

## 5. ENFORCEMENT AND REGULATION REGIME

This section looks at the key issues and challenges related to the regime for enforcement and regulation of IPRs in LDCs, before setting out a detailed checklist to guide an assessment, based on available evidence, about a country's capacity to enforce and regulate IPRs at the national level in line with domestic legislation, national development policy objectives and its current or future international obligations (WIPO treaties, TRIPS Agreement, regional and bilateral agreements).

### *5.1 Key issues and challenges*

IPRs of all forms are useful and valuable to their holders only if they are capable of being enforced. At the same time, IPRs are also capable of being utilised by holders in ways which may unfairly restrict competition or be otherwise harmful to the public interest (e.g. patent claims which are overly broad or of dubious validity). This means that legal systems and regulatory frameworks and institutions must be fully effective in respect of both of these objectives. For many LDCs, the concepts of intellectual property law and its administration, enforcement and regulation are new and therefore present a challenge to enforcement authorities and regulators who may possess little, if any, specialized knowledge in the field.

IPR infringement through counterfeit or “fake” drugs, automobile parts, pesticides, foodstuff and bottled water are appearing in the marketplace at an alarming rate in some parts of the world – in both developed and developing countries. The negative implications of this, not only in financial terms but also in terms of public health and safety can be huge. Consumers can be “morally selective when it comes to purchasing counterfeit goods, and frequently view the pirating of consumer goods, especially, clothing and CDs as soft crimes”.<sup>1</sup> The public therefore needs to be persuaded to refuse to purchase knowingly pirated and counterfeit goods while differentiating and keeping clarity on what are a “fair uses” of knowledge and information.

Increased enforcement of IPRs is also often politically sensitive as it may be seen as leading to increased costs for consumers and even the loss of access to jobs. A key element in any effort to strengthen the enforcement of IPRs is to increase public awareness and understanding of industrial and intellectual property. At the same time, clear, cost-effective, readily accessible enforcement mechanisms and procedures are required.

For most major IPRTA donors, a key policy objective going forward is to ensure that enforcement systems in developing countries address serious and significant IPR infringements more effectively. This is seen as critically important to protect the incentives that the system offers to IPR holders. But, as the UK Commission on Intellectual Property Rights noted,<sup>2</sup> it is also important that developing countries are assisted to develop institutions capable of doing this in a balanced, pro-competitive way.

Developed countries have introduced stronger IPR protection in the context of competition regimes and other regulatory regimes designed to ensure that IPRs do not harm the public interest. Seen from the institutional perspective,

however, such effective regulation of IPRs is likely to present significant challenges for policymakers, administrators and enforcement agencies in LDCs.

This suggests that, as well as enforcement, building capacity for regulation of IPRs, particularly in relation to matters of special public interest (as with compulsory licensing) or in relation to controlling anti-competitive practice by rights holders, should be given higher priority in IPRTA programmes for LDCs.

As well as the development of appropriate regulatory frameworks and institutions per se, an important part of effective regulation is the undertaking of regular, periodic reviews of all aspects of the national IPR regime, to ensure that these are relevant and appropriate. Donors of IPRTA could also do more to assist developing countries in this task, through providing appropriate technical assistance as well as formal and on-the-job training.

## **5.2 Diagnostic assessment checklist**

### **Analysis of the nature and status of IPR infringement**

- Are there allegations and/or instances of infringement for different kinds of IPRs in the country? What data is available about actual instances of IPR infringement?
- If so, who has put forward those allegations? e.g. domestic interests, USTR, BSA, copyright collectives?
- Do linkages exist between national enforcement authorities and foreign or international authorities and bodies (e.g. World Customs Organization)?

### **Levels of public awareness and awareness raising initiatives**

- Does the IP office carry out activities intended to increase public awareness and understanding of IPRs? If so, what are they?
- What are the primary objectives of such “outreach” activities, e.g. to promote innovation, to fight infringement, to clarify depending on the case what are fair or unauthorized uses? How extensive and well resourced are such awareness raising activities in the country?
- What are the views of stakeholders, including the domestic business sector and foreign/international stakeholders, e.g. USTR, AIPLA, BSA, ICC regarding access to IPR enforcement systems? What are the views of national and international consumer associations and users?

### **Administrative systems**

- What role does the IPR office play in the enforcement of private rights such as IPRs?
- Does the IPR office provide any dispute resolution services?
- What linkages exist between the IP office and national IPR enforcement authorities?
- Is Alternative Dispute Resolution (ADR) practised in connection with IPR matters?
- If ADR is used, in what form is it practiced (e.g. negotiation, mediation/conciliation, and arbitration)?

- Is the country party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards?
- Is collective management of copyright and related rights practised?
- Does a Copyright Tribunal or a comparable system exist for setting royalty rates?
- Does the national IPR office administer systems for the compulsory licensing of IPRs, e.g. in cases of national interest or the abuse of IPRs? Does the national IPR office have appropriate professional and technical capacity in this respect? Does the country have the institutional capacity to administer, in the public interest, the compulsory licensing provisions under Article 31 of TRIPS?
- Is there a requirement and a system for registering technology transfer agreements?
- To what extent are the enforcement of IPRs provisions of the TRIPS Agreement (Part III) being met, if at all, within the existing national IPR regime?

#### **Judiciary**

- What types of courts hear IPR cases? How easy is it to access the courts and bring cases?
- How are the courts structured to deal with IP matters (e.g. specialized IP courts, etc)? Is the judiciary in these courts generally familiar with IPR concepts, legislation and case law?
- Do prosecutors and the judiciary receive formal training in IPR law? What kind of formal training programmes are operated? Are these effective and well attended? What are the gaps?
- To what degree does the judiciary rely on lawyers, as officers of the courts, to explain the legal and/or technical issues of IPRs?
- How many IPR cases are brought before the courts on an annual basis?
- Do the courts have access to IPR registry data (e.g. IP records and registries)?
- Are any or all criminal, civil and administrative procedures and remedies, as called for in the TRIPS Agreement, in place?

#### **Police**

- Are there special units for IPRs within the police forces?
- Are there formal linkages between the national IPR office(s) and the police? If so, what are they?
- Do police receive formal training in IPR law? What kind of formal training programmes are operated? Are these effective and well attended? What are the gaps?
- Do police have access to IPR registry information (e.g. trademark ownership, etc.)?

#### **Customs**

- Are there units within the customs authority specializing in IPRs?

- Do customs authorities receive formal training in IPR law? What kind of formal training programmes are operated? Are these effective and well attended? What are the gaps?
- Are there formal linkages between the national IPR office(s) and the customs authority? If so, what are they?
- Do customs authorities (e.g. ports and border posts) have access to IPR registry information (e.g. trademark data)?
- Are any or all of the TRIPS special requirements related to border measures (Part III, Section 4) in place within the current IPR regime?

#### **Competition policy and authorities**

- Does competition legislation exist in the country? Does existing competition legislation address IPR issues?
- Are IPR-related restrictive practices addressed in national IPR legislation?
- Is there in place a competition authority competent to review abusive IP practices as well as anti competitive behaviour?
- Does institutional capacity exist that can address IPR-related issues effectively either under competition legislation or under IPR legislation?