

BEYOND THE TEXT: THE SIGNIFICANCE OF THE ANTI-COUNTERFEITING TRADE AGREEMENT

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ABSTRACT

The Anti-Counterfeiting Trade Agreement (ACTA) aims to combat the proliferation of counterfeit and pirated goods ‘through enhanced international cooperation and more effective international enforcement’. Despite news reports and academic commentary to the contrary, the first part of this article demonstrates that the finalized version of the ACTA does not meaningfully enhance the international intellectual property (IP) law framework as it relates to international cooperation or international enforcement and therefore does not pose a substantial risk to the public or to domestic sovereignty. This is not to say that the ACTA does not have value; the second part of the article argues that the real significance of the ACTA lies not in its textual obligations but more in the effect it will potentially have as a starting point in multilateral and bilateral trade negotiations, as an alternative forum for IP rulemaking and on the ‘governance’ of international IP more generally.

I. INTRODUCTION

The Anti-Counterfeiting Trade Agreement (ACTA) aims to combat the proliferation of counterfeit and pirated goods ‘through enhanced international cooperation and more effective international enforcement’.¹ Plagued by a lack of transparency and borderline hysteria from some sectors of civil society, the negotiators to the ACTA also faced criticism from both trade and intellectual property (IP) lawyers, with the trade lawyers believing the

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¹ See Anti-Counterfeiting Trade Agreement, opened for signature 31 March 2011, (not yet in force), http://trade.ec.europa.eu/doclib/docs/2011/may/tradoc_147937.pdf (visited 9 March 2012), Preamble.

Agreement was misnamed, as the obligations contained in the agreement do not always directly relate to the import and export of goods and services (nor is it apparent that the aim of the agreement is to reduce barriers to the legitimate trade of IP-related goods and services),² and the IP lawyers insisting that trade negotiations are not the appropriate forum to determine domestic IP policy and standards.

The purpose of this article is not to debate the merits or criticisms of the Agreement. The existing literature is already comprehensive in this regard. Instead, this article aims to demonstrate that the ACTA's importance extends beyond the text and goes to the heart of international IP policymaking. In order to do so, the article analyses certain purported advances of the ACTA, and briefly compares these benefits against the existing legal framework of the Agreement on Trade-Related Aspects of Intellectual Property (TRIPS Agreement) and elsewhere. Having revealed that the Agreement fails to substantively build on the existing legal framework, the article argues that the importance of the ACTA lies not in its textual obligations but more in the effect it will potentially have as a starting point in multilateral and bilateral trade negotiations, an alternative forum for international IP rulemaking and on the 'governance' of international IP more generally. The article proceeds as follows: Section II introduces the necessary context of international IP and provides a brief overview of the ACTA, including its aims and objectives; Section III evaluates some of the textual commitments and purported advances contained in the ACTA; Section IV assesses the wider importance of the ACTA; and Section V concludes.

II. THE WINDING PATH TO ACTA

An assessment of the effects of the ACTA cannot begin with a direct analysis of the ACTA itself; instead, the process leading to the incorporation of IP rights (IPRs) into the World Trade Organization (WTO) via the TRIPS Agreement provides useful and necessary context to the state of international IP and to the process that led to the ACTA negotiations. Included into the multilateral trade regime as part of a larger effort to restructure the system (the so-called 'grand bargain'), the TRIPS Agreement is a by-product of numerous compromises and tradeoffs. Without such compromises and tradeoffs, it is highly unlikely that many developing countries would have agreed to the TRIPS Agreement as a standalone treaty; simply stated, most

² Notably, the text and obligations contained within the ACTA do not resemble a traditional multilateral, bilateral or regional trade agreement. Even IP lawyers notice the difference between the 'shape' of the ACTA and traditional trade agreements: Weatherall concludes: 'ACTA does not seek to facilitate or promote trade; it does not set pre-conditions for trade; and it does not remove barriers to trade. Therefore, its claims to be a trade agreement are weak at best'. Kimberlee Weatherall, 'Politics, Compromise, Text and the Failures of the Anti-Counterfeiting Trade Agreement', 33 *Sydney Law Review* 229 (2011), at 234.

observers believe the TRIPS Agreement favours larger, IP-exporting countries over IP-importing countries and in particular developing countries.³ Instead, developing countries traded away freedom in the area of IP protection and enforcement in exchange for the expectation of greater access for their textiles and agriculture in developed country markets.⁴

In more than 15 years since the advent of the TRIPS Agreement, it is apparent that a number of countries regret agreeing to the incorporation of IPRs into the WTO. This can be evidenced not only from events that have played out in front of the world media but perhaps more so from the actions and behaviour of leading developing country members (most notably Brazil and India) in the WTO and at the World Intellectual Property Organization (WIPO). In short, these countries oppose almost any expansion of existing IPRs and instead seek to minimize the effect of existing IPRs.⁵ At the same time, it is also now clear that developed countries (led by the United States, European Union, and Japan) did not achieve all that they sought in the Uruguay Round and are now attempting to raise the standards and provide for increased protection and enforcement of IPRs.⁶ Of particular interest to these countries has been the failure of the TRIPS Agreement to adequately protect against and curtail large-scale counterfeiting and piracy of IPRs. While the TRIPS Agreement succeeded in raising minimum standards of IP protection in every WTO Member, time has shown it to be less than effective at guaranteeing adequate levels of enforcement. However, given the sentiment of IP-importing developing countries against stronger IPRs, those countries pushing for stronger IP protection have been forced to seek increased levels of protection and enforcement not at the WTO but through bilateral or regional free trade agreements (FTAs) and regime shifting (and forum shopping) at the multilateral level.⁷

The TRIPS Agreement facilitates such attempts to raise minimum IP standards by allowing Members to apply higher levels of IP protection so long as the principles of most favoured nation (MFN) and national treatment (NT) are respected. Not only does this allow countries to adopt higher

³ See, i.e. Phillip McCalman, 'Who Enjoys TRIPS Abroad: An Empirical Analysis of Intellectual Property Rights in the Uruguay Round', 38 Canadian Journal of Economics 574 (2005).

⁴ See, i.e. Susan K. Sell, *Private Power, Public Law: The Globalization of Intellectual Property Rights* (Cambridge: Cambridge University Press, 2003) 165, 171, and 173.

⁵ See Jeffrey Atik, 'ACTA and the Destabilization of TRIPS', in Hans Henrik Lindgard, Jeffery Atik, and Tu Thahn Nguyen (eds), *Sustainable Technology Transfer: A Guide to Global Aid and Trade Development* (The Hague: Kluwer Law International, 2012) 121–145, at 122, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1856285 (visited 9 March 2012).

⁶ Although at the time, commentators believed these countries received most if not all of what they desired. See, i.e. Susan K. Sell, 'The Origins of a Trade-Based Approach to Intellectual Property Protection: the Role of Industry Associations', 17 Science Communication 163 (1995).

⁷ On forum shifting, see Laurence R. Helfer, 'Regime Shifting: The TRIPS Agreement and New Dynamics of International Intellectual Property Lawmaking', 29 Yale Journal of International Law 1 (2004), at 1.

standards of protection domestically, but also allows them to negotiate for higher standards in FTAs and other forums (so-called ‘TRIPS-Plus’). Furthermore, as the MFN clause in TRIPS (Article 4) states that any Member who grants ‘any advantage, favour, privilege or immunity’ to the nationals of *any* other country must accord the same treatment to the nationals of other TRIPS Members, TRIPS-Plus obligations assist in the process of recalculating and resetting international IP standards. Unlike Article XXIV of the General Agreement on Tariff and Trade, Article 4 does not exempt FTAs from the operation of MFN. In other words, the principle of MFN applies to FTAs. Thus, if enough FTAs are negotiated containing similar TRIPS-Plus provisions, these provisions could become the new minimum standard from which any future WTO negotiating round proceeds.⁸

TRIPS-Plus provisions extending rights and protections in all areas of IP appear in almost every comprehensive FTA involving a developed country party and also frequently appear in bilateral investment treaties (BITs).⁹ In most cases, these provisions restrict or eliminate flexibilities existing in the TRIPS Agreement. Provisions affecting IPRs also appear in other specialist multilateral agreements, most controversially the ACTA.

Building on a Japanese proposal for a ‘Treaty on Non-Proliferation of Counterfeits and Pirated Goods’ made in late-2005, the ACTA is a plurilateral agreement negotiated by 37 countries (Australia, Canada, EU (27 Member States), Japan, Mexico, Morocco, New Zealand, Singapore, South Korea, Switzerland, and the USA),¹⁰ which purports to enhance international cooperation regarding both the civil and criminal enforcement of IP and to establish a new best practice enforcement framework in order to better combat global counterfeiting and piracy.¹¹ Covering enforcement

⁸ Peter Drahos coined the term ‘global ratchet’ for IPRs. Peter Drahos, *Expanding Intellectual Property’s Empire: the Role of FTAs* (2003), at 7, <http://www.grain.org> (visited 9 March 2012). See Bryan Mercurio, ‘TRIPS-Plus Provisions in Regional Trade Agreements’, in Lorand Bartels and Federico Ortino (eds), *Regional Trade Agreements and the WTO Legal System* (Oxford: Oxford University Press, 2006). See contra, Robert Burrell and Kimberlee Weatherall, ‘Exporting Controversy? Reactions to the Copyright Provisions of the U.S.-Australia Free Trade Agreement: Lessons for U.S. Trade Policy’, 8 *University of Illinois Journal of Law, Technology and Policy* 259 (2008), at 310–316.

⁹ See Michael Handler and Bryan Mercurio, ‘Intellectual Property’, in Simon Lester and Bryan Mercurio (eds), *Bilateral and Regional Trade Agreements: Commentary and Analysis* (Cambridge, Cambridge University Press, 2009).

¹⁰ For a brief history on the origins of the ACTA, see Tove Iren S Gerhardsen, ‘Japan Proposes New IP Enforcement Treaty’, *Intellectual Property Watch*, 15 November 2005, <http://www.ip-watch.org/weblog/index.php?p=135> (visited 19 December 2011); G8 (Gleneagles 2005), ‘Reducing IPR [Intellectual Property Rights] Piracy and Counterfeiting through more Effective Enforcement’, Post-meeting Statement, http://www.g7.utoronto.ca/summit/2005gleneagles/ipr_piracy.pdf (visited 19 December 2011); Margot Kaminski, ‘The Origins and Potential Impact of the Anti-Counterfeiting Trade Agreement (ACTA)’, 34 *Yale Journal of International Law* 247 (2009), at 250–251.

¹¹ The scourge of piracy and counterfeiting is undisputed, but the economic costs are difficult to measure and estimates range from US\$250 billion (as per the OECD in 2009, see World

processes involving purely domestic procedures and also those requiring international cooperation, the ACTA was negotiated over 11 formal rounds between 2007 and late-2010. At the time of this writing, Australia, Canada, Japan, Morocco, New Zealand, Singapore, South Korea, the USA, and the EU (including 22 of its Member States) have signed the ACTA.¹² Subsequent to the signing, opposition to the ACTA increased in several European countries and EU ratification remains uncertain.¹³ The ACTA will come into force following ratification by six countries. As of this writing, no country has ratified the ACTA.

