skills for generations to come.

GIs provide for the growth of the agro-industry and related investments. If there are various unique products in a locality or region, it will attract investors to establish related businesses in these regions, thus increasing the growth of investments in agro-industry. Investment in GI products tend to be from the rural, agricultural and handicraft sectors, thus boosting the local development.91 GI protection will also ensure that investments are more secure, thus raising levels of investment, contributing to the growth of agricultural industry and improving the scale of local economy development. Furthermore, investments play an important role in economic growth in local areas by generating new employment opportunities, boosting local revenue, adding economic value to products, reducing migration from rural to urban areas, bridging the income gap between the rural and urban areas, and positively impacting income distribution.92 Such local economic development ensures that important privileges are given to local agricultural producers who earn their living from production, such that they can channel these benefits for further rural development.

Moreover, GI promotion will help locals remain and live in rural areas. It will also create better-paid employment in rural areas and motivate young people to continue to be involved in agricultural activities through the generation of premium prices. Additionally, GIs will ensure the permanence of indigenous groups, cultivating the tradition of habits being passed from generation to generation, thus ensuring sustainable agricultural development of such communities. This will allow GIs to become a tool of socio-economic harmonization, since GIs can maintain and develop activities in these disadvantaged rural areas and increase local economic development. In the long run, this can potentially alleviate the wave of urbanization. Increasing urbanization involves people being more likely to adopt new diets, particularly consuming more meat, fats, and refined cereals, and fewer traditional cereals, vegetables and fruit.93 Reducing urbanization may also erase the many social problems associated with urbanization.94

Lastly, GIs function as a tool for protecting traditional knowledge. This implies that GI products are the result of not only the natural materials of a region, but are also influenced by cultural factors and traditional knowledge accumulated over centuries. According to Bruce, GIs are achieving greater recognition for the place of the product’s origin, which is established by the history of that region, its inhabitants, culture, and reputation.95 GIs also incentivise efforts to preserve and develop traditional plants, natural resources, biodiversity, soil and the surrounding environment. Felix Addor highlights

90 According to Article 34 of Indonesian Food Law of 2012, products can be exported with regard to domestic consumption necessity and national interest, the food can be exported only after fulfilling national food supply and staple food consumption necessity.
that ‘GIs are based on collective traditions and a collective decision-making process; they reward traditions while allowing for continued evolution; they emphasize the relationship between human efforts, culture, land, resources and environment’. According to FAO, the characteristics of agricultural products may involve specific local species or breed, local feeding, local processing, storage, native local plant varieties, local soil and climate conditions, traditional practices and local know-how that play an important role and give special quality attributes to flavor, aroma, color, texture. Thus, GIs may help to preserve the local wisdom and philosophy, which bears relation to the local agriculture system, as well as, maintain traditional plantation and its intrinsic values, thus keeping alive local culture and traditions.

6. CONCLUSION

It is important to ensure agricultural development by increasing the productivity and competitiveness of agricultural products using the GI mechanism. Promoting GIs may increase the value of agricultural products by incorporating territory specific cultural, environmental and social qualities into the production, processing and development of unique local, niche and special agricultural products. Since GIs are recognized as a qualification strategy that emphasizes the socio-cultural territory where the agricultural product is made, GIs will ensure the development of agribusiness and local development. GI protection will then provide benefits for increasing productivity, improve the exports of GI products, create employment, add economic value to the products, and increase the diversity of supply of natural and unique quality products.

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## Annex A

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EMERGING AND ENDURING ISSUES OF TRADE SECRECY – A SRI LANKAN PERSPECTIVE

Darshana Sumanadasa

Abstract: Trade secrets amount to capital, and they are rapidly eclipsing other sources of competitive advantage in the knowledge-based economy, which is largely reliant on knowledge assets rather than physical assets. The TRIPS Agreement that establishes the modern global standards of intellectual property (IP) protection does not provide for a globally unified protection of trade secrets. However, there is a recent movement in the European Union (EU) and the United States (US) for more harmonised legal regimes. The utility of a trade secrets' regime in Sri Lanka is emerging against the backdrop of the large-scale spread of small-and medium-sized enterprises, and the belief that the patent regime does not cater for domestic innovation needs. This paper argues that despite the fact that Sri Lanka has enacted a TRIPS-compliant trade secrets legal regime, the absence of provisions to preserve the confidentiality of trade secrets in the legal proceedings has negated the whole purpose of this law. In addition, this paper argues that over-reliance on trade secrecy challenges the established societal and political-economic beliefs and public interest considerations in the country. This paper concludes by recommending the introduction of legislative provisions to ensure the confidentiality of trade secrets during legal proceedings and to improve the lawful means of acquiring and using trade secrets, while balancing the interests of trade secrets holders and society.

Keywords: trade secrets, TRIPS Agreement, Intellectual Property Act of Sri Lanka, preservation of secrecy during the court proceedings, public interest in Sri Lanka.

1. INTRODUCTION

This paper examines the significant role played by trade secrecy in today’s context, with special reference to Sri Lanka. It also analyses the effectiveness of the Sri Lankan legal framework in protecting trade secrets, especially in preserving confidentiality during court proceedings and whether, and to what extent, it serves the innovation, societal and economic needs of Sri Lanka. To this end, the first part of this paper outlines existing and emerging utilities of trade secrets in this century. The second part analyses the present international legal framework and emerging trends. Third, this paper appraises the emerging role played by the trade secrets regime in Sri Lanka. Then it evaluates Sri Lankan trade secrets law with special reference to two enduring issues: namely, the protection available during and after court proceedings, and how the law responds to public interest considerations and pragmatic societal needs and values. The paper concludes with recommending the introduction of a separate piece of legislation or legislative amendments with clear provisions on preserving confidentiality in trade secrets legal proceedings and lawful means of using, disclosing and acquiring trade secrets in line with the societal needs and socio-economic values of the country.

2. SIGNIFICANCE OF TRADE SECRETS IN TODAY’S CONTEXT

Today, the world has transformed into a knowledge-based economy1 from a material-based one. Trade secrets in this economy amount to capital and they are rapidly eclipsing other sources of competitive advantage.2

Robust protection and effective enforcement of trade secrets is critical to a company’s ability to innovate, grow and invest locally and internationally.3 Further, there is a positive correlation between the strength of the protection of intellectual property rights (IPRs) and its potential to attract investment and increase research and development (R&D) and technology transfer.4 Highlighting the comparative and timely importance of trade secrets, Jorda considers trade secrets as the crown jewel of a company’s intellectual capital.5 Generally speaking, a trade secret can encompass any information which is secret with a commercial value, and subject to reasonable efforts to keep it secret.6 It can arise in technical and commercial contexts, and can include formulas; know-how; contract terms; software; customer lists; engineering, marketing, finance or strategic information; and information about suppliers, competitors, and other industrial participants. Thus, the scope of trade secrets is virtually unlimited, compared to other forms of IP since they constitute a widely diverse category. It may be an incentive to develop incremental innovations that do not meet the non-obviousness requirement under the patent law.

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4 Ibid.


requirement under the patent law. This often occurs in the context of Small-and Medium-sized Enterprises (SMEs) or start-ups, as this sector often lacks specialised human resources and financial strength to pursue, manage, enforce and defend their other IPRs. It also covers a wide array of information, including commercialised experimental work, unreleased products or strategies, and even ‘negative know-how’ (that is, erroneous research approaches or results of failed experiments).

As an illustration of the diversity of trade secrets, most traditional knowledge (TK)-based enterprises in Sri Lanka mainly rely on trade secret protection for their products. As an example, Samahan which is known in Sri Lanka as a natural, safe and effective preparation for relief of cold and cold-related symptoms has been identified as a trade secret by the manufacturers. In contrast, Google’s PageRank, which is an algorithm used to assign a numerical weighing to each element of a hyperlinked set of documents, the formula of Coca-Cola and the ‘11 herbs and spices’ recipe of KFC, are protected as trade secrets. Therefore, it can be noted that trade secrets serve a wide range of sectors in this information age.

Despite the significance of trade secrecy in this knowledge economy, what is more unique about trade secrets is that they can be easily and inexpensively shared and replicated compared to other IP assets. Bone states that ideas or information protected as trade secrets have tendency to escape like wild animals and, once gone, they return to the commons as public property. As a result, they are more vulnerable to misappropriation and industrial espionage than any other IP. For instance, it has been revealed that the misappropriation of trade secrets costs the US economy billions of dollars per year.

