

MAX PLANCK SERIES ON ASIAN INTELLECTUAL PROPERTY LAW

THE ENFORCEMENT OF INTELLECTUAL
PROPERTY RIGHTS
COMPARATIVE PERSPECTIVES FROM THE ASIA-PACIFIC REGION

Edited by
Christoph Antons



Max Planck Institute
for Intellectual Property,
Competition and Tax Law



Wolters Kluwer
Law & Business

The Enforcement of Intellectual Property Rights

Comparative Perspectives from the Asia-Pacific Region

Edited by

Christoph Antons



Wolters Kluwer

Law & Business

Published by:

Kluwer Law International
PO Box 316
2400 AH Alphen aan den Rijn
The Netherlands
Website: www.kluwerlaw.com

Sold and distributed in North, Central and South America by:

Aspen Publishers, Inc.
7201 McKinney Circle
Frederick, MD 21704
United States of America
Email: customer.service@aspublishers.com

Sold and distributed in all other countries by:

Turpin Distribution Services Ltd.
Stratton Business Park
Pegasus Drive, Biggleswade
Bedfordshire SG18 8TQ
United Kingdom
Email: kluwerlaw@turpin-distribution.com

Printed on acid-free paper.

ISBN 978-90-411-3219-2

© 2011 Kluwer Law International BV, The Netherlands

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without written permission from the publisher.

Permission to use this content must be obtained from the copyright owner. Please apply to: Permissions Department, Wolters Kluwer Legal, 76 Ninth Avenue, 7th Floor, New York, NY 10011-5201, USA.
Email: permissions@kluwerlaw.com

Printed in Great Britain.

The Enforcement of Intellectual Property Rights

Max Planck Series on Asian Intellectual Property Law

Volume 15

Editor
Reto Hilty
Director

Max Planck Institute for Intellectual Property, Competition and Tax Law

Over the last few decades, intellectual property law has assumed an increasingly vital role in the expansion of the internet and the rapid pace of technological innovation. Intellectual property law has therefore grown into one of the world's biggest and fastest-growing fields of law. As the relative value of intellectual property increases in the global economy, the development of intellectual property rights in Asia has been nothing less than dramatic in the last couple of years. Spurred by the TRIPS Agreement, most Asian countries have completely overhauled their intellectual property systems. This formal adaptation of intellectual property law to international standards is now followed by a period in which Asia is re-conceptualizing the way that it thinks about intellectual property law, its administration, and enforcement. Thus, Asia is emerging as a potent force in reshaping the global intellectual property landscape.

The Max Planck Institute for Intellectual Property, Competition and Tax Law has pioneered intellectual property research and education in Asia since 1975. It has not only been involved in fundamental research on intellectual property law, but also in drafting legislation both on the Institute's own account, and in cooperation with projects funded by the European Union, WIPO, the World Bank, UNDP, and others. Cooperation agreements have been concluded with institutions in Japan, Korea, Taiwan, and Thailand. The Max Planck Institute is further renowned for its conferences and workshops on Asian intellectual property law and its state-of-the-art research facilities. It annually welcomes more than 40 students, guest researchers, and distinguished expert lawyers from Asia thereby deepening the international dialogue on intellectual property policy.

The Max Planck Series on Asian Intellectual Property Law aims at providing expert coverage of intellectual property rights, their administration and enforcement in Asian jurisdictions for both academic and practicing lawyers. Particular attention is given to the non-English speaking countries of Asia where reliable information is often difficult to come by. The series includes both country-specific reports and comparative studies on current problems of interest.

The titles published in this series are listed in the back of this volume.

List of Contributors

Christoph Antons, Referendar jur. (Rhineland Palatinate), Assessor jur. (Bavaria), PhD (University of Amsterdam), Professor of Law, School of Law, Faculty of Business and Law, Deakin University, Melbourne; Chief Investigator, ARC Centre of Excellence for Creative Industries and Innovation; Adjunct Research Fellow, Max Planck Institute for Intellectual Property, Competition and Tax Law, Munich.

Louise Blakeney, BA (ANU), LLB (UNSW), DEA (Strasbourg), Senior Solicitor, West Australian Police; Tutor, University of Western Australia.

Michael Blakeney, BA, LLM (University of Sydney), MA (UNSW), Professor of Law and Co-Director, Australian Global Studies Research Centre, Faculty of Law, University of Western Australia.

Jianfu Chen, LLM (Hon I, Syd), PhD (Syd), Professor of Law, La Trobe University, Bundoora, Victoria.

Brian Fitzgerald, BA (Griff), LLB (Hons) (QUT), BCL (Oxon) LLM (Harv) PhD (Griff), Professor of Intellectual Property and Innovation, Queensland University of Technology, Brisbane; Chief Investigator and Program Leader for Law, ARC Centre of Excellence for Creative Industries and Innovation.