The ACTA is comprised of six chapters: Chapter I contains the initial provisions and definitions; Chapter II is the most substantive part of the agreement, and is divided into five sections: general obligations, civil enforcement, border measures, criminal enforcement, and enforcement of IPRs in the digital environment; Chapter III covers a wide range of 'enforcement practices' and essentially calls for the promotion of specialist IP enforcement expertise at and beyond the border, the collection and sharing of information and statistics concerning IPRs infringements as well as the collection of information on best practices to prevent and combat infringements; internal coordination on IP enforcement and management of risks, public input and education, increased transparency and (even) environmental awareness in the destruction of infringing goods. Chapter IV contains provisions relating to international cooperation, including information sharing, capacity building, and technical assistance. Chapter V contains provisions relating to institutional arrangements and 'governance'. More specifically, the Chapter creates an ACTA Committee (as opposed to Secretariat) comprised of all Parties to the Agreement that is charged with the following tasks: (i) review the implementation and operation of this Agreement; (ii) consider matters concerning the development of this Agreement; (iii) consider any proposed amendments to this Agreement in accordance with Article 42 (Amendments); (iv) decide, in accordance with paragraph 2 of Article 43 (Accession), upon the terms of

Intellectual Property Organization, 'Counterfeiting and Piracy Endangers Global Economic Recovery Say Global Congress Leaders', WIPO Press Release PR/2009/621, 3 December 2009, <http://tinyurl.com/yd9edmq> (visited 27 December 2011)) to over US\$600 billion (as per the International AntiCounterfeiting Coalition, <http://www.iacc.org/about-counterfeiting/> (visited 27 December 2011)), with the latter also estimating that counterfeiting results in a loss of US\$250 billion and 750,000 American jobs. For analysis of the claims, see Peggy Chaudhry and Allen Zimmerman, *The Economics of Counterfeit Trade* (Heidelberg: Springer, 2009), especially at 13.

¹² See 'Joint Press Statement of the Anti-Counterfeiting Trade Agreement Negotiating Parties', Press Release, October 2011, <http://www.ustr.gov/about-us/press-office/press-releases/2011/october/joint-press-statement-anti-counterfeiting-trade-ag> (visited 15 November 2011); 'WTO Members at Odds Over Anti-Counterfeiting Pact', 16(9) Bridges Weekly Trade Digest 6, 7 March 2012.

¹³ See 'Uncertainty Looms over EU Ratification of Anti-Counterfeiting Pact', 16 (6) Bridges Weekly Trade Digest 5, 15 February 2012; 'Anti-counterfeiting Pact Referred to European Court of Justice', 16 (7) Bridges Weekly Trade Digest 10, 22 February 2012.

accession to this Agreement of any Member of the WTO; and (v) consider any other matter that may affect the implementation and operation of this Agreement.¹⁴ Chapter VI deals with formalities such as the date of entry into force, withdrawal, amendments, accession, and the like.

The road to a finalized and agreed upon text was tumultuous, both internally and with regard to public comment and scrutiny. In relation to the latter, the negotiations were heavily criticized for both lacking legitimacy and transparency¹⁵ and for attempting to shift the forum for IP enforcement away from existing multilateral organizations, most notably the WIPO and the WTO.¹⁶ Critics also argued the negotiations encroached on territory traditionally viewed exclusively in the purview of domestic legislatures and authorities, that they were excessively industry-driven¹⁷ and that they threatened everything from civil liberties (such as freedom of speech) to access to medicines¹⁸—with some even warning that customs authorities at airports would individually inspect every incoming passenger's iPod and computer for

¹⁴ ACTA, supra n 1, at Article 36(2). All decisions by the Committee are to be taken by consensus, 'except as the Committee may otherwise decide by consensus'. Ibid, at Article 36(4). Of note, the Chapter also contains an article on 'consultations' by one Party to another 'with respect to any matter affecting the implementation of this Agreement'. Consultations are to be kept confidential and be without prejudice to the rights or positions of either Party in any other proceeding, including a proceeding under the auspices of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* contained in Annex 2 to the WTO Agreement, but no guidance is provided over the procedural aspects of the consultations or over the recourse to be taken should the consultations fail to produce an agreeable result. Ibid, at Article 38.

¹⁵ These criticisms came mostly from IP lawyers and NGOs, as international IP agreements have almost always been negotiated in public forums. In contradistinction, trade agreements have always been negotiated behind closed doors and with little public briefings.

¹⁶ Draft texts were released in April (see http://trade.ec.europa.eu/doclib/docs/2010/april/tradoc_146029.pdf) and November 2010 (<http://commondatastorage.googleapis.com/leaks/Anti-Counterfeiting%20Trade%20Agreement.pdf>), following repeated requests from NGOs and interested observers (including a rejected request for a copy of the ACTA discussion draft and related materials under the US Freedom of Information Act (FOA) on the grounds that the documents are 'classified in the interest of national security') and following European Parliament Resolution of 10 March 2010 on the Transparency and State of Play of the ACTA Negotiations [2010] OJ C 349E/46). Draft texts were also leaked in July 2010 (see <http://publicintelligence.net/anti-counterfeiting-trade-agreement-acta-july-2010-draft/>) and August 2010 (see <http://publicintelligence.net/anti-counterfeiting-trade-agreement-acta-august-2010-draft/>). On the FOA and the secrecy surrounding the ACTA negotiations, see David Levine, 'Transparency Soup: The ACTA Negotiating Process and "Black Box" Lawmaking', 26 *American University Journal of International Law and Policy* 811 (2011).

¹⁷ The fact that several industry representatives had access to and influenced the USA as private sector advisors increased the discontent. See, i.e. James Love, 'Who Are the Cleared Advisors That Have Access to Secret ACTA Documents?', KEI Blog Posting, 13 March 2009, <http://www.keionline.org/blogs/2009/03/13/who-are-cleared-advisors> (visited 15 March 2011).

¹⁸ See, i.e. Oxfam, *Secret Plans to Criminalize Generic Medicines Could Hurt Poor Countries and People*, 15 July 2009, <http://www.oxfam.org/en/pressroom/pressrelease/2009-07-15/criminalize-generic-medicines-hurt-poor-countries> (visited 29 December 2011).

possible IP infringements.¹⁹ These well-known criticisms have been subjected to scrutiny in academic scholarship and in the online blogosphere.²⁰ As it turns out, much of the hysteria surrounding the ACTA proved to be unfounded once the final form of the Agreement was released. Instead, the reality is that the ACTA failed to meaningfully advance the international enforcement agenda in much of a positive or negative manner.²¹ Such a result is not due to outside public pressure but more so internal negotiating difficulties, where the ambitions of almost all negotiating Parties slowly dissipated as frustrations mounted and time passed. In such a situation, the urgency to conclude *an* agreement became more important than to conclude a *meaningful* agreement.

III. ACTA: TERMS AND EFFECT

Throughout the negotiations, the Parties to the ACTA espoused two main aims for the treaty: increased international cooperation and a new standard of international enforcement. For instance, the website of the United States Trade Representative (USTR) states that the ACTA includes ‘innovative provisions to deepen international cooperation and to promote strong enforcement practices’.²²

This section demonstrates that such aims were not reached. This is not to suggest that the Parties did not intend to meaningfully deepen cooperation and strengthen enforcement practices. Instead, it would appear that the negotiators simply failed to reach consensus on many critical issues. Thus, over time the objective of the negotiations slowly shifted from concluding an

¹⁹ One prominent blogger in this regard has been Professor Michael Geist, see http://www.michaelgeist.ca/index.php?option=com_tags&task=view&tag=acta&Itemid=408 (visited 11 March 2012). Negotiating countries countered by releasing press releases and negotiating summaries. See, i.e. the summary of negotiations released by USTR website, available at ‘ACTA: Summary of Key Elements under Discussion’, April 2009, http://www.ustr.gov/webfm_send/1479 (visited 27 October 2011). The governments of Canada, EU, Japan, New Zealand and the United Kingdom released identical summaries on the same day.

²⁰ See, i.e. Peter K. Yu, ‘Enforcement, Enforcement, What Enforcement?’, 52 *IDEA: The Journal of Law and Technology* 1 (2011).

²¹ Despite this, and misinformation regarding the obligations contained in the ACTA persist and even intensified following the successful movement to defeat a recent legislative attempt in to strengthen penalties for IP infringers via the Stop Online Piracy Act (SOPA). Disappointingly, *The Economist* even failed to adequately dispel wildly untrue assertions that ‘innocent travelers having their laptops searched for pirated music, or being jailed for carrying a generic drug’ by merely calling them ‘probably exaggerated’. ‘ACTA Up: Protests across Europe may kill an anti-piracy treaty’, *The Economist*, 11 February 2012. For a basic review of the SOPA, see Julianne Pepitone, ‘SOPA Explained: what it is and why it matters’, CNN Money, 20 January 2012, http://money.cnn.com/2012/01/17/technology/sopa_explained/index.htm (visited 15 March 2012).

²² USTR, ACTA webpage, <http://www.ustr.gov/acta> (visited 12 March 2012). See also USTR, ‘ACTA: Meeting U.S. Objectives’, Fact Sheet, October 2011, <http://www.ustr.gov/about-us/press-office/fact-sheets/2011/september/acta-meeting-us-objectives> (visited 15 November 2011).

agreement that promotes meaningful cooperation and stronger enforcement practices to simply successfully concluding the negotiations. This is particularly the case in regards to the second stated negotiating aim. As will be demonstrated below, the early-draft texts of the ACTA provided for significant expansion of obligations beyond those which exist in the TRIPS Agreement. In many areas, each subsequent draft reduced the level of protection and ambition and thus in these areas the final version of the ACTA represents little more than a codification of existing practice among the negotiating Parties. This section first briefly reviews the negotiating outcome in relation to increased international cooperation. The section then more significantly analyses the negotiating outcomes in relation to enforcement practices. After highlighting some provisions in the ACTA which actually do advance beyond that which is required in the TRIPS Agreement (that is, 'TRIPS-Plus' provisions), the discussion focuses on areas where final text of the ACTA failed to integrate the initial negotiating aims of certain Parties. As an example of the general trend, ACTA negotiations in relation to the treatment of goods in-transit, and namely generic pharmaceutical products, will be analysed in depth.

