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33rd IPSANZ Annual Conference
6-8 September 2019

The 33rd Annual Conference of the Intellectual Property Society of Australia and New Zealand Inc. is scheduled to be hosted at the Sofitel Noosa Pacific Resort, Noosa Heads, Queensland over the weekend 6 – 8 September 2019.

Friday
2:00 pm – 6:00 pm    Early Registration
6:00 pm – 8:00 pm    President’s Welcome Drinks

Saturday
8:30 am – 9:00 am    Registration
9:00 am – 5:30 pm    Conference Sessions
6:30 pm – 11:00 pm   President’s Dinner

Sunday
9:00 am – 12:30 pm   Conference Sessions
12:30 pm – 2:00 pm   Lunch
2:00 pm              Close

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This issue of *Intellectual Property Forum* explores the intersection between intellectual property (“IP”) and Indigenous knowledge. Indigenous knowledge includes traditional knowledge (practices, techniques and skills) and traditional cultural expressions (performance, design and words). Safeguarding Indigenous peoples’ traditional knowledge and traditional cultural expressions is acknowledged as amongst the most challenging topics in the IP landscape. However, if strategically used, the IP system can be vital. As noted by Francis Gurry, Director General of the World Intellectual Property Organization (“WIPO”):

*The intellectual property system does not provide solutions to all the challenges that indigenous peoples and local communities face concerning their traditional knowledge and traditional cultural expressions. However, it does include tools that can be used either to directly protect traditional knowledge and traditional cultural expressions or to prevent their misappropriation.*

This issue of *Intellectual Property Forum* considers various matters affecting the IP protection of Indigenous knowledge. It also reports on other, important issues relevant to IP law and practice, such as privacy, territoriality and artificial intelligence (“AI”).

We start with a profile of Professor Megan Richardson, Director of the Melbourne Law School’s Intellectual Property Research Institute of Australia (“IPRIA”) and Co-Director of the Centre for Media and Communications Law (“CMCL”). In an interview with Fiona Rotstein, Professor Richardson provides some important observations regarding privacy in addition to future challenges of IP law. Professor Richardson also discusses her early career in New Zealand and her considerable law reform work.

Our first article is by Doug Calhoun, titled *Wai 262 | The Long White Cloud Over New Zealand IP Law*. As Calhoun explains, in 1991, an unprecedented claim (Wai 262) was made pursuant to the *Treaty of Waitangi* by six individuals on behalf of six iwi. Calhoun examines the impact of the Wai 262 claim and explores the measures deemed necessary to protect Indigenous species in fulfilment of New Zealand’s obligations under the *Treaty of Waitangi*. His broad-ranging article looks at the New Zealand of 1968 compared to the New Zealand of 2018. He considers the *Convention on Biological Diversity* and the *Nagoya Protocol* as well as the effects of New Zealand patent and plant variety rights law reform.

We then move to an article by Terri Janke, titled *Protecting Indigenous Cultural Expressions in Australia and New Zealand:*
Two Decades After the Mataatua Declaration and Our Culture, Our Future. According to Janke, the New Zealand Mataatua Declaration on Cultural and Intellectual Property Rights of Indigenous Peoples was the first of its kind to call for rights to intangible cultural heritage. Our Culture: Our Future was a report by Janke, investigating what rights Australian Indigenous people wanted and how the law delivered. Janke’s article focuses on developments in both Australia and New Zealand regarding Indigenous cultural expression. She advocates for new laws, the national and international acceptance of Indigenous cultural protocols and a National Indigenous Cultural Authority.

The following article is by Wend Wendland, titled International Negotiations at WIPO on Intellectual Property and Genetic Resources, Traditional Knowledge and Traditional Cultural Expressions: Analysis of the Process So Far and Thoughts on Possible Future Directions. This article provides an insider’s account of the negotiations by the WIPO Intergovernmental Committee on Intellectual Property and Traditional Knowledge and Folklore (“IGC”) from 2001 to 2018. Wendland examines the progress in the IGC in addition to the outcomes it has yielded. He also explores the current pressure for agreement regarding a new mandatory disclosure requirement in patent law related to genetic resources and traditional knowledge.

