

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Negotiating Group on Trade-Related Aspects
of Intellectual Property Rights, including
Trade in Counterfeit Goods

STANDARDS AND ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

Communication from the Republic of Korea

The following communication has been received from the Republic of Korea with the request that it be circulated to members of the Negotiating Group.

Pursuant to the decision on trade-related aspects of intellectual property rights, including trade in counterfeit goods, adopted by the Trade Negotiations Committee on 8 April 1989, the following views were expressed by the Republic of Korea to the Negotiating Group.

I. INTRODUCTION

It is quite clear that the purpose of the TRIPS negotiation is to clarify GATT provisions and elaborate as appropriate new rules and disciplines to reduce the distortions and impediments to international trade, to promote effective and adequate protection of IPRs and to ensure that measures and procedures to enforce IPRs do not themselves become barriers to legitimate trade.

This paper reflects various views which have already been expressed and discussed in the Negotiating Group and is focused on a balanced approach between protection of IPRs and the use of IPRs, rights and obligations of the owner of IPRs. In the course of negotiations, the priority should be given to seek the fullest participation possible, considering the difficulties of harmonization of all participants' interests in an international agreement. If the agreement does not take into account each country's different interests including different levels of development in the fields of IPRs, it will be very hard to expect full participation and then, the trade distortion problems in this field would still remain.

To achieve the purpose of these negotiations, to remove trade distortions in IPRs, the following general principles may be considered:

1. The existing international agreements should be fully considered;
2. Protection of IPRs and the use of IPRs should be balanced;
3. Due consideration should be given to the public policy objectives underlying in each national system;
4. Reasonable transitional agreements and procedures of transfer of technology should be allowed for the adjustment of each participating country's domestic regulation, especially in new areas for which there exists no international agreement.

Korea also emphasized that during the negotiations, any unilateral or bilateral actions should be restrained in order to create a favourable atmosphere in the course of the negotiations for TRIPS along with the TNC decision, paragraph 6.

II. STANDARDS FOR THE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

1. Patents

1.1 Subject Matter for Protection

Patents should be granted for products and processes which are new, progressive and capable of industrial application. They include chemical and pharmaceutical products and micro-organisms.

The following inventions, however, should not be patentable:

- i) inventions liable to contravene public order or morality or to injure public health;
- ii) inventions of substances manufactured by nuclear atomic transformation process.

1.2 Term of Protection

The term of a patent should not exceed 20 years from filing.

1.3 Compulsory Licences

Compulsory licences should be allowed in order to facilitate technology transfer and to balance the patentee's interests and user's interests by preventing the patentee's abuse of his exclusive right. The standards and procedures for granting patents should be reasonably consistent with the Paris Convention.

Compulsory licences may be granted in the following cases:

- i) if a patented invention is required for national defence or public interest, a government should be allowed to use the invention or to let other persons use the invention;
- ii) if an agreement with a patentee or an exclusive licensee is not reached in the following cases, the government may grant a licence to a requestor:
 - where the patented invention has not been continuously applied in the country for three or more years except in a case of natural disaster or other unavoidable circumstance.
 - where the patented invention has not been continuously applied in the country on a considerable commercial scale for three or more years without any justifiable reason, or it has not satisfied the domestic demand to an adequate degree under reasonable conditions; and
 - where the the patented invention is of special need to the general public.

The provision (ii), however, should not apply unless four years have passed since the date of patent application for the patented invention.

- iii) if an individual creates an invention of considerable technical progress that utilizes a patented invention but cannot get a licence from the patentee or the exclusive licensee to use his patent, the government may grant a licence to the individual to use the patent.

A compulsory licence should be non-exclusive, and a patent owner should receive reasonable compensation.

2. Trademarks

2.1 Subject Matter for Protection

Companies should be permitted the freedom to choose the nature of their trademarks to the degree that the claimed distinguishing feature of the concerned trademark is necessary to distinguish similar products. Although trademark rights should be strongly protected, too broad an interpretation of the distinguishing shape and features of a trademark would limit the freedom of other competitors, and therefore all claims of distinguishing feature should be carefully scrutinized.

A trademark may consist of sign, word, design or combination thereof, that are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

- The term trademark should include service mark, collective mark and business emblem.
- Generic names of products may not be recognized as a trademark because such recognition would restrict the freedom of businesses.
- Trademark rights should not be granted for the marks which are contrary to public order or to morality.

2.2 National Registration System

Trademark rights should come into existence upon their registration, and prior use of trademarks should not be a pre-requisite to registration.

- Other interested parties can file against the registration within 30 days from the announcement of the registration application.

2.3 Protection of Well-Known Marks

Well-known trademarks should be protected regardless of whether they are registered in the concerned country.