In regards to increased international cooperation, the final text of the ACTA displays far less ambition than other recently concluded international agreements. For instance, Weatherall assesses the commitments of ACTA in the area of cooperation with the EU's *Cybercrime Convention* and the *UN Convention Against Transnational Organized Crime* and finds that while the latter two agreements contain hard commitments to cooperate in a number of areas, the ACTA's provisions on cooperation are cooperation are 'stated at a much higher level of generality' and do little more than require the Parties to 'promote cooperation' and 'endeavour' to cooperate.²³ In fact, Weatherall calls the commitments in ACTA 'practically meaningless'.²⁴ This represents a missed opportunity for the negotiating Parties to have seriously addressed and cooperated on the significant problem of large-scale counterfeiting and piracy, such as through focused cooperation in regards to criminal enforcement and joint international action.²⁵

The second claim of the negotiating Parties is that the treaty will provide an international standard of IP enforcement. For instance, the USTR website succinctly claims the 'negotiations aim to establish a state-of-the-art international framework that provides a model for effectively combating

²³ See ACTA, *supra* n 1, at Articles 33–35; Weatherall, *supra* n 2, at 239.

²⁴ *Ibid.* In contrast, Part II of the ACTA contains detailed provisions relating to domestic enforcement procedures. Weatherall states: 'for all the rhetoric of international cooperation and international trade, ACTA has been crafted with largely domestic enforcement processes in mind, and mostly civil processes'. *Ibid.*, at 240.

²⁵ See *ibid.*, at 241–242.

global proliferation of commercial-scale counterfeiting and piracy in the 21st century'.²⁶ Another page of the USTR website elaborates:

ACTA aims to establish a comprehensive international framework that will assist Parties to the agreement in their efforts to effectively combat the infringement of intellectual property rights, in particular the proliferation of counterfeiting and piracy, which undermines legitimate trade and the sustainable development of the world economy. It includes state-of-the-art provisions on the enforcement of intellectual property rights, including provisions on civil, criminal, border and digital environment enforcement measures, robust cooperation mechanisms among ACTA Parties to assist in their enforcement efforts, and establishment of best practices for effective IPR enforcement.²⁷

In this regard, the ACTA is not meant to add to substantive rights but only to ensure the more effective enforcement of those rights already provided for in the TRIPS Agreement. Trumpeted as a 'state-of-the-art', '21st century' agreement, in reality the ACTA adds little to the existing framework. This is not to say that the negotiators did not set out to achieve a more ambitious agreement. In fact, comparisons between early-drafts and the final text reveal quite the opposite. If agreed upon, the early-drafts of the ACTA could have more significantly impacted upon the existing framework. In most instances, however, the negotiators could not agree on how to advance enforcement standards beyond the existing legal framework and instead settled for an agreement that serves mainly to codify existing practice.

That being the case, it would be an overstatement to claim that the ACTA does not contain any TRIPS-Plus provisions; on the contrary, the ACTA does indeed contain several TRIPS-Plus provisions. For instance, the ACTA shifts the TRIPS definition of 'counterfeit trademark goods' and 'pirated copyright goods'. For instance, whereas Article 51 of TRIPS, at Footnote 14(a), defines 'counterfeit trademark goods' as 'any goods, including packaging, bearing without authorization a trademark... which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation', Article 5(d) of the ACTA replaces 'the law of the country of importation' with 'the law of the country in which the procedures... are invoked'. Similarly, Article 5(k) of the ACTA shifts the definition of 'pirated copyright goods' in Article 51, Footnote 14(b), from situations that would have constituted an infringement 'under the law of the country of importation' to the 'law of the country in which the

²⁶ USTR, ACTA webpage, <http://www.ustr.gov/acta> (visited 12 March 2012).

²⁷ USTR, 'U.S., Participants Finalize Anti-Counterfeiting Trade Agreement Text', (November 2010) Press Release, <http://www.ustr.gov/about-us/press-office/press-releases/2010/november/us-participants-finalize-anti-counterfeiting-trad> (visited 15 November 2011).

procedures . . . are invoked.’ While such shifts clarify the respective provisions, they have the potential to also change the applicable law where goods are in-transit through a country that is not the country of final destination. At present it is uncertain whether the TRIPS Agreement would deem the transiting country or only the country of final destination to be the ‘country of importation’.²⁸ Under the ACTA it is clear that the laws of the country of transit are the applicable laws to be applied.

The ACTA also contains several TRIPS-Plus provisions relating to damages. Article 45 of the TRIPS Agreement merely provides that judicial authorities shall have the authority to order the infringer to pay the right holder damages adequate to compensate for injury suffered because of an infringement by an infringer who knowingly, or with reasonable grounds to know, engaged in infringing activity. Article 45 also provides for judicial authorities to require the infringer to pay the expenses (which may include legal fees) of the rights holder. Additionally, Article 45 allows but does not mandate judicial authorities to order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity. Article 9 of the ACTA builds upon the TRIPS-standard by requiring Parties to provide one or more of pre-establishment damages, presumptions for determining the amount of damages sufficient to compensate the right holder or additional damages (Article 9(3)). The addition of these three similar remedies—based broadly on the laws of the USA, European and UK or Australia, respectively) would appear to require Parties to allow the rights holder to recover in the absence of demonstrating actual harm and perhaps entrench the levelling of punitive damages. Regardless of intent, the requirement to provide for one or more of the remedies goes beyond that which is required in the TRIPS Agreement.²⁹

Another interesting TRIPS-Plus provision is Article 23(1) of the ACTA which provides for criminal proceedings and penalties against ‘wilful trademark counterfeiting or copyright or related rights piracy on a commercial scale’, including ‘at least those carried out as commercial activities for direct or indirect economic or commercial advantage’. In so doing, the ACTA differs from the interpretation of Article 61 of the TRIPS Agreement in *China-IPRs*, which held that China’s establishment of numerical thresholds triggering criminal procedures and penalties relating to wilful trademark counterfeiting and copyright piracy on a commercial scale not inconsistent

²⁸ See *infra*, footnote 48.

²⁹ Ecuador has also raised the possibility that Article 9 of the ACTA can negatively impact upon the flexibilities allowed for under Article 44 (injunctions) of the TRIPS Agreement. See Ecuador Intervention made at the WTO TRIPS Council Meeting held on 28 February 2012 under agenda item Agenda item N ‘IP enforcement trends’, <http://keionline.org/node/1377> (visited 12 March 2012).

with Article 61.³⁰ More specifically, the panel refused to equate ‘commercial scale’ with ‘commercial activity’ and therefore did not consider all activity as ‘commercial’; instead, the panel stated that ‘commercial scale’ results from ‘the magnitude or extent of typical or usual commercial activity’. Thus, in the view of the panel, counterfeiting or piracy “on a commercial scale” refers to counterfeiting or piracy carried on at the magnitude or extent of typical or usual commercial activity with respect to a given product in a given market.³¹ Under the panel’s interpretation of Article 61, the key question is whether the infringing activity is equal to or larger than the usual size of a commercial operation concerning a given product or market.³² While some have suggested that the ACTA represents a direct conflict with the relevant international norms (that is, the jurisprudence of the WTO),³³ the differences in the ACTA may simply be viewed as a TRIPS-Plus provision requiring Parties to the ACTA to have a more stringent standard than the multilateral agreement.

Other TRIPS-Plus provisions also exist, with most failing in most respects to meaningfully move beyond the relevant international standard and few advancing beyond the existing laws and regulations of some or all of the Parties to the ACTA.³⁴ However, the broader point to be taken from a comparison of the final text with the earlier draft versions is that at least some negotiators intended to substantially increase the depth and scope of the agreement but were stymied by a lack of consensus. Put simply, the Parties could not agree on which issues to advance and by how much. Thus, what is left is a significantly more restrained text that provides for

³⁰ See WTO Panel Report, *China – Measures Affecting the Protection and Enforcement of Intellectual Property Rights*, WT/DS362/R, adopted on 20 March 2009.

³¹ *Ibid.*, at para 7.577.

³² Here, the US evidence failed to prove its case and the panel, while nevertheless stating that China’s measures ‘exclude certain commercial activity from criminal procedures and penalties’, held there was insufficient evidence to prove that the measures are inconsistent with Article 61. See *ibid.*, at para 7.622.

³³ INTA Study for the European Parliament, DG EXPO Policy Department, *The Anti-Counterfeiting Trade Agreement (ACTA): An Assessment* (2011), at 22–23, http://www.erikjosefsson.eu/sites/default/files/DG_EXPO_Policy_Department_Study_ACTA_assessment.pdf (visited 15 November 2011): ‘It must therefore be considered that ACTA is not in line with the WTO Panel decision.’

³⁴ See, i.e. ACTA, *supra* n 1, at Article 11 (obliging an (alleged) infringer to provide relevant information, *inter alia*, regarding the means of production or the channels of distribution of the infringing or allegedly infringing goods or services, including the identification of third persons alleged to be involved in the production and distribution of such goods or services and of their channels of distribution (contrast Article 47 of TRIPS, which requires more limited information)); Article 23(3) (stating that Parties ‘may’ provide criminal procedures and penalties for ‘camcording’); Article 23(4) (providing for secondary liability for aiding and abetting infringing activities); and Article 27 (providing for enforcement in the digital environment).

less protection or obligations and more safeguards than some of the Parties originally envisaged.³⁵

The aforementioned trend of early-drafts promoting strong and meaningful advances to the existing international framework only to be significantly weakened or disappear entirely from the final version of the text can be seen in a number of areas throughout the agreement. For instance, while the issue of IP enforcement in the digital environment captured countless negotiating hours and received considerable media attention, several ambitious provisions seen in the leaked draft negotiating text were slowly whittled down to nothing more than statements of aspiration in the final text.³⁶ More specifically, early-drafts of the ACTA included detailed proposals for the protection online service providers based largely on US and EU safe harbour provisions were abandoned in favour of a provision calling for enforcement procedures to be ‘implemented in a manner that avoids the creation of barriers to legitimate activity, including electronic commerce, and, consistent with that Party’s law, preserves fundamental principles such as freedom of expression, fair process, and privacy.’³⁷ Footnote 13 then adds an example, that being of a Party providing for the limitation of liability or available remedies against online service providers. Moreover, early-drafts of the ACTA included proposals to address online infringement and included the possibility of the introduction of a graduated response—that is, the termination of online accounts for repeated infringing activities. The final version of the ACTA does not even mention this issue, instead only providing that Parties ‘endeavour to promote cooperative efforts within the business community’ to effectively address online infringement while ‘preserving fundamental principles such as freedom of expression, fair process, and privacy’.³⁸ Finally, even in the highly topical area of remedies against circumvention of technological protection measures the final text significantly backtracks from early-drafts. While the final text does require Parties to provide ‘adequate legal protection and effective legal remedies against the circumvention of effective technological measures’,³⁹ this only slightly advances upon provisions found in the WIPO Copyright Treaty and Performances and Phonograms Treaty.

³⁵ For an informative table comparing the leaked draft January 2010 version with the final text, see Kimberlee Weatherall, ‘Intellectual Property in the ACTA and the TPP: Lessons not Learned’, presented at the International Conference on Trade, Science, Technology and Justice, held on 1–2 November 2011 at National Chiao Tung University, Taiwan, at 5–7, <http://works.bepress.com/cgi/viewcontent.cgi?article=1026&context=kimweatherall> (visited 12 March 2012).