The next article is by Gary Lilienthal, Nehaluddin Ahmad and Paul Hodgkinson, titled The Conflict between Farmers Rights in the Food and Agriculture Organization (“FAO”) Treaty and Corporate Plant Breeder Laws. The authors offer an in-depth discussion of Indigenous knowledge relating to plants and seeds. They explore why the Malaysian Government has been counselled not to accede to and ratify the International Union for the Protection of New Varieties of Plants (“UPOV”)’s International Convention for the Protection of New Varieties of Plants Act of 1991. They provide a critical comparison between FAO farmers’ rights, and the opposing UPOV-based plant breeders’ rights legislation, both in general and in Malaysia.

Our final article is by Anna Spies, titled Territoriality and Intellectual Property Rights – When Does Online Infringement or Misleading and Deceptive Conduct Occur “In Australia?”. According to Spies, as IP and consumer disputes often arise in an online and multi-jurisdictional context, the location of an infringement or conduct is likely to be increasingly raised as a critical question in disputes. She explores whether such conduct falls within the terms of an Australian statute. The principles applicable in copyright and trade mark law are considered. Misleading and deceptive conduct, which frequently arises together with IP infringement actions, is also examined.

We also have three reports covering a variety of subject matter in this issue. First, we are fortunate to feature an interview with Francis Gurry on the topical issue of AI. Gurry, an Australian, shares his views on the significance of AI for IP law and policy and its use in IP systems globally. In keeping with this issue’s theme, we then have a book review by Fiona Rotstein of The Protection of Traditional Knowledge on Genetic Resources by Frantzeska Papadopoulou. This is followed by a report by Ann-Kathrin Goller and Daniellé Sharplin on the recent IPSANZ conference in picturesque Queenstown.

We complete the issue with 14 updates on current issues in IP across Australia, New Zealand, Asia, Europe and North America. We thank our regular contributors and are pleased to welcome new contributors from China and Hong Kong, the United Kingdom and Germany.

As mentioned in previous issues, we are always happy to hear from our readers regarding contributing to the journal. We encourage you to share your thoughts and ideas by emailing us at editors@ipsanz.com.au. We look forward to hearing from you.
In Conversation with Professor Megan Richardson

Fiona Rotstein

Professor Megan Richardson is the Co-Director of the Melbourne Law School’s Centre for Media and Communications Law (“CMCL”) and the Director of the Intellectual Property Research Institute of Australia (“IPRIA”). In an interview with Fiona Rotstein, Professor Richardson discusses her early career in New Zealand, her extensive work in law reform and what she enjoys most about being an academic. She offers valuable insights on privacy, as well as the future challenges of intellectual property law.

Q: Let’s start at the beginning. What first drew you to study law?

A: Looking back, it seems I just fell into it. At one stage I thought of being a chemist (my grandfather worked for DuPont) and then I briefly considered economics, but I really was most interested in philosophy. Law seemed like a better bet for a reliable and interesting working life (and my father was a lawyer). It also allowed me to become an academic which means I can combine all my intellectual interests – so effectively I can research, teach and write about economics, philosophy, culture, technology and law all at the same time.

Q: You studied your BA and LLB at Victoria University of Wellington. You then obtained your two LLMs. Tell me about these and what led you to Australia.

A: One of my LLMs is from Yale and the other is in international and comparative law from the Free University of Brussels (or “VUB”). As for coming to Australia, mostly the reasons were personal. I met my husband at Yale and moved back with him to Belgium. Then after six years in New Zealand, we moved to Australia when he was offered an academic position at Melbourne Law School. It was the best move for me as within six months, I was also offered an academic position at Melbourne Law School. I’ve been based here happily ever since.

Q: Why did you decide to become an academic?

A: I wanted to be an academic at some point for as long as I can remember. It was the reason I went to Yale and the VUB. But I didn’t go straight into academia. I spent about three years in practice (first at Buddle Finlay in Wellington and then, after coming back from America and Belgium, at Chapman Tripp also in Wellington) followed by about six years at

as a legal researcher, mainly at the New Zealand Law Commission where I worked with Sir Owen Woodhouse, Ken Keith (now Sir Kenneth Keith) and Jack Hodder (now Jack Hodder QC), among other excellent and inspiring colleagues. That was great experience and I especially enjoyed the law reform work. But when I had the chance to become an academic in Australia, I was definitely ready to make the move. I could see the advantages of being able to follow my own intellectual path and fashion my own research projects.