Further, there are claims that one in five European companies has been a victim of trade secrets misappropriation, or at least attempts of misappropriation, in the last ten years. Given that trade secret misappropriation has proven to be a significant issue in more developed economies, it is reasonable to expect that it is also likely to be an issue in developing countries such as Sri Lanka.

With the rapid advances in information and communication technology, both the amount of trade secrets stored in electronic mode and the cyber intrusions into computer systems have greatly increased. In fact, there is a race between entities that want to keep commercial secrets and those who want unauthorised access to them. Moreover, the growth of using mobile devices, storing and processing confidential information in the cloud and the rise of social media pose threats for the protection of trade secrets. However, it is doubtful whether the existing trade secrets regimes are effective due to low levels of legal protection, legal fragmentation and inadequate enforcement.

8 Hereinafter referred to as SMEs.
11 NS Punchi Hewage, Promoting a Second-Tier Protection Regime for Innovation of Small and Medium-Sized Enterprises in South Asia: The Case of Sri Lanka (Nomos Verlagsges, Germany, 2015) 156.
12 However, in Link Natural Products (Pty) Ltd v Tropical Herbs (Pvt) Ltd (Case No. CBC 25/2001/03, 01.02.2013), it was held by the Commercial High Court of Sri Lanka that as the plaintiff did not produce sufficient details so as to recognise Samahan as a trade secret, court could not proceed with the case. It is observed, however, plaintiff intentionally did not provide necessary details as there was a fear that it will further make the ‘Samahan trade secret’ public. In Sri Lanka there are no recognised precautionary-methods such as proceeding in camera in the trade secret court proceedings. This issue is further discussed section 4.3 of this paper.
13 Oxford University, ‘Oxford Dictionary’ <https://en.oxforddictionaries.com/definition/information_age> accessed 17 April 2017. ‘Information Age: Information age is the era in which the retrieval, management, and transmission of information, especially by using computer technology, is a principal (commercial) activity.’
17 In fact, empirical research on trade secrets has been difficult to conduct since trade secrets are ‘secret’ in nature: See Katherine Linton, ‘The Importance of Trade Secrets: New Directions in International Trade Policy Making and Empirical Research’ (2016) Journal of International Commerce and Economics 1.2.
18 Elizabeth A Rowe, ‘RATS, TRAPS, and Trade Secrets’ 2016 (56)2 Boston College Law Review 381,382.
20 Jennifer Brant and Sebastian Lohse (n 10) 15.
21 Ibid.
3. INTERNATIONAL LEGAL FRAMEWORK AND EMERGING TRENDS

The TRIPS Agreement of the World Trade Organization (WTO), represents the current level of protection of trade secrets at the international level. Article 39.1 of the TRIPS Agreement by cross-referencing Article 10 bis of the Paris convention, suggests protecting trade secrets as undisclosed information under the unfair competition regime.

According to Article 39.2 of the TRIPS Agreement, ‘protection must apply to information that is secret, which has commercial value because it is secret and that has been subjected to reasonable steps which were taken to keep it a secret.’ It provides natural and legal persons ‘the possibility of preventing information lawfully within their control from being disclosed to, acquired by, or used by others without their consent in a manner contrary to honest commercial practices’. These dishonest commercial practices include breach of contract; breach of confidence; inducement of breach; as well as the acquisition of such information by third parties who knew, or were grossly negligent in failing to know, that such practices were involved in the acquisition.

It is the author’s view that the TRIPS Agreement does not recognise the proprietary rights in trade secrets or undisclosed information. However, Article 1.2 of the TRIPS agreement states that the term ‘intellectual property’ refers to all categories of IP that are the subject of sections 1 through 7 of Part II. Thus, arguably, TRIPS considers undisclosed information as IP, since the title of Section 7 of Part II is ‘Protection of Undisclosed Information’. Correa states that it is generally accepted that unfair competition is one of the disciplines of industrial property, and TRIPS Article 1.2 should be interpreted in this sense.

Nonetheless, he further states that in Article 39, which provides that ‘...persons shall have the possibility of preventing information lawfully within their control...', the use of the word ‘persons’ instead of ‘owners’ denotes the non-proprietary nature of the rights recognised by the Article 39. The historical reason is the twists and turns that occurred in the drafting stage of Article 39. Most of the developing country negotiators, led by India, were vehemently opposed to recognising the property nature of undisclosed information proposed by the US. Therefore, Article 39 explicitly states that the protection of undisclosed information arises under pre-existing industrial property principles of unfair competition but does not label such information as proprietary.

Moreover, the TRIPS agreement requires all Members of the WTO to make their IP regimes compatible with the standards set by it. Even though most of the WTO Members have by and large harmonised their IP regimes when implementing the TRIPS obligations, trade secrets have been conspicuously left out. One possible reason for this position is the leeway that the TRIPS Agreement has given to its Members regarding the protection of trade secrets. In particular, Article 39.2 of the TRIPS Agreement states ‘trade secrets, undisclosed information or know-how cannot be revealed in a manner contrary to honest commercial practices’. As provided in footnote 10 of the Agreement, ‘a manner contrary to honest commercial practices’ shall mean at least practices such as breach of contract, breach of confidence and inducement to breach, and includes the acquisition of undisclosed information by third parties who knew, or were grossly negligent in failing to know, that such practices were involved in the acquisition.


23 Article 39 provides for the protection of undisclosed information and test data.

24 Paris Convention for the Protection of Industrial Property (March 20, 1883; effective July 7, 1884, and amended June 2, 1934 and July 14, 1967) (the Paris Convention); Article 10 bis - “any act of competition contrary to honest practices in industrial or commercial matters constitutes an act of unfair competition”. It does not contain any specific mention specifically relevant to trade secrets. Instead, it states following three examples of unfair competition: (i) all acts of such a nature as to create confusion by any means whatever with the establishment, the goods, or the industrial or commercial activities, of a competitor; (ii) false allegations in the course of trade of such a nature as to discredit the establishment, the goods, or the industrial or commercial activities, of a competitor; (iii) indications or allegations the use of which in the course of trade is liable to mislead the public as to the nature, the manufacturing process, the characteristics, the suitability for their purpose, or the quantity, of the goods or services.
provision gives leeway for countries to rely on their pre-existing domestic mechanisms. Apart from this, the wording of Article 39.2 can be construed as giving the Members broad scope to determine the means to be applied to prevent the listed practices such as civil or commercial sanctions, or criminal sanctions. Also, in general, Member countries have the discretion of adopting a legal framework of their choice to afford protection for trade secrets as stated in Article 1.1. This appears to be the reason why trade secrets regimes are highly fragmented compared to other IP regimes.

However, in recent years, there has been a new wave of regional and domestic attempts to introduce more harmonised laws. For instance, having identified that legal fragmentation adversely affects the appropriation and dissemination of information, know-how and technology, the EU enacted a Directive in 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure. Accordingly, the EU Directive intends to adopt a common definition on trade secrets across EU member States. It states the circumstances under which the acquisition, use and disclosure of a trade secret is unlawful or lawful. Also, the Directive provides for the measures, procedures and remedies that should be made available to the rightful holder of trade secrets in case of alleged misappropriation. Furthermore, it establishes mechanisms for the preservation of confidentiality of trade secrets during legal proceedings. It provides for sanctions in cases of non-compliance with the measures provided; and provisions on monitoring and reporting. Thus, common standards for trade secrecy have become a legal acquis of the EU since 2016. Members are given two years to incorporate these standards in their domestic legal systems. Additionally, the highly controversial US-led Trans-Pacific Partnership Agreement (TPPA) requires signatories to provide a strong and cost-efficient protection for trade secrets, including both criminal and civil remedies. Although the TPPA may well be abandoned with the US withdrawing from it, trade secrecy provisions of the TPPA can be considered as a moment for reflection on the laws of the TPP members and their readiness to adopt a harmonised trade secrets legal regime which includes civil and criminal sanctions. In the US, the recently enacted Defend Trade Secrets Act introduces a federal civil cause of action for trade secrets misappropriations, providing a more robust and harmonised framework for the protection of trade secrets. This is a clear reflection that the US continues to have a strong trajectory with regard to the promotion of robust and harmonised trade secrets laws, despite its withdrawal from the TPPA.