³⁶ ACTA, *supra* n 1, at Article 27(1)–(3). On the evolution of these provisions, see Kimberlee Weatherall, ‘ACTA as a New Kind of International IP Law-Making’, 26 *American University Journal of International Law* 838 (2011). See also Kaminski, *supra* n 10.

³⁷ ACTA, *supra* n 1, at Article 27.2.

³⁸ *Ibid*, at Article 27.3.

³⁹ *Ibid*, at Article 27.5–6 and footnote 14.

Another poignant example of the ACTA's ultimate failure to meaningfully develop a new international standard can be seen in the aforementioned Article 9(3) relating to additional damages. In what became one of the most heavily negotiated provisions, early-drafts of the ACTA indicated that Parties would be required to implement some form of pre-established or statutory damages. Although this requirement would have been in line with current US law, it would have resulted in a philosophical shift on the part of the EU. The final text, however, represents a significant backtrack and allows for a number of ways to calculate additional damages. In so doing, Article 9(3) allows for all the various—and only broadly similar—methods of the more significant Parties to continue unabated. In essence, the provision simply entrenches the regulatory status quo of the negotiating Parties.⁴⁰ Likewise, other provisions relating to remedies were heavily negotiated and in draft versions of the ACTA relatively unqualified, but these too were ultimately weakened with vague textual language, optional entry and with TRIPS-based qualifications.⁴¹

The same trend can also be seen in regards to criminal provisions, with early-draft texts drafted in broad terms and covering private activities to the final version narrower and covering only commercial activities.⁴² Similarly, early-draft versions of the ACTA contained few safeguards for privacy, proportionality and fairness, and the like while the final version provided for much more stringent safeguards (including explicitly referencing Articles 7 and 8 of the TRIPS Agreement and the Doha Declaration on TRIPS and Public Health).⁴³ Yet another example of this trend is in dispute settlement, with early-draft versions of the ACTA providing for strong oversight and a properly functioning dispute settlement system whereas the final version provides for an ACTA Committee possessing rather weak oversight powers and not providing at all for a dispute settlement system.⁴⁴

In some IP-related areas, the failure of the ACTA to significantly add to the existing international legal framework is the desirable result. For instance, the ACTA threatened to have considerable impact on the relationship between health and IPRs. As described in more detail below, the Doha Declaration on TRIPS and Public Health and the subsequent Implementation of paragraph 6 of the Doha Declaration on the TRIPS Agreement and public health (Implementation Agreement) were both significant 'wins' for

⁴⁰ See Weatherall, *supra* n 2, at 254–259.

⁴¹ See, i.e. ACTA, *supra* n 1, at Article 8 (injunctions).

⁴² See *ibid*, at Article 23.1.

⁴³ See *ibid*, at Preamble and Articles 2, 4, and 6. See also WTO, 'Doha Declaration on TRIPS and Public Health', WTO Ministerial Decision, WT/MIN(01)/DEC/2, 14 November 2001.

⁴⁴ See *ibid*, at Article 38.

developing countries in the WTO.⁴⁵ Some worried that the ACTA would threaten to destabilize the hard-fought gains of developing countries and public health campaigners in the area of access to essential medicines. More specifically, genuine concern existed over whether the terms ‘counterfeiting’ and ‘piracy’ would be extended to include the manufacture, sale, and import or export of generic pharmaceuticals.⁴⁶ As generic pharmaceuticals have essentially become the ‘life blood’ of public health policy in many developing countries, such terms could severely curtail trade in generic pharmaceuticals and add significant costs to the procurement of essential medicines.

Such fears took on an increased sense of urgency following the spate of seizures or detentions of generic pharmaceuticals transiting through the EU on their way from and to developing countries where a patent was not in place.⁴⁷ While the legality of the customs measures with WTO⁴⁸ and EU law⁴⁹ continues to evoke considerable debate, the negotiation of ACTA

⁴⁵ See Doha Declaration, *supra* n 43; WTO, ‘Implementation of paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health’, Decision of the General Council of 30 August 2003, WT/L/540 and Corr.1, 1 September 2003.

⁴⁶ See, i.e. ‘Consumer Groups Fear ACTA Could Encourage Generic Drug Seizures’, *Inside U.S. Trade* (30 April 2010); Peter K. Yu, ‘Six Secret (and Now Open) Fears of ACTA’, 63 *Southern Methodist University Law Review* 1 (2010), at 84; Henning Grosse Ruse-Khan, ‘A Trade Agreement Creating Barriers to International Trade? ACTA Border Measures and Goods in Transit’, Max Planck Institute for Intellectual Property, Competition & Tax Law Research Paper Series No. 10-10, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1706567& (visited 15 November 2012).

⁴⁷ From late-2008 through 2009 the EU (primarily the Netherlands) detained at least 19 shipments of generic pharmaceuticals exported from India and other developing countries transiting through the EU on their way to other developing countries. Following months of heated exchanges between European, Brazilian, and Indian diplomats, India and Brazil filed complaints at the WTO over the matter. After delaying the establishment of a panel for several months, the parties reached a temporary ‘settlement’ and the proceedings halted. A final settlement was reached in July 2011. On the settlements, see Kaitlin Mara, ‘Minister: India Anticipates European Fix To Law Delaying Generics Shipments’, *Intellectual Property Watch*, 20 October 2010, <http://www.ip-watch.org/weblog/2010/10/20/ambassador-india-anticipates-european-fix-to-law-delaying-generics-shipments/> (visited 25 October 2010); India’s Ministry of Commerce and Industry, ‘India EU Reach an Understanding on Issue of Seizure of Indian Generic Drugs in Transit’, Press Release, 28 July 2011, <http://pib.nic.in/newsite/erelease.aspx?relid=73554> (visited 30 July 2011).

⁴⁸ On the measures’ consistency with TRIPS, see Atik, *supra* n 5, at 131 (stating: ‘Dutch authorities (and the relevant patent owners’) appear to be within their rights. Given the territorial nature of the patent system, a Dutch patent owner should be able to take action against infringing goods “imported” into Dutch national territory’.); Ruse-Khan, *supra* n 46, at 653–659 (arguing the detentions are inconsistent with several provisions of the TRIPS); Bryan Mercurio, ‘Drugs Seized in Transit: The Case that Wasn’t’, 61 (2) *International and Comparative Law Quarterly* (2012, forthcoming) (arguing that the TRIPS-consistency of the EU measures depends upon an interpretation based on the Vienna Convention of the Law of Treaties).

⁴⁹ A recent ECJ decision held that in normal circumstances EU IPRs do not apply, however in some cases (i.e. destination of goods not declared, false information submitted, lack of cooperation with customs or proven risk of diversion) the EU rules can apply. The availability of the suspension is clearly intended to enable a domestic court in the member-concerned to

opened up a separate avenue to legitimize the seizures or detentions. This could have occurred in two ways.⁵⁰ First, the definitions of ‘counterfeit’ and/or ‘piracy’ could have been drafted or interpreted in an expensive manner so as to clearly allow for the seizure of generic pharmaceuticals transiting through the territory of ACTA members. Second, the ACTA could have been drafted in such a manner so as to require the seizure of transiting goods that violate the IPRs in the country of transit.

Neither of these concerns materialized,⁵¹ but this is not to suggest that the issue was not contemplated or negotiated. In fact, it appears the issue of border measures was among the most contentious negotiating topics and threatened to derail the entire agreement.⁵² Moreover, the early-drafts of the ACTA negotiating text were wide in scope and covered all of the IPRs contained in the TRIPS Agreement, including patent infringement. Furthermore, early-drafts provided for the possibility of mandatory injunctions for IPR infringements of in-transit goods.⁵³

The final version of the ACTA represents far less of a threat to the trade in generic pharmaceuticals for a number of reasons.⁵⁴ First, and most prominently, while the ACTA continues to include all of the TRIPS-covered areas of IPRs in its mandate⁵⁵ it restricts the definitions of both ‘counterfeit’ and ‘piracy’ to trademark in the former and copyright in the latter. Thus, infringements of patents are not included in the terms ‘counterfeit’ or ‘piracy’. Second, the language of Article 16.2 provides that Parties may, but are not required to, adopt or maintain procedures leading to the suspension of release with respect to in-transit goods. Finally, and not without intrigue, a

conduct a proper examination of whether there is sufficient evidence of infringement of an IPR. Judgment in Joined Cases C-446/09 *Koninklijke Philips Electronics NV v Lucheng Meijing Industrial Company Ltd and others* and C-495/09 *Nokia Corporation v Her Majesty's Commissioners of Revenue and Customs*, <http://www.eulaws.eu/?p=1165> (visited 31 December 2011). Interestingly, Indian law includes in-transit goods within the meaning of ‘importation’. See *Gramophone Company of India v. Birendra Bahadur Pandey* AIR 1984 SC 66 (interpreting import as ‘bringing into India... that it is not limited to importation for commerce only but includes importation for transit across the country.’). For a useful summary of the EU measures or events and proposed amendments, see Olivier Vrins, ‘The European Commission’s proposal for a regulation concerning customs enforcement of IP rights’, 6 *Journal of Intellectual Property and Practice* 774 (2011).

⁵⁰ See Atik, *supra* n 5, at 131–132.

⁵¹ Despite the text, some still insist the ACTA represents a threat to public health. Yu, *supra* n 20, at 15.

⁵² See, ‘De Gucht Lashes Out at US over ACTA, Geographical Indications’, 28(28) *Inside U.S. Trade*, 16 July 2010.

⁵³ Bracketed language, with ‘may’ being the alternative. Thus, discussion revolved around whether seizure of in-transit goods should be mandatory or discretionary. See Draft ACTA (July 2010 version), *supra* n 16, at Article 2.2.

⁵⁴ Weatherall calls the text on the scope of border measures ‘strikingly opaque’. Weatherall, *supra* n 2, at 246.

⁵⁵ ACTA, *supra* n 1, at Article 5 (General Definitions), defining IP as ‘all categories of intellectual property that are the subject of Sections 1 through 7 of Part II of the TRIPS Agreement’.

footnote to Article 13 (providing for the scope of border measures and calling for enforcement in a manner that does not discriminate unjustifiably between IPRs and that avoids the creation of barriers to legitimate trade) states that ‘patents and protection of undisclosed information do not fall within the scope of this Section’.⁵⁶ Presumably, ‘this Section’ refers to Section 3 of Chapter II of the ACTA (entitled ‘Border Measures’), which would mean that patents and trade secrets are excluded from the scope of Articles 13–22. The intriguing aspect the footnote, however, is why it was included as a footnote to Article 13 and not alongside footnotes 4 and 5 as part of the heading to Section 3.⁵⁷

Thus, while the ACTA does not require Parties to enforce domestic IPRs with respect to goods in-transit it does take an equivocal position by maintaining the status quo. Through silence, the ACTA thus allows Parties to adopt such procedures if and when they see fit and in this regard, the ACTA does not depart very far from the position taken in Part IV of the TRIPS Agreement.⁵⁸

While public health campaigners and others would have preferred the ACTA to prohibit the seizures or detentions of generic pharmaceuticals in-transit this is perhaps the best realistic outcome for such interested observers given the (then) ongoing dispute between the EU or Netherlands and India and Brazil at the WTO. In retrospect, it seems that while the EU was seeking to enshrine at least a portion of its domestic regulations regarding the seizure or detention of in-transit goods suspected of patent infringement it was perhaps more concerned with including and enhancing the recognition and protection of geographical indications through the ACTA.⁵⁹ The result,

⁵⁶ Ibid, at Section 3, footnote 6.