Q: On a personal level, what is it about intellectual property that particularly fascinates you?

A: I find it hard to answer this question as there are so many different things that are fascinating about intellectual property – and having read quite a few of the “In Conversation” pieces in Intellectual Property Forum over the years I think the points have been covered well by others. For instance, Jack Hodder’s comment that “IP involves a truly unique mix of international arrangements, national legislation, accumulated case law, fascinating issues around innovation, difficulty policy issues and interesting clients” sums it up nicely. I would add the fact that it’s constantly changing is another point of tremendous interest (and sometimes frustration).

Q: You are currently Co-Director of the Melbourne Law School’s CMCL and Director of IPRIA. Explain to me the nexus, as you see it, between media and communications law and intellectual property.

A: Media lawyers are often interested in core intellectual property fields such as copyright and trade marks, which operate at the intersection of innovation and communication. But for me the most interesting nexus is between intellectual property – and innovation more generally – and privacy which is
In Conversation with Professor Megan Richardson

where I do most of my current work. In fact, we find that intellectual property lawyers come along to CMCL and IPRIA seminars on privacy topics. And I see that Intellectual Property Forum has published a few pieces over the years about privacy – including Andrew Brown QC's contribution to an entertaining panel I participated in on the “Sasha Sparkle Saga” at the 2015 IPSANZ conference. So there seems to be plenty of scope for healthy cross-fertilisation here.

Q: You were one of a group of scholars convened by the Australian Law Reform Commission to explore the meaning of “privacy” for its 2006-8 privacy reference, and in addition served on the international advisory panel for the New South Wales Law Reform Commission’s invasion of privacy review in 2006-2009. You were also a member of the advisory committee for the Australian Law Reform Commission’s reference on Serious Invasions of Privacy in the Digital Era (report published 2014). What do you think is the fate of privacy in our increasingly automated and data-driven society?

A: I would hope the future of privacy is assured but it seems to have been under threat from the very beginning and certainly now in the digital age – which might help to explain all the arguments for a privacy tort in Australia. Personally, my view is that the breach of confidence (another nice cross-over between intellectual property and privacy) has proved itself a flexible and powerful tool for the protection of individual and sometimes group privacy even in the absence of a tort. But a tort would make things much clearer and could also deal with vexed questions which breach of confidence struggles with e.g., information that’s so widely published that it’s hard to classify it as confidential, intrusive obtaining of information, public perceptions that this is a doctrine that is still primarily concerned with upholding expectations within relationships of confidence despite all the judicial standards about its broader scope. Having said that, I think the case for (further) reform of the data protection standards in the Privacy Act 1988 (Cth) (“Privacy Act”) is even more pressing in an automated and data-driven society. I guess we’ll have to wait and see what difference the European Union’s General Data Protection Regulation 2016/679 will make before embarking on that course. In the meantime, we have the baby-step of the Productivity Commission’s recommendations for a consumer data right in the Australian Consumer Law being rolled out by government on a sectoral basis. That’s a welcome step as well.

Q: Given the problems of multi-jurisdictional laws, how best do you think privacy should be protected online?

A: It would help sometimes to have more uniformity in the legal standards and here I think privacy/data protection law has something to learn from the experience of intellectual property law harmonisation efforts. On the other hand, looking at the complexity of intellectual property legal standards now I wouldn’t want to wish all that complexity on the regulation of privacy, especially in the digital environment. So there are some benefits still to our current variable and fluid privacy/data protection standards which allow considerable scope for national divergence. It’s good they have sufficient flexibility to evolve alongside technological changes and allow different approaches to be developed that can accommodate different legal and cultural traditions. I’m thinking for instance of the right to be forgotten which seems to work well in Europe but is generally considered anathema in the United States – while in Australia we appear to have reached a kind of intermediate position under Australian Privacy Principle 13 in the Privacy Act and Privacy Safeguard 10 of the Exposure Draft Treasury Laws Amendment (Consumer Data Right) Bill 2018. And maybe in the end we’ll decide that a broader right to be forgotten will be a welcome step.