Gabriel Garcia, LLB (*magna cum laude*, Central University of Venezuela), LLM (Boston University), PhD (Univ. of Wollongong), Honorary Postdoctoral Research Associate, Faculty of Arts; Associate Member, Institute for Social Transformation Research, University of Wollongong.

Steven Gething, BA (Hons), GDL, LLM, PhD Candidate, Queensland University of Technology, Brisbane.

Thomas T. Jaeger, Mag. iur. (Vienna), LLM (KU Leuven), Dr. iur. (Salzburg); Research Fellow, Max Planck Institute for Intellectual Property, Competition and Tax Law, Munich.

List of Contributors

Yee Fen Lim, B.Sc., LLB, LLM (Hons) (University of Sydney); Associate Professor, Division of Business Law, Nanyang Technological University, Singapore; Principal Consultant, Galexia, Sydney.

Michael Schlesinger, BA, Oberlin College, JD, Columbia University School of Law, Of Counsel, Greenberg Traurig LLP, Washington, DC; Professorial Lecturer in Law, George Washington University School of Law; Lecturer, Munich Intellectual Property Law Center (MIPLC).

Ferdinand Negre, JD (Ateneo de Manila University), Master of Intellectual Property (Franklin Pierce), Partner, Bengzon Negre Untalan, Intellectual Property Attorneys, Manila; Professor of Law, Ateneo Law School.

Nahoko Ono, LL.M. (Georgetown University Law Center), MGA (University of Pennsylvania), Senior Researcher, University of Tokyo; Ph.D Candidate, Hitotsubashi University Graduate School of Law; Visiting Scholar, Columbia University, New York.

Viet D. Phan, LLB (Humboldt University); Attorney at Law, Founder of LuatPVD, Hanoi; Assoc. Lecturer, Judicial Academy, Hanoi.

Peter K. Yu, BA (UW-Madison), JD (Cardozo) Kern Family Chair in Intellectual Property Law and Director, Intellectual Property Law Center, Drake University Law School, Des Moines; Wenlan Scholar Chair Professor, Zhongnan University of Economics and Law, Wuhan.

Preface

This book presents updated and completely revised chapters originally presented in the context of a workshop on 'Intellectual property enforcement in the Asia-Pacific region' at the Centre for Comparative Law and Development Studies in Asia and the Pacific (CLDSAP) at the University of Wollongong in December 2007. The workshop was supported by the Centre of Excellence for Creative Industries and Innovation (CCI) of the Australian Research Council (ARC) and by the Max Planck Institute for Intellectual Property, Competition and Tax Law, Munich. I would like to thank Professor Stuart Cunningham at CCI and Professor Reto Hilty at the Max Planck Institute, Munich, for supporting this project, Gabriel Garcia and Marjam Ita for their assistance with the organisation of the workshop and Elaine Newby for many hours of proof reading and editorial assistance.

Christoph Antons
Wollongong, December 2010

Summary of Contents

List of Contributors	v
Table of Contents	xi
Preface	xxi
Chapter 1	
Introduction	1
<i>Christoph Antons</i>	
Part I	
The WTO TRIPS Provisions on Enforcement, TRIPS-Plus and ACTA	21
Chapter 2	
Proposals for International Criminal Enforcement of Intellectual Property Rights	23
<i>Michael Blakeney</i>	
Chapter 3	
The Framework for IP Rights Enforcement in the EU	47
<i>Thomas T. Jaeger</i>	
Chapter 4	
Counterfeiting and Piracy: Removing Incentives Highlighting the UK Experience	73
<i>Louise Blakeney</i>	

Summary of Contents

Chapter 5 Legislative Reform Related to IP Enforcement in Japan <i>Nahoko Ono</i>	97
Chapter 6 Initiatives on IP Enforcement beyond TRIPS: The Anti-Counterfeiting Trade Agreement and the International Medical Products Anti-Counterfeiting Task Force <i>Christoph Antons and Gabriel Garcia</i>	125
Part II Copyright Enforcement in a Digital Environment	161
Chapter 7 Through the Lens of the TRIPS Enforcement Text and WIPO 'Internet' Treaties: The Possible Shift to a Creative Economy in Southeast Asia <i>Michael Schlesinger</i>	163
Chapter 8 The Criminalisation of Copyright Law <i>Steven Gething and Brian Fitzgerald</i>	213
Chapter 9 The Tangled Web of Copyright Enforcement on the Web in Singapore <i>Yee Fen Lim</i>	227
Part III Intellectual Property Enforcement in China	237
Chapter 10 The US – China Dispute over TRIPS Enforcement <i>Peter K. Yu</i>	239
Chapter 11 IP Law Enforcement in China: Think Outside the Box <i>Jianfu Chen</i>	291
Part IV Intellectual Property Enforcement in ASEAN Countries	315
Chapter 12 Intellectual Property Enforcement in Vietnam: Recent Legal Reforms <i>Viet D. Phan</i>	317