⁵⁷ Ibid, at Article 13, which reads: ‘In providing, as appropriate, and consistent with its domestic system of [IPR] protection and without prejudice to the requirements of [TRIPS], for effective border enforcement of [IPRs], a Party should do so in a manner that does not discriminate unjustifiably between [IPRs] and that avoids the creation of barriers to legitimate trade’.

⁵⁸ Although as noted earlier Article 5 of the ACTA defines counterfeiting and piracy ‘under the law of the country in which the procedures . . . are invoked’. This clarifies the uncertain standard set out in the TRIPS Agreement and prevents the odd result of customs officials in one country being forced to interpret the laws of another country. Moreover, while it is also unclear whether the transit country is ‘importing’ the goods and whether the principle of territoriality allows or prohibits such seizures (i.e. are the goods in the territory or is it extraterritorial application of IP laws), Article 17 of the ACTA may provide guidance, as it reads ‘under the law of the Party providing the procedures’. See also Article 52 of the TRIPS Agreement, which requires adequate evidence to prove a *prima facie* case of infringement ‘under the laws of the country of importation’. For discussion, see Mercurio, supra n 48, at 16–18. The text of the ACTA is clearly based on the controversial EU Border Measures Regulation, but the language used in the ACTA is not exactly the same, and the context is of course different. For background, see footnote 49.

⁵⁹ See, i.e. ‘De Gucht Lashes Out’, supra n 52. In fact, Weatherall argues that the text of Article 16, read in combination with the discretionary nature of Article 13, does not require customs procedures for any IPRs. Weatherall, supra n 2, at 246–247. See contra, Ruse-Khan, supra n 46, at 24 (arguing the presence of Article 6(1)—read together with Article 5—ensures Parties must apply customs procedures to all forms of recognized IPRs except where specifically

therefore, is a political compromise allowing the EU to claim victory by including in-transit border procedures and arguably widening the subject matter of border procedures via Article 13 while at the same time allowing the USA, the EU, Australia, and others to announce that nothing in these provisions will require amending domestic law.⁶⁰

That being said, Weatherall and Ruse-Khan argue that Article 6 of the ACTA, which provides that customs procedures should be applied ‘in such a manner as to avoid the creation of barriers to legitimate trade’ could limit or preclude the seizure of in-transit goods.⁶¹ This line of reasoning is similar to the argument made under Article 41 of the TRIPS Agreement by India and Brazil in its WTO dispute with the EU and the Netherlands. Although the ACTA does not provide textual guidance to this issue, it is at least arguable that goods infringing any IPRs would not be viewed as ‘legitimate’. Moreover, it is almost inconceivable that the negotiators of ACTA (representing all of the IP *demandeurs*) would seek to curb a right existing in the TRIPS Agreement; more specifically, Article 51 when read together with Footnote 13 of the TRIPS Agreement specifically allows—but does not require—Members to apply customs procedures to goods in-transit. Finally, and unlike the WTO dispute involving India or Brazil and the EU, the issue here is simply the consistency with IPRs and not the much tougher question confronted in the WTO dispute of whether trade in generic pharmaceuticals infringing IPRs in the country of transit constitutes ‘legitimate’ trade.

Another frequent criticism of the ACTA is that it will require for seizures or detentions of generic pharmaceuticals not through infringement of patent but through trademark. Again, however, such concerns appear overstated. While it is true that a generic name that too closely resembles a registered trademark could potentially be problematic, the problem would more result from poor administration of domestic trademark registration rather than from the ACTA.⁶²

The ACTA cannot therefore be said to be a direct threat to public health or to the carefully negotiated WTO agreements, including the Doha Declaration on TRIPS and Public Health and the subsequent

excluded). See also, Kaminski, *supra* n 11, at 27–28. While Ruse-Khan’s argument initially appears more persuasive, Weatherall is correct in pointing out that such a reading would mean Parties such as Australia that do not currently provide border measures for the enforcement of, *inter alia*, geographical indications, design rights and plant variety rights would not be conforming to the ACTA. Weatherall, *supra* n 2, at 246–247. However, the Australian Minister for Trade has announced that the ACTA requires no legislative changes. See Craig Emerson, Australian Minister for Trade, ‘Anti-Counterfeiting Trade Agreement to Benefit Creative Industries’, Media Release, 16 November 2010, http://www.trademinister.gov.au/releases/2010/ce_mr_101116.html (visited 27 November 2010).

⁶⁰ Weatherall strongly argues this point while claiming the ACTA does not represent any new, clear international standard. Weatherall, *supra* n 2, at 248–249.

⁶¹ *Ibid*, at 252. Ruse-Khan, *supra* n 46, at 694–702.

⁶² See Atik, *supra* n 5, at 133.

Implementation Decision. Thus, while the ACTA may not promote public health or the spirit of the Doha Declaration, the negotiating Parties did not take the opportunity to directly attack or rollback the hard-fought and important interpretations relating to access to medicines.

As demonstrated above, the final version of the ACTA ‘retreated significantly from earlier proposals: it contains more safeguards, and less detailed and stringent provisions’ than many commentators expected or feared.⁶³ Through years of negotiating, the original goals and aspirations of the negotiating countries—the majority of which are viewed as IP maximalists—slowly became much less transformative and for the most part the final text simply represents a codification of existing practice in many of the negotiating countries.⁶⁴ Simply stated, the final version of the ACTA is all that could be agreed to at this stage, even among like minded countries (admittedly with considerable differences in approach to IP protection and enforcement). This is not to say that the ACTA does not have any value; on the contrary, Section IV argues that the real value in the ACTA is not its text but its longer term effect on international IP policymaking.

IV. THE ACTA AND INTERNATIONAL IP POLICYMAKING

Given the failure to deliver substantive international cooperation or meaningful IP enforcement standards, the question that must be asked is why the agreement was negotiated and concluded. There are several potential answers to this question.

A prominent (but seemingly *ex post*) justification for the negotiation and conclusion of the agreement—as well as the lack of transparency surrounding the negotiations—is that the agreement was not primarily aimed at requiring any of the negotiating Parties to amend their domestic laws but more so a codification exercise aimed at developing an international treaty establishing a legal framework based on the high standards already existing in the domestic laws of the Parties. Several Parties to the ACTA have made public statements to this effect,⁶⁵ with the Obama Administration in the USA even characterizing the ACTA as an ‘executive agreement’ that does not require

⁶³ Weatherall, *supra* n 35, at 2.

⁶⁴ Where the negotiating Parties could not agree, the text was left intentionally vague or the issue simply avoided. In particular, the USA and EU could not agree on issues such as how to shield online service providers from copyright liability for users (both shield OSPs from liability but in different ways, and apparently common language could not be agreed), extending criminal liability for personal non-commercial copyright activities (EU resisted US attempts to criminalize non-commercial, ‘private financial gain’ activities such as file sharing) and applying border measures for patents and the extent of protection to GIs (USA resisted EU demands to include all forms of IP in Chapter II).

⁶⁵ See, i.e. European Commission, *The Anti-Counterfeiting Trade Agreement (ACTA): Fact Sheet*, at 2 (November 2008), http://trade.ec.europa.eu/doclib/docs/2008/october/tradoc_140836.11.08.pdf (visited 15 January 2010); USTR, *Trade Facts: Anti-Counterfeiting Trade Agreement (ACTA)*, at 3 (4 August 2008), http://ustraderep.gov/assets/Document_Library/Fact_Sheets/

any amendment to current laws (seemingly in order to bypass congressional oversight and approval of the treaty).⁶⁶

Of course, the objective of codifying existing practice is perhaps contradictory to the initial aim of creating new international standard of IP enforcement. In this regard, Weatherall states: 'a goal of not requiring changes to domestic law will inevitably work against the ambition to establish new international standards.'⁶⁷ Moreover, the view that ACTA was always intended to be a 'codification' exercise merely reflecting existing practice among the negotiating countries does not reflect the reality of the negotiations. As demonstrated in Section III above, the early-draft negotiating texts make clear that the USA and EU pushed hard for provisions reflecting their own domestic standards that were higher than those of other negotiating Parties (for instance, Internet-related provisions for the USA and GIs for the EU). Given this, it is clear that at least both the USA and the EU saw these negotiations as an opportunity to raise standards amongst broadly sympathetic countries. The fact these attempts failed and standards were not significantly raised is a more likely explanation for the shift to a 'codification' justification for the negotiation and conclusion of the ACTA.

On the other hand, a 'codification' agreement among nations with already high standards of IP protection and enforcement can in fact create an 'international standard' if other countries with lower IP protection and enforcement standards subsequently accede to the treaty. In the short term the Agreement may not obligate signatories to amend their domestic laws or increase existing standards but if other nations with lower standards and problems with counterfeit and pirated goods seek (or are coerced or required by virtue of, for instance, an FTA) to accede to the ACTA then the longer term aim of setting a new international standard will have been accomplished. For this reason, Article 39 of the ACTA opens accession until March 2013 to any Member of the WTO (conditional on agreement by consensus of the Parties) and Article 43 provides for accession after March 2013 (on terms to be decided) while Article 35 calls upon each Party to

2008/asset_upload_file760_15084.pdf (visited 15 January 2010); Emerson, *supra* n 59. See also 'Uncertainty Looms over EU Ratification of Anti-Counterfeiting Pact', *supra* n 13, at 6. See *contra*, Axel Metzger et al., 'Opinion of European Academics on ACTA', Institute for Legal Informatics, <http://www.iri.uni-hannover.de/acta-1668.html> (visited 15 December 2011); INTA Study for the European Parliament, *supra* n 30, especially at 20–32 (questioning whether several provisions in the ACTA are in accordance with EU *acquis*).

⁶⁶ See Sean Flynn, 'ACTA's Constitutional Problem: The Treaty Is Not a Treaty', 26 *American University Journal of International Law and Policy* 903 (2011). See also Letter from Ron Wyden, US Senator, to Barack Obama, President of the US (12 October 2011), <http://wyden.senate.gov/download/?id=f20e3fd3-f2f1-4fc2-a387-570a575700d6> (visited 31 October 2011); Letter from Ron Wyden, US Senator, to Harold Koh, Legal Advisor, US Department of State, (5 January 2012), available at <http://infojustice.org/wp-content/uploads/2012/01/Wyden-01052012.pdf> (visited 6 January 2012).