It is clear that there is significant movement in the international arena in promoting a more harmonised and robust trade secrets law. However, two decades since adopting the TRIPS agreement, the trend appears to be more towards adopting regional mechanisms rather than international measures. In general, these trends highlight the need for an internationally or regionally consistent response to protecting trade secrets. However, there appears to be no trend of introducing robust or harmonised trade secrets laws in developing countries. Nevertheless, it would be inevitable for such countries to prepare to adopt these policies and regulatory standards as prerequisites of bilateral or multilateral treaties, foreign direct investments or technology transfer agreements. That is mainly because these countries are considered as policy/technology takers instead of policy/technology makers. For example, it is hard to argue that countries such as Vietnam wanted a robust trade secrets regime or criminalisation of trade secrets theft to be a part of the TPPA. That was a mere reflection of the lower bargaining power of developing nations and the strong voice of developed TPP nations, mainly the US.

\[\begin{align*}
\text{negotiated Transatlantic Trade and Investment Partnership Agreement (TTIP).} \\
\text{President Trump has signed to withdraw the USA from the TPP in January 2017 as one of the first moves being sworn as the president.} \\
\text{Darshana Sumandasara, ‘TPP on Trade Secrecy- A Momentum of Reflection’ (IP Academic Conference Australia, Perth, February 2016)}
\end{align*}\]

However, there are criticisms for this Act as it leaves all state trade secrets laws in place and simply layers a new federal law on top of them adding more laws instead of creating uniform national law.


For example Sri Lanka-USA Bilateral Investment Treaty 1993 identified that the protection of intellectual property which includes trade secrets as a term of the agreement. Sri Lanka has such bilateral investment protection agreements with 28 countries. Article 157 of the Sri Lankan Constitution guarantees the safety of investment protection treaties which are approved by the parliament by a two-thirds majority. Therefore, arguably, these treaties get the same applicability as the domestic legislations. See ‘Investment Protection and Double Taxation’, BOI Sri Lanka <http://www.investsrilanka.com/why_sri_lanka/investment_protection > accessed 17 April 2017.

\[\begin{align*}
\text{ibid. As observed by the authors : ‘the wording [of Article 39.2] has been interpreted as giving the members broad scope to determine the means to be applied to prevent the listed practices such as civil or commercial sanctions, or criminal sanctions.’} \\
\text{See Article 1.1 of the TRIPS agreement: ‘...Members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice.’} \\
\text{Baker and McKenzie (n 16).} \\
\text{Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.} \\
\text{Ibid.} \\
\text{Article 18.78 of the Trans-Pacific Partnership Agreement; US Chamber of Commerce (n 3); Also, intellectual property rights in general and trade secrets in particular are parts of recently} \\
\end{align*}\]
When it comes to Sri Lanka, there is a different domestic compulsion and utility for a trade secrets regime, which is analysed in the next section.

4. TRADE SECRETS LAW IN SRI LANKA

4.1 Trade secrecy uses in Sri Lanka

One of the salient features in the Sri Lankan innovation landscape is the existence of Small and Medium-Sized Enterprises (SMEs), which mainly engage with minor and incremental innovation. As revealed by the Sri Lankan Ministry of Finance, SMEs currently play a pivotal role in the Sri Lankan economy, amounting to 75 per cent of the total number of enterprises and contributing 52 per cent of the Gross Domestic Product (GDP). Scholars have identified that there is a negative correlation between a firm’s size and the intensity of their reliance on trade secrets. Thus, the smaller firms prefer trade secrets as an appropriate mechanism over patent because they are not in a position to afford the cost, time and the bureaucratic process of other registered IP rights. For instance, currently more than 60 per cent of Sri Lankan SMEs use at least informal means of secrecy to protect their products and processes. Overall, this can be regarded as a significant statistic, considering that 75 per cent of Sri Lankan enterprises are SMEs.

Further, it is doubtful whether the existing patent regime caters for the knowledge and incremental innovation of domestic firms, since most of the domestic innovators are not in a position to reach the patent threshold comprising novelty (newness), inventive step and industrial applicability. This is intensified in a context where Sri Lanka follows a ‘universal novelty standard’, which requires that an invention should be new throughout the world. This standard provides that all materials made available to the public before the filing date of the patent anywhere in the world form part of the prior art against which a patent’s novelty is assessed. This may be one of the reasons for the plunging numbers of resident patents granted in Sri Lanka as depicted by the following chart.

![Patent Registration 2010-2016](chart.png)

**Chart 1: Patent Registration in Sri Lanka 2010-2016**


The above chart shows the fact that there are fewer patents granted every year in Sri Lanka. The majority of patents are granted to non-residents or foreign applicants. Therefore, in the absence of a regime that caters to domestic innovation needs, trade secrets become a gap-filling regime.

TK-based innovations and grassroots innovations have also occupied a significant place in the innovation landscape of the country. Since there is no explicit protection for TK or TK-inspired products in Sri Lanka, the TK-based industry currently largely relies on trade secrets protection. However, it should be noted that these products can be protected as far as they satisfy the tripartite test of trade secrets: secrecy; having reasonable measures to protect secrecy; and real or potential commercial value.

Therefore, it is clear that the trade secrets regime has become a crucial IP protection method in Sri Lanka and its contribution in SMEs, minor and incremental innovation and TK-inspired invention is significant. The next section

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61 N S Punchi Hewage, (n 11) 40.
64 Baker and McKenzie (n 16); Nicola Searle and Gavin C. Reid ‘Firm size and trade secret intensity: evidence from the Economic Espionage Act’ (2012) CRIEFF discussion paper, School of Economics & Finance, University of St Andrews, No. 1203, 23.
66 Ibid.
67 N S Punchi Hewage (n 11) 149.
68 Ibid 150.
69 Intellectual Property Act, No. 36 of 2003, Section 64
70 Ibid, Section 65.
71 Ibid, Section 66.
72 According to Section 64 (1) of the Sri Lankan IP Act, ‘an invention is new if it is not anticipated prior art’ and Section 64 (2) provides that ‘everything made available to the public, anywhere in the world, by means if written publication, oral disclosure, use or in any other way shall be considered as prior art’. Therefore, arguably, this can be regarded as absolute or universal novelty requirement.
76 N S Punchi Hewage (n 11) 156.
of this paper evaluates the Sri Lankan legal framework in order to identify the effectiveness in protecting trade secrets as well as the major loopholes of the law.

4.2 Legal framework

Sri Lanka has enacted a TRIPS-compliant IP regime in the Intellectual Property Act, No. 36 of 2003 (‘IP Act’) and trade secrets are also protected under that regime. Trade secrets are protected as a subset of unfair competition law. As stated in section 160(6) of the IP Act, ‘any act or practice, in the course of industrial or commercial activities, the results in the disclosure, acquisition or use by others, of undisclosed information without the consent of the person lawfully in control of that information (or rightful holder) and in a manner contrary to honest commercial practices shall constitute an act of unfair competition.’ This is a clear reiteration of the language in the TRIPS Agreement and the Article 10 bis of the Paris Convention.

Also, following footnote 10 to the TRIPS agreement, the IP Act provides a detailed provision explaining ways in which trade secrets misappropriation may occur. This includes i) industrial or commercial espionage, ii) breach of contract, iii) breach of confidence, iv) inducement to commit any of the above, and v) acquisition of undisclosed information by a third party who knew, or was grossly negligent in failing to know, that an act referred to in i) to iv) above was involved in such acquisition.

Further, the IP Act provides a clear and precise definition as follows:

‘For the purpose of this Act, information shall be considered ‘undisclosed information’ if,

i. it is not, as a body or in the precise configuration and assembly of its components, generally known among, or readily accessible to, persons within the circles that normally deal with the kind of information in question;

ii. it has actual or potential commercial value because it is secret; and

iii. it has been subject to reasonable steps under the circumstances by the rightful holder to keep it secret.’

Although this is, in general, an adoption of the TRIPS definition, the IP Act goes beyond the definition by stating more details and examples. For instance, further stating the scope of the information that is covered by this provision, the IP Act provides that ‘undisclosed information shall include technical information relating to the manufacture of goods or the provision of services; and business information which includes the internal information which an enterprise has developed so as to be used within the enterprise.’ Since this is an inclusive provision, any other information which satisfies the requirements of the definition and which is technical or commercial in nature may qualify for protection.

Moreover, Sri Lankan law provides for both civil and criminal remedies, whereas the TRIPS agreement merely addresses the civil aspects of protection. For instance, as provided by section 160(8), criminal penalties may apply only for willful and unauthorised disclosures of trade secrets. This was included in the legislation as a result of an industry request led by the Ceylon Chamber of Commerce, considering the emergence of employee-involved trade secrets misappropriations. Ceylon Chamber of Commerce was of the view that there should be criminal sanctions in addition to civil liability since civil litigation in Sri Lanka is costly and time-consuming.