Chapter 13 Intellectual Property Enforcement under TRIPS: The Philippine Experience <i>Ferdinand Negre</i>	329
--	------------

Chapter 14 The Intellectual Property Jurisdiction of the Indonesian Commercial Court <i>Christoph Antons</i>	363
--	------------

Table of Contents

List of Contributors	v
Summary of Contents	vii
Preface	xxi
Chapter 1	
Introduction	1
<i>Christoph Antons</i>	
I. IP Enforcement in Asia after the WTO TRIPS Agreement	1
II. From TRIPS to TRIPS-Plus: IP Enforcement Reform in Industrialised Economies and Its Impact on Free Trade Agreements	3
III. Structure of the Book and Short Summaries of Individual Chapters	4
Part I	
The WTO TRIPS Provisions on Enforcement, TRIPS-Plus and ACTA	21
Chapter 2	
Proposals for International Criminal Enforcement of Intellectual Property Rights	23
<i>Michael Blakeney</i>	
I. Counterfeiting and Piracy as a World Trade Issue	23
II. Metrics	26
III. Impacts of Counterfeiting and Piracy	29
A. Business Impacts	30
B. Trade Diversion	30

Table of Contents

C. Revenue Effects	31
D. Investment Effects	32
E. Competition Effects	33
F. Employment Effects	34
G. Consumer Protection	35
H. Public Order	37
IV. Policy Responses to Counterfeiting and Piracy	39
A. Treaty on Non-Proliferation of Counterfeits and Pirated Goods	40
B. Plurilateral ACTA	41
V. Conclusion	45

Chapter 3

The Framework for IP Rights Enforcement in the EU **47**

Thomas T. Jaeger

I. Background	47
II. Types of IP Rights in the EU and Enforcement Challenges	49
A. Groups of IP Rights in the EU	49
B. The Duality Problem in EU Enforcement	50
III. Jurisdiction and Mutual Recognition and Enforceability of Judgments	51
A. The Brussels Regulation	51
B. Group I and II IP Rights under the Brussels Regulation	53
C. Group III IP Rights	55
D. Conclusion on the Brussels Regulation	56
IV. Applicable Law	58
V. Enforcement Standards	60
A. Characteristics of the Enforcement Directive	60
B. Provisions Mirroring the TRIPS Standard	62
C. TRIPS-Plus Provisions	64
D. TRIPS-Minus Provisions?	68
E. Conclusions on the Enforcement Directive	70
VI. Overall Assessment of IP Rights Enforcement in the EU	71

Chapter 4

Counterfeiting and Piracy: Removing Incentives Highlighting the UK Experience **73**

Louise Blakeney

I. Introduction	73
II. Proceeds of Crime Laws	74
A. The UK Proceeds of Crime Act 2002	76
1. Background	76
2. Criminal Confiscation Provisions	77
B. Criminal Lifestyle	77
C. Recoverable Amount	79
D. Restraint Orders	80

E. Civil Confiscation Provisions	81
1. Operation of the Legislation	85
III. Policy Considerations in the Prosecution of IP Crimes in the UK	91
IV. IP Offences and Confiscation in the UK	93
V. The Future	94

Chapter 5
Legislative Reform Related to IP Enforcement in Japan **97**
Nahoko Ono

I. Introduction	97
II. General Overview: IP System Reform in Japan	98
A. IP Basic Act	98
B. IP Strategic Headquarters and IP Strategic Program	99
III. IP High Court	103
A. Prior to the Establishment of the IP High Court	103
B. Establishment of the IP High Court	105
C. Technical Expertise	105
D. Grand Panel	107
E. De Facto Streamlining of the Double-Track System	107
IV. Civil Remedies	108
A. Injunction	109
B. Damage Compensation	109
C. Measures to Restore Credibility	110
V. Criminal Remedies	110
A. Legislative Reforms	111
B. Performance Data	112
VI. Border Measures	114
A. Legislative Reforms	115
B. Performance Data	117
C. Counterfeit Survey 2009 by Japan Patent Office	118
VII. Awareness Building	119
VIII. Conclusion	120

Chapter 6
Initiatives on IP Enforcement beyond TRIPS: The Anti-Counterfeiting Trade Agreement and the International Medical Products Anti-Counterfeiting Task Force **125**
Christoph Antons and Gabriel Garcia

I. Introduction	125
II. ACTA	127
A. Background	127
B. Criticism of ACTA	128
C. ACTA: A Survey of the Main Provisions	133
1. Scope of ACTA	133