⁶⁷ Weatherall, *supra* n 2, at 234.

provide for capacity building and technical assistance to other Parties and perspective Parties.⁶⁸ Moreover, it is always possible for the Parties to negotiate in more substantive obligations to the Agreement. Article 43 allows for amendment of the Agreement but admittedly makes this scenario difficult by requiring all the Parties to accept and ratify any proposed amendment prior to it taking force.⁶⁹

While the negotiations have been criticized for excluding most developing countries, it could be argued that the exclusion recognizes that these countries are not ready for enhanced enforcement obligations and thus should be differentially treated. In this regard, the ACTA allows for these countries to accede to the Agreement if and when it is more appropriate for their developmental needs.⁷⁰ The trend of including higher standards of IP protection and enforcement in FTAs, however, suggests that some developing countries may be required to accede to the ACTA (or at least meet its standards) as a condition of signing the FTA. Here, however, two points must be raised. First, it is questionable whether a country (such as Brazil, China, and India) would seek to join a treaty when they did not have a role in the negotiations, even when their developmental needs change. Moreover, there is of course nothing preventing such countries from simply raising their domestic enforcement standards without ever joining the ACTA. Therefore, a potential signatory must assess whether the mutual co-operation provisions and other benefits of inclusion on the ACTA Committee are attractive enough or the geopolitical advantages stemming from membership so great as to encourage membership. Second, while it is true that the signatories to the ACTA (most importantly, the USA) will insist that potential FTA partners meet certain

⁶⁸ Types of assistance contemplated in Article 35 specifically includes: (i) enhancement of public awareness on intellectual property rights; (ii) development and implementation of national legislation related to the enforcement of intellectual property rights; (iii) training of officials on the enforcement of intellectual property rights; and (iv) coordinated operations conducted at the regional and multilateral levels.

⁶⁹ The EU called the ACTA 'a significant first step' that 'establishes a nucleus of countries that are committed to the highest standards of intellectual property rights enforcement. A nucleus that will grow. The World Trade Organization had a different name, a weaker structure and only nine Members when it started out in 1948. After Russia's accession later this year, nearly all world trade will be bound by its rules.' EU Intervention made at the WTO TRIPS Council Meeting held on 28 February 2012 under Agenda item N – 'IP enforcement trends', available at <http://keionline.org/node/1380> (visited 12 March 2012).

⁷⁰ India and China opposed the negotiations and never sought to be included in the negotiations. It is unclear whether Brazil desired to be included, with reports stating both positions. See 'ACTA Negotiating Round Focuses on New Accessions, Transparency', 27 (28) *Inside U.S. Trade*, 17 July 2009 (stating that Brazil, along with Russia and Taiwan, requested to join the negotiations); 'Brazil Not Interested in Joining ACTA', 27 (29) *Inside U.S. Trade*, 24 July 2009 (stating that a Brazilian Embassy official denied Brazil was interested in joining the negotiations). It has also been reported that that Jordan, the United Arab Emirates and Uruguay were originally involved in the early stages of the negotiations. See 'EU ACTA Negotiator Confirms EU Wants Patent Provisions in ACTA', 27 (18) *Inside U.S. Trade*, 8 May 2009.

enforcement standards prior to finalizing an agreement those standards have always and will continue to exceed the standards laid out in the ACTA. As this article demonstrates in more detail below, the USA is already seeking higher standards in its current FTA negotiations than that of the ACTA. Thus, existing FTAs have formed the starting point in current FTA negotiations, whereas the standards set out in the ACTA have been virtually ignored and perhaps at best will merely serve as a fall-back 'floor' position.

Commentators have also criticized the Parties to the ACTA for negotiating a new agreement outside of the existing multilateral framework. While such criticism does indeed have merit in some respects, the negotiating Parties cannot entirely be blamed for side-stepping the existing multilateral processes. The current multilateral rules concerning enforcement are limited, with none of the major IP-specific treaties (Paris, Berne, and Rome) containing any substantive provisions on enforcement and the TRIPS Agreement providing useful but narrow and incomplete provisions.⁷¹ Moreover, attempts to even discuss increased enforcement standards at the WTO (TRIPS Council) and WIPO (Advisory Committee on Enforcement) are always rejected out of hand by a large contingent of developing countries as not appropriate for discussion in that particular forum.⁷² In such an environment, if neither the WTO's TRIPS Council nor WIPO's Advisory Committee on Enforcement are the appropriate forum to discuss norm-setting in the area of IP enforcement, it follows that those countries desiring to establish a global standard had no choice but to move to different, more suitable forum.⁷³ Given developing countries' longstanding opposition to even discussing such matters in the WTO and WIPO, the dismay some exclaimed to their exclusion from the ACTA negotiations seems disingenuous and meant solely for public relations purposes. To further illustrate this point, countries such as Brazil, China, Ecuador, Egypt, and India complained about various provisions of the ACTA to a WTO TRIPS Council Meeting, including provisions that mirror their own domestic law.⁷⁴ In its intervention, the USA explicitly pointed to Indian laws relating to confusingly similar trademarks and Chinese laws on criminal enforcement. Provocatively, the USA added: 'We look forward to responses... as to why these provisions are acceptable in their domestic law, but not in ACTA. For example, there is a paradox between China's analysis of the criminal

⁷¹ On the last point, see further WTO Panel Report, *China – IPRs*, supra n 30.

⁷² Yu summarizes the developing country response to the EU's call in 2005 at the TRIPS Council for an 'in-depth discussion' on IP enforcement. Yu, supra n 20, at 10–13.

⁷³ See Kaminski, supra n 10, at 250.

⁷⁴ See, e.g. Ecuador Intervention, supra n 29; India Intervention made at the WTO TRIPS Council Meeting held on 28 February 2012 under agenda item Agenda item N 'IP enforcement trends', <http://keionline.org/node/1376> (visited 12 March 2012).

provisions of ACTA and China's own domestic law addressing criminal enforcement with respect to intellectual property rights.⁷⁵

Unfortunately, given that the clear divide among those countries desiring increased IP protection and negotiating for it via FTAs and those that felt TRIPS went too far in promoting and protecting IPRs, the timing of the ACTA could risk further undermining of international IP policymaking. Jeffrey Atik takes this argument further and states that the negotiation of ACTA risks 'losing the moral force behind TRIPS... [and] may prove strangely counterproductive. Instead of achieving higher IP standards, it may lead to an increasingly resented, and hence less effective, observation of TRIPS'.⁷⁶

It is, however, a mistake to view the TRIPS Agreement as the defining agreement on IPRs to the exclusion of all others. International IP lawmaking has always been highly fragmented, both before and subsequent to the creation of the TRIPS Agreement. In fact, the negotiation of the WIPO Internet Treaties (concluding in December 1996) prove not only that TRIPS was outdated at the time of its coming into force,⁷⁷ but also that other organizations extraneous to the WTO continue to have a role to play in standard setting and the development of legal norms.⁷⁸ Continued activity and treaty-making at WIPO (including, for instance, the WIPO Development Agenda and the copyright initiative for the blind⁷⁹) and the proliferation of FTAs containing IP chapters further demonstrate the point.⁸⁰ Admittedly, the ACTA is distinct in that it not meant to serve as expanding substantive rights but instead focuses on enforcement, but the difference is irrelevant to the broader point that there is no evidence indicating that the TRIPS Agreement was meant to serve as a unifying agreement codifying and replacing all other forms of international IP lawmaking.

⁷⁵ US Second Intervention made at the WTO TRIPS Council Meeting held on 28 February 2012 under Agenda item N – 'IP enforcement trends', <http://keionline.org/node/1379> (visited 12 March 2012).

⁷⁶ Atik, *supra* n 5, at 122. See also Yu, *supra* n 20, at 14. On the other hand, Michael Handler points out that hostility to the ACTA may serve to make the TRIPS Agreement (with its flexibilities) appear more reasonable.

⁷⁷ For a prescient article on the future of online activities, see Marci A. Hamilton, 'The TRIPS Agreement: Imperialistic, Outdated, and Overprotective', 29 *Vanderbilt Journal of Transnational Law* 613 (1996).

⁷⁸ WIPO Copyright Treaty, Dec. 20, 1996, S. Treaty Doc. No. 105-17, at 1 (1997); WIPO Performances and Phonograms Treaty, Dec. 20, 1996, S. Treaty Doc. No. 105-17, at 18 (1997).

⁷⁹ Further information on the WIPO Standing Committee on Copyright and Related Rights is available at http://www.wipo.int/meetings/en/topic.jsp?group_id=62 (visited 27 March 2011).

⁸⁰ Of the 202 agreements, 79 notified to the WTO contain provisions on IPRs, including 34 of the 75 agreements coming into force since 1 January 2005. Statistics compiled by the author using the WTO RTA Database, available at <http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx> (visited 31 October 2011)

Moreover, while the TRIPS Agreement addresses enforcement and contains some enforcement standards, it has never been clear how the increased enforcement mandate was to be funded by developing countries. The TRIPS Agreement does not provide for direct funding, and although Article 67 of the TRIPS Agreement does provide for technical assistance this has proven to be of little practical use.⁸¹ Furthermore, and importantly, increased enforcement standards further amplify the administrative and monetary strain on developing countries while offering little practical benefit as most of the benefits of increased enforcement accrue to foreign industries. Add to this the fact that research indicates IP infringers often *benefit* the local economy⁸² and it becomes clear that most developing countries not only need to be persuaded of the need to increase enforcement standards but also administrative, technical, and monetary assistance to actually implement the enforcement standards. Taken together, Atik concisely but accurately summarizes ‘TRIPS in retrospect was too sanguine in presuming effectiveness of enforcement’.⁸³ Other more bluntly call enforcement the ‘Achilles’ heel’ of the TRIPS Agreement.⁸⁴

The negotiation of the ACTA is itself a clear signal that certain Members believe the TRIPS Agreement did too little to effectively enforce its norms and standards.⁸⁵ It could also be a signal that certain Members do not believe that the WTO has the institutional capacity to correct the perceived deficiencies.

That being said, the ACTA is not the first sign of a (temporary) abandonment of the multilateral trading system, but more so an evolution of a trend that began following the collapse of the Cancun Ministerial Conference in 2003.⁸⁶ Not only did failure to progress the Doha Round in Cancun make it clear to certain developed countries that the WTO was

⁸¹ Likewise, Article 66 on technology transfer has proven to be ineffectual. See Suerie Moon, ‘Meaningful Technology Transfer to LDCs: A Proposal for a Monitoring Mechanism for TRIPS Article 66.2’, ICTSD Policy Brief No. 9 (April 2011), <http://ictsd.org/i/publications/106434/?view=document> (visited 2 June 2011).