Further, there is still room for the application of common law as the IP Act states that rights conferred by the IP Act shall be in addition to, and not in derogation of, any common law rights. The consequence of this provision is that unwritten common law and equitable actions such as breach of confidence are still applicable even after the enactment of the legislation.

It can be observed that the IP Act largely followed Article 6 of the ‘WIPO model provisions on protection against unfair competition.’ Arguably, Sri Lankan law has provided for relatively sound legal provisions and mechanisms for the protection of trade secrets by following a TRIPS-plus approach.

For instance, it

64 IP Act, 2003, s 160(6)e.
65 IP Act, 2003, s 160(7).
66 Email from Dr. DM Karunaratna (former Director General of the National Intellectual Property Office of Sri Lanka) to author (26 May 2017).
67 Ibid.
68 IP Act, 2003, s 160(9).
71 According to recently developed OECD – Trade Secrets Protection Index, the followings are the yardstick of measuring a trade secret’s law of a country: definition and coverage; specific duties and misappropriation; remedies and restrictions of liability; enforcement, investigation, discovery and data exclusivity; and system functioning and related regulation. See Mark F. Schultz and Douglas C. Lippoldt, Approaches to Protection of
practices of trade secrets law which are recognised by the
All of these components can be construed as best
scope of application and the circumstances on which
presumably certain and predictable, since it states the
OECD Trade Policy Paper No. 162
products Ltd v Tropical Herbs Ltd 72
was reflected by recent cases such as
more familiar with common law provisions. Th is practice
the extent to which the common law can be applied.
Judicial practice reflects that judges prefer to apply
common law principles rather than relying on the
provisions of the IP Act as they were trained and are
more familiar with common law provisions. This practice
was reflected by recent cases such as Link Natural
Products Ltd v Tropical Herbs Ltd72 and John Keells
Holdings PLC v Shanitha Fernando. 73 For instance, in the
Link Natural Case, the Commercial High Court of Sri Lanka
has moved in to the establishment of requirements of
breach of confidence action without proper reference to
the provisions of the IP Act. Thus, it is unclear whether a
substantive change or international harmonisation
occurred through the IP legislation in 2003.

Furthermore, this legislation is silent on the defences or
lawful means of using, disclosing and acquiring trade
secrets. Thus, it is hard to figure out how it balances the
public interest and societal values and needs. Moreover,
its inability to legislate provisions for the preservation of
trade secrets during court proceedings is a major
loophole. Therefore, the next section of this paper
explores these two issues in greater detail.

4.3 Enduring issues
a. Preservation of confidentiality during the
litigation

Protection of the status quo of a trade secret during
litigation is a pivotal aspect of any trade secrets law, as
there is a high risk of revealing it during the litigation.
There is an ever-present risk in trade secrets cases that
the exuberance of counsel, or the predicament of
witnesses, may let the cat out of the bag. 74 Exposure of a
trade secret can occur in two stages of court proceedings:
firstly, when the plaintiff is proving the existence of the
trade secrets, and secondly, when the plaintiff is proving
that the defendant possesses the plaintiff’s trade
secret. 75 Moreover, it can be further exposed when the
court is discussing aspects of the trade secret in its orders
and opinions. 76 This is a real problem in the Sri Lankan
trade secrets law, as there is no explicit provision on the
issue.

According to Article 106(1) of the Second Republic
Constitution of Sri Lanka, 1978, all sittings of every court
shall be held in public. In fact, this has been recognised as
an immutable aspect of judicial character as it serves the
purpose of pure, impartial and efficient system of
administration of justice. 77 However, there are exceptions
available for this general rule such as proceedings relating
to family relations, sexual offences and issues relating to
national security. 78 Yet, this constitutional provision does
not cover the proceedings regarding trade secrets or
confidential information. Moreover, there is no explicit
provision addressing this issue in the IP Act, except
section 85 (2). In addressing issue of reversed burden of
proof in patent litigation, section 85(2) mentions that the
legitimate interests of the alleged infringers in protecting
their undisclosed information shall be taken into account.
Nevertheless, it is submitted that this provision is only
applicable in cases related to patent infringements, but
not trade secrets misappropriations. Even this provision
fails to indicate how courts could ensure or protect the
infringer’s legitimate interests relating to undisclosed
information. It is merely a carbon-copy of Article 34(3) of
the TRIPS Agreement. Undoubtedly, this scenario
prejudicially affects trade secrets protection in Sri Lanka,
despite the fact that Sri Lanka possesses drafted
legislative provisions on the definition, misappropriation
and remedies of trade secrets.

Case law examples on the area are evidence that the
vulnerability of trade secrets during court proceedings is
regarded as a serious impediment in proving the
plaintiffs’ claim and in particular establishing that the
plaintiff has possessed trade secrets. For instance, in Link
Natural Products Ltd v Tropical Herbs Ltd, two former
employees of the plaintiff were alleged to have
misappropriated a secret process for making a medicinal
product called Samahan. The respondent company which
hired these two ex-employees of Link Natural had
developed a new product called Suveni which was similar
to Samahan and which served the same purposes.
Despite establishing the trade secrecy of Samahan, the
plaintiff attempted to utilise chemical tests such as
chromatographs to establish that the rival company had
made a similar product. However, Amarasekara J held
that the court was unable to hold the case in favour of the
plaintiff, as the court was not given the required
information to make the decision. In effect, this would
have meant that the plaintiff would have had to disclose
the information that it was trying to protect, and plaintiff

74 Ibid.
75 Case No. CHC 25/2001/03, 01.02.2013.
76 Case No. 16/2013/IP and 17/2013/IP, 15.08.2013.
77 This issue has been emphasised by Street CJ in David Syme &
Co Ltd v General Motors-Holden’s Ltd (1984) 2 NSWLR 294
78 Mark F Schultz and Douglas C. Lippoldt (n 70) 19.
79 Ibid.
80 Lord Atkinson per Scott v Scott [1913] AC 417, 463; see also
Enid Campbell and H P Lee, The Australian Judiciary (2nd ed,
81 The Second Republic Constitution of Sri Lanka, 1978, Article
106 (1).
chose not to reveal it to the court. The same issue has been highlighted in the case of John Kells Holdings PLC v Shanitha Fernando. Therefore, this issue is a barrier to implementing the law. As a result, the general perception among the trade secrets holders is that it is not worth the effort to litigate before the courts.

However, it is possible that Section 839 of the Civil Procedure Code, No.12 of 1895 (as amended) can be utilised in resolving the problem. According to this section, the courts can make an order in terms of the inherent powers as may be necessary to meet the needs of justice. Section 839 provides that ‘nothing in this Ordinance shall be deemed to limit or otherwise affect the inherent power of the court to make such orders as may be necessary for the ends of justice or to prevent abuse of the process of the court.’ Therefore, a closed hearing can be ordered as a means of justice in trade secrets cases since a public hearing would defeat the purpose of the case. However, this is considered as a discretionary power of courts which can be utilised in exercising the revisionary jurisdiction. This power is vested only with the superior courts and it may not be issued routinely. As a result, the plaintiffs have to bear an additional burden after selecting the path of litigation to prove that a closed-hearing is required in their cases.

Furthermore, it is doubtful whether the Sri Lankan court system is free from the corruption and the manipulation of political elites. At the outset, this may reduce the trust in the judiciary and trade secrets holders’ willingness to come before the courts when there is a misappropriation. That is because trade secrets holders are reluctant to take any risk of losing the secrecy of their information which is the threshold requirement to acquire trade secrets legal protection. In addition, court proceedings are time consuming and may dissuade companies from taking commercial disputes to court. Therefore, this raises a serious doubt whether an aggrieved trade secret holder would seek legal redress at all. Instead, they may rely on the costly internal mechanisms to protect trade secrets through strategies such as secrets access restriction procedures and trade secret handling procedures. Thus, it may be argued that procedural aspects of law, i.e. the non-availability of provisions to preserve the confidentiality in the legal proceedings may negate the purpose of substantive law which follows many good practices of trade secrets protection.