- In order to be protected, whether the trademarks are well-known in that country also should be considered.

2.4 Term of Protection

The term of trademark right should be 10 years from the date of its registration and renewable indefinitely in 10 year increments when conditions for renewal have been met.

The registration of a trademark should be cancelled after one to three years of non-use. Non-use due to import prohibitions or other government laws and regulations should be considered justified non-use.

2.5 Compulsory Licences

No compulsory licensing of trademarks should be imposed, and the transfer of trademarks shall not be restricted.

3. Industrial Designs

3.1 Subject Matter

Industrial designs which are new, original, aesthetic, and capable of industrial application should be protected upon registration.

3.2 Term of Protection

The term of protection should be less than 8 years because the life cycle of industrial designs is short and longer protection of designs which are easily made may hinder free economic activities.

- Most industrial designs last no more than five years in Korea, because the licensees do not pay the required fees for the continuation of design right.

4. Copyright

4.1 Subject Matter for Protection

All original literary, artistic and scholastic expressions should be protected.

Copyright protection should extend to computer programmes and data bases in addition to traditional creative works.

The standard for the protection of copyrights should be at the level of the Berne Convention, and participation in the convention should be decided by each country.

4.2 Rights Conferred

Rental rights which are not prescribed in the Berne Convention should be decided by each country.

4.3 Conditions of Obtaining Protection

A copyright should originate from the time a work of authorship is completed and does not require fulfillment of any procedures or formalities.

4.4 Limitations

Restrictions on copyright should be confined to those of the Berne Convention.

Whether copyright protection is allowed when the protection of a work is requested in a country where the work is in the public domain, but not in the public domain in the country of origin, should be decided by each country, as under clause 18, item 3 of the Berne Convention.

4.5 Term of Protection

The term of copyright protection should be, in principle, the life of the author plus 50 years.

5. Neighbouring Rights

The protection of certain neighbouring rights concerning rights of access to the original work should be granted only to live performers, record companies and broadcasting businesses for 20 years, as under the Rome Convention.

Exceptional measures on neighbouring rights should follow the provisions in the Rome Convention.

6. Integrated Circuits

Since the layout-designs for integrated circuits have become important with the development of high-tech industry and disputes related with layout-designs have become significant, we recognize that proper protective standards should be prepared.

The Treaty on Intellectual Property in Respect of Integrated Circuits, under the auspices of WIPO, should be fully taken into account when making the new arrangement on the protection of layout-designs for integrated circuits.

7. Geographical Indications

Effective protection for geographical indications should be provided by disapproving the registration of trademarks using well-known geographical names and by prohibiting the use of false indications of geographical origin.

III. ENFORCEMENT PROCEDURES

1. Types of Procedures Required

The administrative and judicial costs of protecting certain rights vary according to the development level of administrative and judicial systems. Optimum method of protecting certain rights for a country also depends on its administrative and cultural background. Hence, the concrete enforcement procedures should be decided by individual countries. In the agreement, only the general guidelines (e.g. responsible authorities, the possibility of imprisonment and fine) which may give concrete directions for the domestic laws should be listed.

Governments should provide effective administrative and judicial procedures to prohibit the production and the trade of products infringing intellectual property rights and to compensate for losses accrued to holders of rights concerning infringed products.

Governments should also provide concrete measures to prevent the above procedures themselves from becoming barriers to any legitimate trade.

2. Procedural requirements

Standards for protection of intellectual property rights, procedures for obtaining such rights, and dispute settlement procedures should be transparent.

The same substantive standards for determining whether an enforceable intellectual property right exists and whether it has been infringed should be applied equally to imported products and locally produced products. For that, enforcement procedures should be made available both at the border and internally.

Holders of intellectual property rights are responsible for submitting evidence when they file a lawsuit claiming an infringement of the rights.

3. Civil Remedies

Civil remedies include the following:

- preliminary and final orders to cease infringing activities;
- damage claims;
- measures for recovery of goodwill.

4. Criminal Sanctions

Criminal sanctions include the following:

- seizure of infringing goods, materials and implements used for their production, and forfeiture of such articles;
- imprisonment of and monetary fines imposed upon the infringer.

5. Procedures Related to Border Measures

The regulations of customs offices vary from country to country. Since the arbitrary discretion of customs offices may hinder legitimate trade, it is necessary to make explicit the customs offices' authority and responsibilities.

6. Indemnification of Defendant

Measures to prohibit the indemnification procedures which themselves can become barriers to any legitimate trade should include the following:

- limitations on the settlement period;
- requirements that the complainant place money on deposit;
- requirements providing sufficient compensation when defendants are acquitted;
- provisions for the defendant to appeal judgements.