⁸² See Daniel C. K. Chow, ‘Why China Does Not Take Commercial Piracy Seriously’, 32 Ohio Northern University Law Review 2003 (2006).

⁸³ Atik, *supra* n 5, at 135.

⁸⁴ Peter K. Yu, ‘TRIPS and its Achilles’ Heel’, 18 Journal of Intellectual Property Law 479 (2011).

⁸⁵ EU negotiators expressed this sentiment at a public briefing session held in April 2009. See Monika Ermert, ‘European Commission on ACTA: TRIPS Is Floor Not Ceiling’, *Intellectual Property Watch*, 22 April, 2009, <http://www.ipwatch.org/weblog/2009/04/22/european-commission-on-acta-trips-is-floor-not-ceiling> (visited 15 November 2011). See also Yu, *supra* n 84, at 513.

⁸⁶ See Larry Elliott, Charlotte Denny and David Munk, ‘Blow to world economy as trade talks collapse’, *The Guardian*, 15 September 2003, <http://www.guardian.co.uk/world/2003/sep/15/business.politics> (visited 15 November 2011) (reporting then-US Trade Representative Robert Zoellick ‘would redouble its efforts to reach bilateral trade deals with favored nations’ and quoting him as stating: ‘Whether developed or developing, there were “can do” and “can’t do” countries here. The rhetoric of the “won’t do” overwhelmed the concerted efforts

no longer the ‘can do’ forum for trade liberalization, it also cemented the notion that any progress in the area of IPRs would have to be accomplished outside of the WTO. This conclusion is not only drawn from the ongoing failure of the Doha negotiations but also to the push-back on IPRs from leading developing countries. Beginning in the late-1990s and continuing into the 2000s, in what Daniel Gervais dubs the ‘subtraction’ phase, developing countries scored not just public relations victories but also made inroads in pulling back from the maximalist version of IPRs and TRIPS.⁸⁷ The impetus for this phase occurred when several drug companies challenged the legality of the South African Medical and Related Substances Control Act of 1997, which allowed for compulsory licensing of patented pharmaceuticals.⁸⁸ The lawsuit, filed in the domestic courts of South Africa, brought the issue of access to medicines to the forefront and evoked passionate reactions and extremely unfavourable publicity for the pharmaceutical companies. At the same time, the USA not only supported the litigation in South Africa, but also filed a WTO complaint challenging the consistency of Brazil’s compulsory licensing provisions in Brazilian industrial property law—which contained a ‘local working’ requirement mandating patent holders to manufacture or apply the patented process (i.e., ‘work’ the patent) within Brazil in order to maintain the patent—with the TRIPS Agreement.⁸⁹

With the negative publicity refusing to abate, the pharmaceutical companies relented and abandoned their challenge to the South African legislation.⁹⁰ The USA also backtracked, negotiating a settlement to its WTO dispute settlement complaint whereby Brazil agreed to consult with the USA before invoking any domestic compulsory licensing provisions (but

of the “can do”. “Won’t do” led to impasse.’). See also Robert B. Zoellick, ‘America Will Not Wait’, *The Financial Times*, 21 September 2003.

⁸⁷ See Daniel Gervais, ‘TRIPS and Development’, in Daniel Gervais (ed.), *Intellectual Property, Trade and Development: Strategies to Optimize Economic Development in a TRIPS-Plus Era* (Oxford: Oxford University Press, 2007), at XV–XVI, 13–15.

⁸⁸ See Sarah Boseley, ‘At the Mercy of Drug Giants: Millions Struggle with Disease as Pharmaceutical Firms Go to Court to Protect Profits’, *The Guardian*, 12 February 2001 (reporting that approximately forty pharmaceutical companies challenging Article 15c of South Africa’s 1997 Medicines Act), <http://www.guardian.co.uk/Archive/Article/0,4273,4134799,00.html> (visited 2 April 2005).

⁸⁹ *Brazil – Measures Affecting Patent Protection* – Request for the Establishment of a Panel by the United States, WT/DS19/3, 9 January 2001; Article 68 of Brazil’s industrial property law (Law No. 9,279 of 14 May 1996; effective May 1997); Article 27.1 of the TRIPS Agreement. See generally, Bryan Mercurio and Mitali Tyagi, ‘Treaty Interpretation in WTO Dispute Settlement: The Outstanding Question of the Legality of Local Working Requirements’, 19 *Minnesota Journal of International Law* 275 (2010).

⁹⁰ See Karen DeYoung, ‘Makers of AIDS Drugs Drop S. Africa Suit’, *Washington Post*, 19 April 2001, A13 (reporting that the pharmaceutical companies were dropping their suit against the South African government due to the ‘public relations nightmare’), <http://www.washingtonpost.com/ac2/wp-dynA34439-2001Apr18?language=printer> (visited 2 April 2005).

did not agree to amend its legislation).⁹¹ Moreover, the US position regarding compulsory licensing became untenable in the wake of the terrorist attacks of 11 September 2001 and the subsequent anthrax scares when the government threatened to issue a compulsory license for Bayer AG Corporation's antibiotic Cipro (ciprofloxacin) in preparation for any eventual widespread need.⁹² This threat placed the USA in a difficult position, as it could now not continue requesting developing countries to resist issuing compulsory licenses in favour of making medicines more widely available to the masses.⁹³

Thus, the time was ripe for developing countries to push developed countries towards shifting their position in regards to access to medicines. The Doha Ministerial Declaration became the forum for developing countries to prominently promote public health over IPRs. With public health a global concern and the USA unable to continue pressing the issue of compulsory licenses, developing countries secured much of what they sought in the final text of the Doha Declaration on TRIPS and Public Health.⁹⁴ The Doha Declaration received worldwide notoriety for clarifying the TRIPS Agreement, prioritizing public health and emphasizing the 'flexibilities' existing in the Agreement.

Of note, paragraph 6 'recognize[s] that WTO with insufficient or no manufacturing capacities in the pharmaceutical sector could face difficulties in making effective use of compulsory licensing under the TRIPS Agreement,' but the paragraph leaves the issue unresolved, instead instructing the Council for TRIPS to find an 'expeditious solution' to the problem and to report to the General Council before the end of 2002.⁹⁵ The Implementation

⁹¹ See USTR, 'United States and Brazil Agree to Use Newly Created Consultative Mechanism to Promote Cooperation on HIV/AIDS and Address WTO Patent Dispute', Press Release, 25 June 2001 (reporting that the USA and Brazil mutually agreed to transfer the dispute to a consultative forum and stating that the USA would continue its policy of not objecting to compulsory licensing provisions in developing countries provided the laws were aimed at addressing HIV/AIDS), <http://www.ustr.gov/releases/2001/06/01-46.htm> (visited 2 April 2005).

⁹² Canada briefly issued a compulsory license on Bayer's patent. For background and repository of articles on the US and Canadian threats and actions, see <http://www.cptech.org/ip/health/cl/cipro/> (visited 27 November 2011).

⁹³ See, i.e. Emma Young, 'US Accused of Double Standard on Drug Patents', *New Scientist*, 2 November 2001 (reporting French Trade Secretary Francois Huwart stating that the USA's threats of compulsory licensing with regards to Cipro gave 'developing countries the impression that [a] double standard [was] in place'), <http://www.newscientist.com/news/news.jsp?id=ns99991512> (visited 2 April 2005).

⁹⁴ See generally Draft Ministerial Declaration, 'Proposal From a Group of Developed Countries', IP/C/W/313 (4 October 2001) (submitted by Australia, Canada, Japan, Switzerland, and USA); Draft Ministerial Declaration, 'Proposal From a Group of Developing Countries' IP/C/W/312, WT/GC/W/450 (4 October 2001) (submitted by African Group, Bangladesh, Barbados, Bolivia, Brazil, Cuba, Dominican Republic, Ecuador, Haiti, Honduras, India, Indonesia, Jamaica, Pakistan, Paraguay, Philippines, Peru, Sri Lanka, Thailand, and Venezuela).

⁹⁵ Doha Declaration, supra n 43, at para 6.

Decision, however, was not reached until 30 August 2003. The Implementation Decision provides a ‘waiver’ to obligations under Article 31(f) and thus allows any Member to export pharmaceutical products made under compulsory licenses to others with insufficient or no manufacturing capabilities within the terms set out in the Decision. The Decision has been criticized for being too cumbersome,⁹⁶ and to date has only once been utilized.⁹⁷ Despite this, Members agreed to transform the waiver into the TRIPS’ first ever amendment. This cannot occur, however, if laws are not in place to allow for the issuance of a compulsory license. In this regard, it is somewhat surprising that a large percentage of developing countries do not have sufficient legal measures in place to enable both the import and export of drugs under compulsory license as needed under the waiver (and in future, under the new Article 31*bis*).

Despite the criticism, the Implementation Decision marked the watershed of momentum in favour of developing countries on the issue of TRIPS and public health. Since that time, developed countries have regrouped and once again gained the upper-hand and through a forum shift to bilateral and regional trade agreements (and to a lesser extent, BITs) are incorporating obligations that build upon the standards of the TRIPS Agreement.⁹⁸ Attempts by developing countries to once again shift the forum back to WIPO via the ‘WIPO Development Agenda’ have largely been unsuccessful.⁹⁹

One of the most ardent drivers of this shift has been the USA. Although the US position relating to FTAs, pharmaceuticals, and TRIP-Plus provisions began being formulated with the conclusion of the US–Jordan FTA (2001), its position subsequently hardened and later agreements produced more meaningful and wide-ranging TRIPS-Plus provisions. Such provisions can be seen in US agreements with Singapore (2004), Australia (2005),

⁹⁶ See, i.e. MSF, *Neither Expeditious, Nor a Solution: The WTO August 30th. Decision is Unworkable* (2006). Prepared for the XVI International AIDS Conference, Toronto, August 2006, http://www.doctorswithoutborders.org/news/hiv-aids/WTO_chretien.pdf (visited 28 March 2012).

⁹⁷ For details, see Matthew Rimmer, ‘Race Against Time: The Export of Essential Medicines to Rwanda’, 1 (2) *Public Health Ethics* 89 (2008); Matthew Rimmer, ‘The Jean Chretien Pledge to Africa Act: Patent Law and Humanitarian Aid’, 15 (7) *Expert Opinion on Therapeutic Patents* 889 (2005).

⁹⁸ In relation to access to essential medicines, the most notable TRIPS-Plus provisions include limits on compulsory licensing, the linkage of market approval to patent status, patent term extension, limits on parallel importation and the aforementioned test data protection. See Handler and Mercurio, *supra* n 9, at 325–328. All of these provisions have the potential to significantly impede access to essential medicines.

⁹⁹ In 2007, the WIPO General Assembly adopted 45 recommendations which aim to address the interests and needs of developing countries and ensure the balance between creators or owners and users or public interest is maintained. To date, Members are still implementing the Development Agenda and although they have agreed to some implementation projects, progress has generally been postponed or stalled. For a recent update, see Jeremy de Beer and Sara Bannerman, ‘Foresight into the Future of WIPO’s Development Agenda’, 2 *WIPO Journal* 211 (2010).