Therefore, it is highly recommended to include clear legislative provisions on the issue by increasing trust and reliability of law. This can be done by introducing in-camera hearings in trade secrets litigation, and by perhaps limiting access only to the parties, counsels, witnesses and other professionals involved with the case. Restricting the access to any document containing trade secrets submitted by parties and to the final judgment should also be considered as an important aspect of such proceedings. Redacted versions of judgments may be made available for public records.

b. Public interest; socio-economic values

As pointed out in section 4.1 of this paper, the trade secret regime occupies and plays a major role in preserving information, knowledge and innovation in Sri Lanka. Is it doubtful whether trade secrets holders would seek litigation path when their trade secrets at stake.
Lanka. Nonetheless, this application and utility may create problems to the Sri Lankan society, as it may hinder knowledge dissemination which is needed for follow-up innovation and development of the country.

Although one of the public policy goals of IP law, in general, is to promote the disclosure of technical information resulting in promoting innovation, it is clear that in trade secrets law that the public will never come to know how to make the inventions, as the law promotes secrecy. 86 Thus, overreliance on trade secret protection may hinder technological growth, as some research and development would repeat previous but undisclosed work. 87 Moreover, some argue that creating a potential monopoly on the invention or information protected as a trade secret would result in creating an incentive for concentration of economic power in the hands of a few companies which possess trade secrets. 88 Additionally, non-disclosure of proprietary information, such as the quantity and processing of ingredients of a product, could pose a threat to the public interest and perhaps public health. Therefore, it is unclear whether trade secrets policy serves social benefit or societal needs.

On the contrary, it may be argued that trade secrets not only serve to promote innovation, but also the dissemination of knowledge on account of its wide exceptions. For instance, the acquisition of trade secrets shall be considered lawful when obtained by independent discovery or reverse engineering. Therefore, more than one individual may ‘develop the same or substantially similar body of information in a phenomenon known as multiple independent (or simultaneous) inventions’ or dependent inventions (based on reversed engineering). Thus, it can be argued that trade secrets law encourages competition, albeit with duplicate investment in R&D by permitting these two defences. 89 Nevertheless, it is doubtful whether there are means or financial resources for a researcher to invest in such duplicate innovation in a country like Sri Lanka, where the technological advancements, monetary capacity and home-grown creativity is comparatively low.

Further, overreliance on trade secrets may prejudicially affect the economic growth and innovative performance of the country as it restricts knowledge spill-over. It is an empirically proven fact that knowledge spill-over is a driving force behind the increased innovative and economic performance of a firm and a country at large. 90 As trade secrets may promote monopoly over information for an indefinite time, it is doubtful whether trade secrets law serves further innovation or economic development of a country. As seen, Sri Lankan firms largely rely on trade secrecy, for instance, in protecting most of their minor or incremental innovation and other valuable commercial or technical information. However, it cannot be argued that a legally enforceable law exists to protect trade secrets. 91 The consequence of this is that firms holding trade secrets adopt less-efficient and more restrictive approaches of protection, such as hiring only family members or paying wage premiums to prevent employee movement. 92

Therefore, it is desirable to strengthen trade secrets law by addressing the implementation of law issues and by increasing the means of lawful use, disclosure and acquisition for a social benefit. It is submitted that the existence of a robust and effective law would promote sharing of trade secrets with broader circles of contacts which may lead to follow-on innovations. 93 This, in turn, would result in increasing knowledge spill-overs which is essential for economic development and follow-on innovations.

Moreover, it is uncertain whether the corpus of trade secrets law embraces the societal, economic and political values of Sri Lanka which contributed towards designing the public policy of the country. For instance, historically, altruism, based on Buddhist philosophy, is one of the values that is rooted in the Sri Lankan society. Sabbe saṭṭhā baṇāthu sakhīhathāwā or ‘wishing the welfare and happiness of all beings’ is one of the inseparable values in Sri Lankan Buddhist culture. As stated in the Karaneeya Metta Sutta, as a mother will guard her only child with her life, let the child extend unboundedly his/her heart to every living being. Therefore, societal values such as ‘giving or desire to do so’, ‘empathy’ and ‘non-expectation of anything as reward’ are incorporated into Sri Lankan Buddhist culture. This scenario suggests that the trade secrets regime in a Sri Lankan setting needs to be more attuned to the public interest considerations in light of the societal values which

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88 Ibid.
89 There can be exceptions such as revealing the ingredients keeping the process as a secret and vice versa.
90 Elizabeth A. Rowe and Sharon K Sandeen (n 28) 52.
93 As has been mention in the previous section, there is no proper mechanism in preserving secrecy during the trade secrets litigation which discourages the aggrieved parties to seek a legal redress.
95 Ibid.
promotes ‘wellbeing of all’, rather than the capitalistic idea of ‘individual wellbeing based on profit maximisation’.

Moreover, in terms of political and economic ideologies, Sri Lanka is recognised as a Democratic Socialist Republic. Therefore, ideologically, it is supposed to have a socially or collectively owned economy, along with the politically democratic system of governance. Egalitarianism or equitable social order is an important component of such an economy which enunciates that the true democracy can hardly thrive in a society with great extremes of wealth and poverty. Arguably, therefore, a trade secrets system which encourages the dominance and profit maximisation of trade secrets-owned companies does not fit into this economy. Whereas survival of the fittest and giving scant attention to those left behind is the reality in capitalist economies, socialist countries believe that collective survival and society take precedence over the economic rights of one person. However, the trade secrets regime which promotes the non-disclosure for an infinite time at a glance does not serve this purpose. Thus, it can be pointed out that the existence of trade secrets regime as one of the most significant IP rights in the country reflects a discrepancy in terms of Sri Lanka’s political-economic ideology.

Therefore, it is doubtful whether trade secrets law policy which is based on the western or industrial world’s societal values and political-economic ideologies serves the purpose of public policy or the public interest of Sri Lanka. Hence, there is a need to reformulate trade secrets legal policies so as to address home-grown public interests and societal considerations. Since there is no restriction or specification by the TRIPS agreement on the legal measures of trade secrecy, such a reformulation can be done through domestic law. In fact, TRIPS proposes a minimalist approach allowing countries to have their own standards, while ensuring the basic standard suggested by the TRIPS.

Thus, it is desirable for Sri Lanka specifically to include lawful means of disclosing, using and acquiring trade secrets into its laws. For instance, whistle-blowers’ and media’s good faith revelation of trade secrets for public benefit should be allowed. If they are revealing an illegal activity conducted under the blanket protection of trade secrets; or environmental or public health harms of particular trade secrets, such disclosures should be considered legal. It may also be desirable to have a system like ‘compulsory licensing’ in the trade secrets regime in Sri Lanka enabling the government to allow reproducing the protected product or process without the consent of the trade secrets holder, if the societal needs force the government to do so. In a context where the trade secrets regime has spread in a wide range of spectrum of the intellectual property protection, it is perhaps imperative for Sri Lanka to include such an exception. Nonetheless, this should be enforced carefully in exceptional circumstances. For instance, this may be significant if any essential medicinal product or process is protected as a trade secret. It is further noted that these circumstances should be defined and stated clearly as lawful ways of using, disclosing and acquiring trade secrets without allowing an exploitation of the system.

5. CONCLUSION

The trade secrets regime plays a significant role in today’s context in general and particularly in Sri Lanka. A significant nature of the Sri Lankan economy and innovation culture is that the existence of SMEs which rely on the trade secrets regime to protect their minor innovation and other technical or commercial information. Sri Lanka has TRIPS-compliant-legislation in protecting trade secrets. However, it is argued that it follows a TRIPS-plus approach as it provides for a detailed-provision, including a precise definition with examples; ways of misappropriation of trade secrets; and more importantly criminal aspects of the issue. This paper identifies two main enduring problems in Sri Lankan trade secrets law; namely, non-availability of provisions for the preservation of the confidentiality of trade secrets during the trade secrets litigation; and its silence on addressing the public interests issues and the socio-economic values. This paper recommends including clear legislative provisions on the protection of trade secrets during court proceedings and introducing lawful ways of use, disclosure and acquisition of trade secrets in good faith. Nevertheless, it is submitted that further extensive research is required prior to implementing such a proposal. It may be desirable to address these issues in separate legislation as including these in general IP legislation may bring about further complexities. This is perhaps a pertinent suggestion considering the diverse nature of trade secrets compared to other IP rights and the existence of multiple legal regimes in trade secrets law. Further, it is perhaps a worthwhile movement considering the heavy reliance on trade secrets law in Sri Lanka.