Table of Contents

2. Legal Framework for Enforcement of IPR	134
a. Civil Enforcement	134
i. Injunctions	135
ii. Damages	138
iii. Legal Fees and Costs	139
iv. Destruction of Infringing Goods	139
v. Right of Information	140
b. Border Measures	141
i. Scope	141
ii. Ex officio Actions	143
iii. <i>De Minimis</i> Exception	144
iv. Suspension of Release of Goods by Customs Authorities	144
v. Security Or Equivalent Assurance	145
vi. Destruction Or Disposal of Infringing Goods	146
vii. Disclosure of Information	146
c. Criminal Enforcement	147
i. Offences	147
ii. Seizure and Destruction of Infringing Goods	147
iii. Ex Officio Criminal Enforcement	148
d. Enforcement of IPR in the Digital Environment	148
i. Scope	149
ii. Third Party Liability	150
iii. Cooperation within the Business Community	150
iv. Right to Information	150
v. Circumvention of Effective Technological Measures	150
3. Enforcement Practices, International Cooperation and Institutional Arrangements	152
III. IMPACT	153
A. Background	153
B. IMPACT Initiative on Principles and Elements for Legislation against Counterfeit Medicines	155
C. The Future of the IMPACT Strategy within the WHO	156
IV. Conclusions	159

Part II

Copyright Enforcement in a Digital Environment 161

Chapter 7

Through the Lens of the TRIPS Enforcement Text and WIPO 'Internet' Treaties: The Possible Shift to a Creative Economy in Southeast Asia

163

Michael Schlesinger

I. Introduction	163
II. Southeast Asia: Brief Surveys of Copyright Protection	165

A.	Brunei Darussalam	165
1.	Treaty Status	166
2.	Coverage under Copyright Legislation	168
B.	Cambodia	170
1.	Treaty Status	171
2.	Coverage under Copyright Legislation	172
C.	Indonesia	172
1.	Treaty Status	174
2.	Coverage under Copyright Legislation	174
D.	Laos (Lao People's Democratic Republic)	176
1.	Treaty Status	177
2.	Coverage under Copyright Legislation	178
E.	Malaysia	179
1.	Treaty Status	181
2.	Coverage under Copyright Legislation	182
F.	Myanmar	184
1.	Treaty Status	184
2.	Coverage under Copyright Legislation	185
G.	The Philippines	186
1.	Treaty Status	189
2.	Coverage under Copyright Legislation	189
H.	Singapore	192
1.	Treaty Status	193
2.	Coverage under Copyright Legislation	194
I.	Thailand	195
1.	Treaty Status	197
2.	Coverage under Copyright Legislation	198
J.	Vietnam	199
1.	Treaty Status	202
2.	Coverage under Copyright Legislation	202
III.	TRIPS Enforcement Text Ten Years On	205
A.	The Enforcement Provisions of the TRIPS Agreement	205
B.	The Meaning and Interpretation of Article 41	207
1.	Effective Action	207
2.	Available	208
3.	Expeditious	208
4.	Deterrent to Further Infringements	208
C.	The Meaning and Interpretation of Article 61	209
1.	To Be Applied	209
2.	At Least	209
3.	Copyright Piracy on a Commercial Scale	209
4.	Deterrent	210
5.	'Seizure, Forfeiture and Destruction of the Infringing Goods and of Any Materials and Implements the Predominant Use of Which Has Been in the Commission of the Offence'	210
IV.	Conclusion	211

Table of Contents

Chapter 8	
The Criminalisation of Copyright Law	213
<i>Steven Gething and Brian Fitzgerald</i>	
I. Introduction	213
II. Background	214
III. The Elements of Indictable and Summary Offences	214
IV. Strict Liability	216
V. Commercial Strict Liability Offences	217
VI. Content Hosts, Search Engines, ISPs and Strict Liability	219
VII. Defences under the Criminal Code	221
VIII. Conclusion: Suggested Reform	224
A. An Attorney-General's Review	224
B. Safe Harbours	224
C. Peer-to-Peer Infringement	224
D. Aligning the Law with Reality	225
Chapter 9	
The Tangled Web of Copyright Enforcement on the Web in Singapore	227
<i>Yee Fen Lim</i>	
I. The Purpose of Copyright Law	228
II. The Odex Saga	231
A. Poor Public Relations Management	232
B. Responsibilities and Obligations of ISPs	233
C. The Law	234
III. Conclusion	235
Part III	
Intellectual Property Enforcement in China	237
Chapter 10	
The US – China Dispute over TRIPS Enforcement	239
<i>Peter K. Yu</i>	
I. Introduction	239
II. A General Complaint	241
A. Lack of Definition	242
B. Lack of Evidence	243
C. Difficulty with IP Enforcement	246
D. Weak Enforcement Norms in TRIPS	249
E. Adverse WTO Rulings	251
F. Need for Strategic Use of the WTO Process	252