Morocco (2006), CAFTA-DR (2006), and Bahrain (2006).¹⁰⁰ It is also noteworthy that the recently approved FTA with Korea (2011) further strengthens IPR protection and the presence of TRIPS-Plus provisions.¹⁰¹ After initially demanding fewer (and for the most part less onerous) TRIPS-Plus provisions in its FTAs, the EU announced it would 'revisit [its] approach to the IPR chapter of bilateral agreements'¹⁰² and now similarly demand significant TRIPS-Plus provisions be included in all of its recent FTAs.¹⁰³

The negotiations leading to the ACTA represent a further forum shift away from the WTO.¹⁰⁴ Negotiated among a group of (mainly) like-minded countries, each with significant IP interests the plurilateral setting of the ACTA seemed to be the perfect setting to formulate and internationalize ambitious IP norms and standards. In such a setting, de-coupled from the 'single undertaking' of the WTO, the Parties could negotiate an agreement free of tradeoffs involving non-IPR issues and concerns. Furthermore, the agreement could be negotiated among a select group of invited participants, free of interference from Brazil, India, China, and other vocal opponents of strengthened IP enforcement efforts (and coincidentally, the source of the vast majority of the world's counterfeit and pirated products).¹⁰⁵

Of course, the ACTA is confined to only one aspect of IPRs, whereas US FTAs provide for a range of substantive TRIPS-Plus provisions. Despite the statements of the negotiating Parties and the Preamble, why the negotiations were limited to enforcement remains unclear. Perhaps the negotiating Parties were certain that this issue could not be negotiated multilaterally while at the same time were uncertain whether it was politically feasible to press for additional substantive rights in a plurilateral setting. Given the difficulties in concluding the ACTA and the 'significant differences in philosophy and approach' between the negotiating Parties,¹⁰⁶ it is entirely reasonable to question whether the 'like minded' group of negotiating Parties would have been able to reach an agreement.

What is clear is that this version of the ACTA as a standalone agreement is not the end of the story. If the negotiating Parties viewed the ACTA as an

¹⁰⁰ See Handler and Mercurio, *supra* n 9, at 325–328.

¹⁰¹ See also Letter from Ron Kirk, US Trade Representative, to Ron Wyden, US Senator, 28 January 2010, at 2, http://www.ustr.gov/webfm_send/1700 (visited 15 November 2011).

¹⁰² *Strategy for the Enforcement of Intellectual Property Rights in Third Countries*, OJ 2005 C 129/03.

¹⁰³ See, i.e. the recently signed EU–South Korea Free Trade Agreement, available at <http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2011:127:SOM:EN:HTML> (visited 12 March 2012).

¹⁰⁴ See Michael Blakeney and Louise Blakeney, 'Stealth Legislation? Negotiating the Anti-Counterfeiting Trade Agreement (ACTA)', 16 (4) *International Trade Law and Regulation* 87 (2010), at 90–91.

¹⁰⁵ On the opposition to the strengthening of IPRs, see Peter K. Yu, 'Access to Medicines, BRICS Alliances, and Collective Action', 34 *American Journal of Law & Medicine* 345 (2008), at 349–352.

¹⁰⁶ Weatherall, *supra* n 35, at 10.

ideal agreement, then the standards set out in the ACTA would begin to be negotiated into FTAs and perhaps later be negotiated into the TRIPS Agreement itself.¹⁰⁷ The ideal forum to begin the process of incremental development leading to the multilateralization of the standards set out in the ACTA would be the Trans Pacific Partnership (TPP) negotiations currently ongoing between countries as diverse as Brunei, Chile, New Zealand, Singapore, Australia, Malaysia, the US, Peru and Vietnam (Canada, Japan and Mexico have also recently indicated their interest in joining the negotiations).¹⁰⁸ Most negotiating Parties to the TPP are already Parties to the ACTA and it seems unlikely that those negotiating Parties not already a Party to the ACTA (most notably, Vietnam) would be in a position to resist its inclusion in the IP Chapter of the TPP.¹⁰⁹ Moreover, it is likely that the ACTA will be in force prior to the conclusion of the TPP negotiations.

What is also clear, however, is that the ACTA is not being used as a standard to be negotiated into FTAs. To the contrary, the ACTA is virtually being ignored in the negotiations. For instance, the USA is not using ACTA as its negotiating position in the TPP but rather using these negotiations as an opportunity to incorporate substantive provisions that were rejected or not even raised in the context of the ACTA. In this regard, the ACTA is not even a starting point in the negotiations and even seems irrelevant to the US negotiating position.¹¹⁰ In terms of its proposals relevant to the ACTA, the USA has again sought, *inter alia*, statutory damages in copyright and for violations of the anti-circumvention provisions, mandatory seizure of infringing goods while in-transit, criminal liability for private non-commercial activities involving copyright, a mandatory offence for camcording and detailed

¹⁰⁷ See, i.e. Henning Grosse Ruse-Khan, 'From TRIPS to ACTA: Towards a new "Gold Standard" in Criminal IP Enforcement', Max Planck Institute for Intellectual Property and Competition Law Research Paper No. 10-06 (2010), http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1592104 (visited 15 November 2011) (arguing the 'ACTA will become the next international 'gold standard in IPR enforcement', it will replace the flexible minimum standard of Art.61 TRIPS with a set of more detailed and comprehensive rules on criminal offenses, liability and penalties as well as other specific remedies.').

¹⁰⁸ The TPP negotiations began as an extension of a trade agreement known as the P4 between Brunei, Chile, New Zealand and Singapore. The text of the P4 is available at http://www.worldtradelaw.net/fta/agreements/TransPac_SEP_FTA.pdf (visited 15 November 2011).

¹⁰⁹ See generally Margot E. Kaminski, 'An Overview and the Evolution of the Anti-Counterfeiting Trade Agreement', 21 *Albany Law Journal of Science and Technology* 385 (2011).

¹¹⁰ A leaked version of the US Draft TPP IP Chapter (February 2011) is available at <http://keionline.org/sites/default/files/tpp-10feb2011-us-text-ipr-chapter.pdf> (visited 28 February 2011). For a tabulated comparison of the proposal with Australian law, see Kimberlee Weatherall, 'An Australian Analysis of the February 2011 Leaked US TPPA IP Chapter Text', <http://works.bepress.com/cgi/viewcontent.cgi?article=1022&context=kimweatherall> (visited 15 November 2011). Another draft that was leaked in September 2011 is available at <http://www.citizenstrade.org/ctc/wp-content/uploads/2011/10/TransPacificIP1.pdf> (visited 15 November 2011).

safe harbour provisions for online service providers.¹¹¹ Moreover, the US Draft TPP IP Chapter contains few of the safeguards that form part of the ACTA, such as specific reference to Articles 7 and 8 of the TRIPS Agreement and the requirement that procedures be fair, equitable and proportionate.¹¹² In doing so, the USA is attempting to internationalize certain aspects of its domestic laws while at the same time rebalance global norms in such a way so as to increase protection for rights owners and reduce safeguards and other user-related limitations.

To some extent, the US position is understandable as even though like-minded countries negotiated the ACTA, the result was less than optimal from a trade negotiator point of view. The final text of the ACTA provided much weaker obligations than the USA (and many others) desired and the TPP is another opportunity to reach a more comprehensive agreement that stretches the international legal framework.

Given these realities, multilateralization of the ACTA into the TRIPS Agreement is unlikely in the short to medium term for at least two reasons. First, the negotiation process of the ACTA revealed that disagreement among like-minded, IP *demandeur* countries exists on a number of procedural and substantive issues. Given this, as well as the extent to which these countries have already and will continue to press for extended coverage and more substantial commitments in their ongoing and future FTA negotiations, it is unlikely that these countries would group together and expend political capital attempting to multilateralize the existing level of commitments. Second, given the extent of the opposition to the negotiation of the ACTA from IP-importing countries such as Brazil, China, and India, it is highly unlikely that they would readily allow the ACTA to become part of the multilateral trading system.

V. CONCLUSION

The negotiation of the ACTA elicited strong emotive responses and heavy criticism from interested observers and in numerous IP-related sectors. In part the responses and criticism were the result of the manner of negotiations and the lack of transparency surrounding negotiating topics. Thus, while it is a stretch to call the ACTA a 'secret law',¹¹³ the lack of public information

¹¹¹ See *ibid.*, at Articles 12.2, 12.4, 14.4, 15.1, 15.3, and 16.3, respectively. For commentary, see Knowledge Ecology International, 'The complete Feb 10, 2011 text of the US proposal for the TPP IPR chapter', March 10, 2011, <http://keionline.org/node/1091> (visited 12 March 2012).

¹¹² See ACTA, *supra* n 1, at Articles 2.3 and 6.2–6.3. For analysis of the US Draft, see Sean Flynn, Margot Kaminski, Brook Baker and Jimmy Koo, 'Public Interest Analysis of the US TPP Proposal for an IP Chapter', Paper produced for the Program on Information Justice and Intellectual Property at the American University Washington College of Law, 6 December 2011, <http://infojustice.org/tpp-analysis-december2011> (visited 5 January 2012).

¹¹³ See *contra*, Levine, *supra* n 16, at 823.

released regarding the negotiations no doubt fuelled much of the conjecture. In the end, most of the speculation and potential effects of the ACTA were overstated. As this article demonstrates, the ACTA adds few meaningful obligations on top of existing international or domestic obligations. However, and despite statements to the contrary, the justification for negotiating the agreement was not a mere codification exercise. On the contrary, the negotiating Parties attempted to incorporate several provisions into the ACTA that would have significantly altered the international IP framework. These efforts largely failed due to philosophical and practical differences between and among the negotiating Parties.

Instead, this article argues the real value in the ACTA is that it demonstrates a further ‘forum shift’ away from the WTO and existing forums for the discussion and negotiation of international IP. In providing an alternative forum for IP rulemaking, the negotiating Parties have signalled their intention to proceed without first gaining widespread international consensus. But even here, the ACTA will initially have limited success. Given the level of opposition to the ACTA from leading developing countries, any attempt to subsequently incorporate the obligations contained in the ACTA to the WTO will be resisted in the short-to-medium term. Moreover, and of more practical importance, the ACTA is being virtually ignored in ongoing FTA negotiations. Countries such as the USA continue to demand provisions that were either rejected or not even raised in the context of the ACTA; therefore, far from forming the basis for enforcement standards in FTAs the ACTA is merely serving as a ‘floor’ while negotiating Parties continue to raise IP protection standards to existing TRIPS-Plus levels and beyond.

That being said, it is likely that additional Parties will accede to the ACTA and that the agreement will eventually become the recognized minimum standard in the international community. When that occurs, attempts will at some point be made to multilateralize the ACTA. Until brought back into the multilateral system, however, the ACTA simply represents further fragmentation of the international IP system.