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87 See Chapter VI- Article 27 of the Constitution: Directive Principles of State Policy and Fundamental Duties. Article 27 states that ‘the State is pledged to establish in Sri Lanka a democratic socialist society, the objectives of which include - (2) b ‘the promotion of the welfare of the People by securing and protecting as effectively as it may, a social order in which justice (social, economic and political) shall guide all the institutions of the national life.’ According to Article 27 (7) and (8) ‘the State shall eliminate economic and social privilege and disparity, and the exploitation of man by man or by the State’ ; ‘the State shall ensure that the operation of the economic system does not result in the concentration of wealth and the means of production to the common detriment’. Article 27 (1) mentions that ‘the Directive Principles of State Policy shall guide Parliament, the President and the Cabinet of Ministers in the enactment of laws and the governance of Sri Lanka for the establishment of a just and free society.’
Lanka and the global movements that have occurred towards robust trade secrets laws.

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HARMONIZATION BETWEEN COPYRIGHT PROTECTION AND DESIGN PATENT PROTECTION IN CHINA

Wejun ZHANG

Abstract: For a long time China has followed the policy of not providing copyright protection for protection for works of applied art in order not to provide industrial designs with overlapping protection as it provides design protection under the patent law. The traditional way to distinguish an artistic work from an industrial design is by the separability criterion. But this criterion is not a suitable solution when used for distinguishing the works of applied art and artistic works. The best way is to make an exception for industrial exploitation of artistic works, graphic works and model works to follow the British copyright law, which grants only twenty-five years copyright protection for such industrially exploited works. If the duration of design patent protection can be extended to twenty-five years - which is the duration of copyright protection for works of applied art - it can not only minimize the negative effect that the overlapping protection may have on the industrial design system, but also save a lot of trouble in distinguishing between industrial designs and works of applied art, thus making China’s intellectual property system much more harmonious.

Keywords: design; applied art; patent; copyright; duration of protection

1. INTRODUCTION

Works of applied art are usually protected by copyright law and industrial designs are protected by the industrial design law or patent law but these are overlapping concepts. Countries could protect applied art and industrial designs in two different ways. The first way is to accept the cumulative protection under both copyright law and design law, as most of the industrial designs can also be protected under copyright law. This is the case for example, in the French system. The second way is to avoid extending copyright protection to commercialized industrial designs. This is the case for example in the American, German and UK copyright laws. This paper will discuss the Chinese approach to minimize the overlap between copyright and industrial design.

2. MINIMIZING THE OVERLAP IN USA, GERMANY AND UK

Countries have used different approaches at different points in time to avoid the overlap in protection between copyright and industrial design.

2.1 US: Separability Criterion

The American Copyright Act generally did not, in the past, provide copyright protection for industrial designs. The standard for copyrighting applied art was whether “the shape of a utilitarian article incorporates features such as artistic sculpture, carving or pictorial representation, which can be identified separately and are capable of existing independently as a work of art.” This is the “separability” requirement that existed in the past in the American copyright law, which the Copyright Office used based on a then-current Italian approach.

2.2 Germany: Individuality & Level of Creativity

Both works of applied art and illustrations of a scientific or technical nature can be protected under the German copyright law. The personal intellectual creation is required by Art. 2.2 of the German copyright law for all works. Thus, an individuality test is used in Germany, which means that a work is not merely protected because it represents the author’s original effort but because it shows traits of his personality or individuality. The German law required a certain level of individuality or creativity, especially in the field of applied art. This level had traditionally been high with respect to aesthetic (not functional) design (the so-called “Geschmacksmuster”). German law until recently granted copyright protection to objects of design (“applied art”) only if these objects were attributed artistic quality substantially above what the ordinary designer is able to produce. Mere design therefore received industrial design protection only.

2.3 UK: Exception of Industrial designs exploited before 2016

The UK copyright law also protects works of applied art. But a work will only qualify as a work of artistic craftsmanship if it has an element of real artistic or aesthetic quality. It is important to note that a graphic work (including drawings or plans) is protected irrespective of artistic quality. This has been used to expand the types of subject matter (as distinct from the quality of subject matter) protected as artistic works. More problems arise when objects exclusively commercialized for industrial purpose are protected as artistic works. In recent years, however, the courts have been more willing to use a general sense of what is meant by art to limit the scope of protectable works. At the same time, the now repealed section 52 of the Copyright Designs and Patent Act (CDPA) 1988 was intended to limit the term of copyright protection to twenty-five years as regards artistic works which are

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1 37 C. F. R. §202. 10 (c)(1959).
3 Karl—Nikolaus Peifer, ‘Individuality or Originality? Core concepts in German copyright law’, GRUN Int., 2014, 1100 at 1101, 1103. This standard has recently abandoned by the Federal Court in the case referring to a wooden children play set under the name “Birthday Train (Geburtstagszug)”.
4 Cuisenaire v. Reed (1963) VR 719, 730.
used as the basis for designs which are put into mass production. By doing so, section 52 was intended to prevent copyright from providing a longer term of protection for industrially exploited designs than would be gained via registration as an industrial design. As such, its purpose was to regulate the boundary between the copyright system and the registered design regime. Thus the mechanism for minimizing the overlapping between copyright and designs was altered and the principle of non-accumulation was changed from asubject-matter exclusion to a defence (or exception). Prompted by an influential ruling of the Court of Justice of the European Union in 2011, the UK government felt that s52 was incompatible with the EU Copyright Term Directive and decided to repeal it. Accordingly, from 28 July 2016, all artistic works (whether industrially exploited or not) will have copyright protection for the life of the author plus 70 years.

3. DESIGN PATENT PROTECTION IN CHINA

Industrial design protection in China was initially stipulated in the patent law issued in 1983, according to which industrial designs can obtain protection through registration. In addition, they could also be protected under the copyright law. Though the copyright law issued in 1991 does not specifically provide that works of applied art can enjoy copyright protection, foreign works of applied art are entitled to such protection under international law. Besides, in Chinese court decisions, some works of applied art are often deemed fine arts and protected under copyright law. In general, industrial designs could obtain protection in China.

However, the protection accorded to industrial designs by the patent law and to artistic works by the copyright law overlap with one another. China’s IP system tries to minimize the cumulative protection for the same subject matter, and especially tries to avoid copyright protection for industrial designs. On the one hand, China’s copyright law does not list the works of applied art as copyrightable subject matter. Thus only the patent law provides protection for new designs of industrial products that are an aesthetic feature of those products. On the other hand, industrial design protection does not extend to mere images irrelevant to the product, which can only seek protection under copyright law, if they fall into the category of fine arts, calligraphy or photography.

3.1 Subject matter for protection

“Design” as mentioned in the patent law means any new design of a product’s shape, pattern or a combination thereof, as well as its combinations of colour and the shape or pattern of a product, which is aesthetic and is capable of industrial application.

Industrial design involves such design elements as shape (usually three-dimensional), pattern (usually two-dimensional) and colour or a combination thereof. Shape refers to the design of the moulding of a product, namely the structure and appearance of a product. Pattern means the figure constituted on the surface of a product, but design protection does not extend to mere images irrelevant to the product, which can only seek protection under the copyright law, if they fall into the category of fine arts, calligraphy or photography. Generally speaking, the colour of a product alone cannot be called industrial design, unless it is combined with a shape and/or a pattern or the change per se has formed a pattern. For example, the arrangement of many coloured pieces may constitute a pattern as seen in the guidelines for examiners issued in 2010 (hereinafter Guidelines 2010).

Though not defined in the patent law, “products” such as handicraft items, agricultural products, livestock products and natural products, which cannot be produced repeatedly, shall not be the carrier of designs, as the patent law requires all protectable designs be capable of industrial application. Thus, the “products” listed below are definitely excluded from the patent protection prescribed in the Guidelines 2010:

(1) Any product that cannot be repeatedly made. For example, any fixed building, bridge and the like which depends on their specific geographic conditions and natural products as well.

(2) Any product which has no fixed shape, pattern or colour because it contains the substance which has no fixed shape, such as gas, liquid or power.

(3) any component part of the product which cannot be partitioned or sold and used independently, such as the heel of socks, the peak of a hat, the handle of a cup, and so on;

9 The definition has remained unmodified since the Implementing Regulations of the Patent Law was published in No. 306 decree issued by the State Council on June 15th, 2001. Before 2001, “design” in the Patent Law means any new design of the shape, pattern, colour, or their combination, of a product, which creates an aesthetic feeling and is fit for industrial application.
12 Handcraft items which can be produced repeatedly are eligible for design protection.
(4) in the case of any product consisting of several component parts which have different shape or pattern, if each component part itself cannot be sold and used independently, such component part is not the subject matter under protection of the patent for design. For example, a jigsaw toy consisting of plug-in pieces of varied shape is a patentable subject matter only when one application relating to all the pieces is filed;

(5) Any product which cannot be perceived by the visual sense or be determined with the naked eye, and the shape, pattern or colour of which has to be distinguished by means of specific instruments, for example, a product whose pattern is only visible under an ultraviolet lamp.14

According to the Guidelines 2010, “the pattern shown when the product is electrified” is ineligible for design patent right so that the pattern on the electronic watch dial, the pattern on the screen of the mobile phone, software interface and the like are not the subject of design protection.15

However, on March 12th, 2014, the SIPO issued the Decision on Amending the Guidelines for Patent Examination, allowing a product design, e.g. a GUI/Icon, either a stationary pattern or a dynamic pattern, to be registered as design patent. This removed obstacles to granting design patents to software interfaces. The amended Guidelines have, nevertheless, barred patterns shown in game interfaces, as well as product display devices that have nothing to do with the human-computer interaction or realization of a product function, from being registered as design patent. Therefore, graphic layouts of electronic screen wallpaper, start up and shutdown animations, and web pages and the like are still excluded from design protection.16

It should be noted that in the Guidelines 2010 a GUI/Icon is deemed as a partial design i.e. design of a portion of a product, rather than an independent product. Thus, an applicant, while filing an application for design patent, is required to submit the drawing or photograph of the whole product, because China’s patent law does not provide for the granting of patent protection for partial designs.17 In this case, partial designs can only seek protection by adhering to the whole product incorporating it. Hence, the act of partial copying of a design may not be found to be an infringement easily, unless this part of a design occupies a prominent position in the whole product.

This deficiency makes it difficult to seek legal protection for the improvement of partial designs. In order to avoid this problem, the patent law 2008, though insisting on not offering protection to partial designs when it was amended, tried to get a remedy this deficiency by making some modifications in two aspects. First, where an application for a patent for design is filed, a brief description of the design,16 used for interpreting the design incorporated in the product as shown in the drawings and photos,17 must be submitted so that the characteristic features of the design, as shown in the drawings or photos, can be illuminated and determined. Thus, in the trial of a design infringement case, the court can focus its attention on the essence or key points of the design. Those who have copied these key points will find it hard to avoid infringement liability. Second, a patent application for two or more similar designs, ten at most, of the same product may be filed as one application,20 so that the applicant may resolve some innovations in the design of the product into several designs which may obtain protection at the same time. In this way, infringement can be effectively prohibited.21

Pursuant to the Guidelines 2010, as far as a design with a three-dimensional product is concerned, if the essential features of the design incorporated in the product involve the view of one side or several sides only, with the view of the other sides omitted, the applicant shall submit orthographic projection view and space diagram of the side/sides concerned. Besides, it is still necessary to submit a three-dimensional picture of the design incorporated in the whole product and indicate the reason of the omission of the view in the brief explanation.21

In this regard, Yin Xintian, former Director General of the Department of Legal Affairs of the SIPO, holds that the above-mentioned stipulations in current patent law are adequate to meet the need for partial design protection and in order to avoid pushing it to the extreme, we need to think carefully about whether to grant protection to partial designs.23

Pursuant to Article 2 of Draft Amendment to the Patent Law for Review, released by the SIPO on December 2

17 The Guidelines 2010, section 7.4, chapter 3, part I, Chinese version Page 83, English version Page 99-100. In accordance with the Guidelines 2010, the designs listed as follows are ineligible for design patent protection: (1) any component part of a product which cannot be partitioned or sold and used independently; (2) in case of any product consisting of several component parts in different shape or pattern, if each component part itself cannot be sold and used independently, such component part is not the subject matter under protection of design patent.
23 See n. 21, 654-6.
2015, the definition of design has covered the design of a portion of a product, the purpose of which is mainly to curb the act of copying partial designs of a product or products by simple combination and substitution. Once the proposed modification is adopted in the patent law, Item 3 and Item 4 in Article 7.4 of the Guidelines 2010 will be subjected to omission or modification accordingly. Hence, the scope of protection can be extended to a product or component parts of a product that cannot be sold or used independently. However, according to Item 5 in Article 7.4 of the Guidelines, component parts of a product shall not obtain design patent protection unless it can be perceived by the visual sense of the user in ordinary use.

The SIPO takes a negative attitude to granting design protection to typefaces. Though the Guidelines 2010 do not explicitly exclude the appearance or typefaces of words and numbers from design protection, in practice, the SIPO has never deemed typographic typefaces patentable. So far there have not been any examples of granting design protection to typographic typefaces. The main reason lies in the fact that though the Chinese character “bb” (Chan-Ping) has been translated into a “product” in the official English version of the Guidelines, it does not mean that “product” is different from “article” in meaning. Hence, in practice, according to China’s patent law, a patentable subject matter must be the design of an article. Since a typographic typeface does not look like an independent article, the design thereof cannot qualify for design patent protection but can turn to copyright law for copyright protection as a work of calligraphy or fine arts, as it is aesthetically creative.

Irrespective of its shape, any two-dimensional product shall be deemed to be a design of patterns, colours or the combinations thereof. Where two-dimensional products refer to printed goods, for example, wine bottle labels or food wrapping paper, not serving merely as ornamental design, but mainly as indicators of the source of goods, no design patent right can be granted largely in order to avoid overlapping protection of two-dimensional designs. So printed goods indicating the source of goods can be protected under Trademark Law or Anti-Competition Law, whereas designs of wall paper and textile patterns can still be granted patent rights.

3.2 Duration of Protection

Since the Paris Convention does not prescribe the duration of design protection, in China’s patent law 1984 it is provided that the duration of patent right for designs shall be 5 years and patentees can be expected to prolong its duration by another 3 years by filing an application before the expiration of its duration. Thus, the duration amounts to 8 years. During the amendment of the patent law, considering that in the TRIPS Agreement, negotiated at the end of the Uruguay Round of multilateral trade negotiations under the GATT, the duration of industrial design protection available must amount to at least 10 years, it was provided that the duration of patent right for designs shall be 10 years in Article 45 of China’s patent law 1992. However, there was no provision for further prolongation.

On the other hand, during the amendment of the patent law in 1992, one fact was missed that the copyright law 1991 did not grant copyright protection to works of applied art. Therefore, if works of applied art were granted protection only under the patent law, 10 years was still far from enough, because, as provided in the Berne Convention, the duration of protection should be at least twenty-five years. Besides, questions arose as to how works of applied art would be protected if they were not registered as design patents. This, in particular, did not conform to the requirement regarding works of applied art in the Berne Convention, namely that if no such special protection is granted in that country, such works shall be protected as artistic works (emphasis added).
There is evidently some bias against Chinese nationals applied art in so far as they are protected as artistic works; and models; however, if no such special protection is granted in such special protection as is granted in that country to designs. Works protected in the country of origin solely as designs and thus enjoy the shorter term of protection for works of applied art, which is twenty-five years, and that for artistic works, which is 50 years after the death of the author. Chinese judges will have to work out standards to distinguish designs, works of applied art and artistic works, which is probably a demanding and challenging task that the judges in other countries have not needed to do.

In any case, after works of applied art officially become the subject matter of protection under China’s copyright law, it is necessary to eliminate the difference between the term of protection for works of applied art and that for industrial designs. If the duration of design patent protection can be extended to twenty-five years as the duration of copyright protection for works of applied art, it will save a lot of trouble in distinguishing industrial designs and works of applied art, thus making the system of China’s intellectual property much more harmonious.

4. COPYRIGHT PROTECTION FOR APPLIED ART IN CHINA

4.1 Development of protection for applied art

As noted earlier, Art. 5(9) of the draft of third amendment of China’s copyright law has added works of applied art as a copyrightable subject matter in China whether it is from a domestic or from a foreign creator. It seems that the Chinese law has given up the non-accumulation policy of protection and changed to a system where artistic designs may be protected both in copyright law and in patent law. But the most important point is that, according to paragraph 3 of Article 29 of the draft Act, the term of protection accorded to works of applied art is only twenty-five years, which is the same as that described in the decree of “Implementation of International Copyright Treaties” for foreign creators.

This means that even if artistic designs are protected...
under China’s copyright law in the near future, they still enjoy a different level of protection from that of the works of fine art.

It is correct that the artistic designs are protected as a work of applied art in the copyright law. The shorter term of copyright protection is also a better choice for commercial industrial designs, even though they have aesthetic or artistic significance. Therefore, the draft of the third amendment of China’s copyright law likely finds a good approach to minimize the cumulative protection for the applied arts and designs and models. But there are still some deep-seated and unresolved problems in such an approach.

4.2 Separability criterion

The draft of the third amendment gives a broad definition of works of applied art. It refers to two or three dimensional shapes of artistic works with both utility features and aesthetic significance such as toys, furniture and jewellery and so on. This definition combined with the separability criterion may give rise to some problems.

Chinese courts have traditionally protected applied art as a work of fine art if its aesthetic significance can be separated from the utility feature (for example, beautifully designed wall paper). It is not clear whether such applied art can still be protected as an artistic work and enjoy the longer-term protection under the new draft copyright law. If the answer is yes, while another work of applied art that does not meet the requirement of separability (for example, vases with beautiful shape) can only be protected as a work of applied art and thus enjoy the shorter-term protection, it will result in different terms of copyright protection in China for works of applied art. This does not appear to be reasonable.

Worse still, the standard of the separability test is not actually clear enough to decide what a work of applied art is. The American scholars often criticize the “separability” criterion as being unclear, impossible to carry out, arbitrary, and subject to manipulation. While the physical separation test reflects a narrow, literal interpretation of the statute, the conceptual separation test is broader and it has enabled the courts to circumvent the legislative intent and to withhold the copyright protection given for artistic works (fine art) from industrial designs. The separability criterion is problematic from both a practical and theoretical point of view. For example, can a vase with beautiful shape be conceptually separated from the object? According to the explanation of the National People’s Congress (NPC), if it is not capable of being separated, it can only be applied art. Thus it cannot be protected as artistic works (fine art) and enjoy the longer-term protection. But some courts may think that it can be conceptually separated and may be protected as artistic works. Such contradictions may arise in interpreting the amended law.

In fact, even applying the separability criterion as learned from past US practice, it has a different function in China. The American courts used it as a standard to decide whether a design can be protected under the Copyright Act, while the Chinese courts use it as a standard to decide whether a design is an artistic work or a work of applied art. A design not meeting the requirement of the separability criterion would have been excluded from copyright protection altogether in the US. Though it sounds reasonable, when China’s copyright law does not protect the works of applied art, it has the same result as under the past American law. This means in effect, “no separability, no copyright protection”. But the answer will not be the same as in the past American Law even after China’s copyright law protects works of applied art as it means that both the separable artistic works and the un-separable works of applied art enjoy copyright protection in China. If the works of applied art (not meeting the requirement of separability) will also be protected in the copyright law, avoiding the overlap between copyright law and patent law will become a problem. Maybe the requirement of artistic quality or level of creativity has to be added to the works of applied art in order to exclude the design without artistic quality or creativity to enjoy the copyright protection.

4.3 The requirement of artistic quality or level of creativity

In practice, even when China’s copyright law excluded the protection to applied art which does not meet the requirement of separability, some Chinese courts still tried to protect such designs as artistic works if, in their judgement, it met the requirement of originality. For example, in the case JIN-YING Furniture Company v. CHANGFENG Furniture Company, GUILIN Intermediate Court held that the furniture with a unique shape designed by the plaintiff could be protected as an artistic work as it was an original design.

In the above case, neither the separability criterion nor the level of creativity or artistic quality was considered. If this judgment is followed by other courts in China, there will be no difference in protection between artistic works and works of applied art. Thus the shorter-term protection for the applied art will be meaningless in China. Though we agree that the separability should not be a requirement to protect artistic designs under copyright law, such protection should not extend to any industrial design and therefore new requirements, such

38 Id. su.
39 Paul Goldstein, Copyright, Principle, Law and Practice, Little Brown and Co.,1989, §2.5.3(b)-(C)

40 GUILIN Intermediate Court supported the copyright protection to furniture, at SIPO Website : http://www.sipo.gov.cn/albd/2012/201203/120120308_649006.html. 8 March. 2012.
as artistic quality (like in British Law) and level of creativity (like in German Law), should also be added to consistently realize the shorter-term protection for the works of applied art in China.

In the case of LEGO AG v Xiao-Bai-Long Co.,\(^{41}\) the Supreme Court ruled that, "This design does not give the toy building blocks involved enough aesthetic uniqueness, accordingly, the toy building blocks do not meet the requirements of originality for copyright protection to the artistic work". From this ruling, we can conclude that the work of applied art must meet the requirement of artistic or aesthetic quality to enjoy the copyright protection. While the Chinese Supreme Court did not use the separability criterion but required aesthetic quality in the LEGO case, the meaning of aesthetic quality is not clear. We find that neither artistic quality nor level of creativity are clear standards to separate works of applied art from industrial designs in China.

4.4 Protection for a graphic work

Copyright was permitted to subsist in drawings even though those works had been, or could be, registered as designs. China's copyright law also protects “Graphic works such as diagrams of project design, drawings of product design, maps and sketches as well as works of their model” \(^{42}\) without the requirement of artistic quality. Thus, some designs cannot enjoy protection as artistic works but can enjoy the protection as graphic works or model works in China.

For example, in the case of JIAN-SHI Fighter\(^{43}\), the Beijing High Court ruled that the design of the shape of JIAN-SHI fighter is not an artistic work (fine art) because it did not meeting the requirement of separability, but it was found to be a copyrightable three-dimension representation of the fighter because it was original.\(^{44}\) According to this judgment, even such designs that merely serve as a blueprint for construction purposes, are protected under copyright. This will lead to cumulative protection of copyright and design patents.

Problems arise when objects exclusively used for an industrial purpose to achieve commercial ends are cumulative protection of copyright and design patents.

However, UK copyright law found a solution to minimize this overlap. As noted earlier, section 52 of the CDPA 1988, now deleted, continued the policy - until recently - of one that was introduced in 1956 of providing a defence where a copyright work had been “applied industrially”. That is to say, where copies of an artistic work, with due authorization, have been industrially made (i.e. more than 50 copies have been made) and then marketed, protection ends after the end of twenty-five years in which the licensed copies were first marketed. Thus it is not an infringement to copy such an artistic work so as to “make articles of any description” and indeed, “anything may be done in relation to articles so made, without infringing copyright in the work. Section 52 is, in substance, a limitation on the term of protection for copyright (only twenty-five years’ protection). After that term lapses, the remaining copyright can only be asserted against copyright other than on the articles.

Although China’s copyright law also tried to limit the term of protection for works of applied art to twenty-five years, it is very difficult to judge what kind of design belongs to a work of applied art but not to an artistic work. The now deleted section 52 of CDPA 1988 may be a better way to limit the term of protection for industrial design, although it can also be protected as a work of applied art because it is easy to find out that whether a work has been industrially applied to an article or not.

5. CONCLUSIONS & SUGGESTIONS

For a long time China had followed a policy avoiding copyright protection to industrial designs as it did not protect works of applied art and most creators of designs would seek design (patent) protection. Even if the copyright law will now protect both foreign and domestic works of applied art, the legislators do not want to provide the same term of protection as for other artistic works, but only twenty-five years to meet the minimum requirements of the Berne Convention. This policy is generally reasonable and acceptable.

But the specificities of this Chinese policy have also brought to the fore some difficult problems in rule making and in implementation. Since China’s copyright law only gives works of applied art a shorter term of protection relative to other artistic works, it is important to distinguish the works of applied art and artistic work clearly. Certainly it is also important to distinguish the works of applied art and industrial design. The traditional way to distinguish applied art and industrial design is the separability criterion, which was earlier applied in the US. Even after works of applied art are protected by China’s copyright law, this criterion would not help distinguishing between these two types of works. The requirement of artistic quality in British law, or the level of creativity should also be considered in the
copyright protection for applied works of art in order to exclude copyright protection for the works without artistic quality or certain level of creativity. As to the technical drawings or models for a product, the so-called graphic or model works in China, it is impossible to only give them twenty-five years protection like the applied art which is allowed by the Berne Convention; it is also not reasonable to say that three-dimensional copying of the technical drawing is not an infringement of the exclusive right of reproduction.\textsuperscript{45} The best way is to make an exception to copyright protection for industrial exploitation of the graphic works and model works, like the British law did until recently, where only twenty-five years copyright protection is given for such industrially exploited works.

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\textsuperscript{45} It is a popular idea within the Chinese scholars.