Q: Generally speaking, where do you think lie the future challenges of intellectual property law?

A: Remaining relevant to new audiences and especially young people – I have taught a lot of them over the years and they find it difficult to comprehend or accept the control exercised especially by copyright law on activities they see as a natural part of their everyday lives. For instance, sharing stories and creating music, although they also quite often like the idea of having a source of income so they see the need to cater to a variety of interests here.

Q: Are there any key intellectual property issues you would like to see addressed, either by the Courts or by the legislature?

A: I agree with fellow academics Associate Professor Isabella Alexander et al who in their “Response” to the Department of Communication and the Arts’ Copyright Modernisation Consultation Paper this year argued that Australia should adopt a fair use defence to copyright infringement, and also that “[f]air use is not adopted, it is imperative that Australia adopts a broad ‘quotation’ exception” (as well as other expanded fair dealing defences as enumerated in the Australian Law Reform Commission’s Copyright and the Digital Economy Report of 2014). But I also think the courts are capable of interpreting the defences they have in a broad and flexible way.
Q: How do you view the relationship between academia and practice in intellectual property law?

A: Intellectual property law is a large and very diffuse field (compared say to privacy law, especially in Australia) so it's hard to maintain connections across the board. That said, my colleagues Professors Andrew Christie and Sam Ricketson have both succeeded in establishing and maintaining close ties with intellectual property academics and practitioners. And one of the things I like best about my role in CMCL and IPRIA is that through our various activities I have opportunities to meet a wide range of people who are engaged in various ways with intellectual property. I also much enjoyed the experience of hosting the Francis Gurry Lecture on Intellectual Property in Melbourne and Sydney this year, in Andrew's absence. The speaker was Bill Ferris AC (Chair of Innovation and Science Australia) and it was great to see his interchange with a range of intellectual property practitioners, patent attorneys, industry representatives and others in the audience about the state of innovation in Australia and the relationship between innovation and intellectual property.

Q: What do you find most rewarding about your work?

A: I still find it really interesting – not just because of the content; there are so many opportunities as an academic to experiment intellectually and generally to try new things.

Q: Finally, if not the law, what other career path do you think you might have pursued?

A: I like to think I could have been an academic no matter what field I ended up in – although I expect it would have been extremely difficult if I had chosen philosophy!
Introduction

The history of intellectual property ("IP") law in New Zealand has been a microcosm of the social history of New Zealand over the last half century.

In 1968 telex machines were the modern means of instant communication, but the New Zealand Post Office did the heavy lifting when it came to keeping in touch. At the heart of every office was the mailroom where letters were opened, sorted and circulated along with their files to the relevant staff member. Records of files were kept in ledger books, the most important of which was the one where due dates were docketed. Every day the due date ledger was reviewed for the urgent files, and for the upcoming dates where overseas clients might need to be reminded for instructions to be received in time.

The Patents Act 1953, Designs Act 1953 and Trade Marks Act 1953 and the Copyright Act 1962 were each clones of earlier United Kingdom ("UK") laws with minor changes. Case law from the UK was held to be authoritative, if not binding, precedent. About the only Australian decision taken notice of in New Zealand was the 1959 NRDC decision expanding the definition of what is patentable subject matter.

But in 1973 things changed. Britain joined the European Common Market and overnight the former guaranteed market for dairy and meat products became subject to quotas and hygiene standards. New meat markets were found in the Middle East, dairy markets in Asia and horticulture markets in the Americas supplying products during their off season. To ensure access to markets, trade agreements became vital to the future of New Zealand.

In 1983, New Zealand and Australia entered into the Closer Economic Relations Agreement ("CER"), establishing free trade in goods between the two countries. The agreement was expanded after reviews in 1988, 1992 and 1995. Of note to the IP community was the Trans-Tasman Mutual Recognition Arrangement that commenced in 1998, allowing patent attorneys registered in each country to be registered to practice in the other without additional qualifying examinations.

In 2009 both countries launched an ambitious programme with the goal of advancing a Single Economic Market ("SEM"). Of the five IP proposals, the establishment of a trans-Tasman regulatory framework for patent attorneys was the only survivor. One item that did not progress was the proposal to establish a trans-Tasman plant breeders' rights regime. That proposal was scaled back to a "single trans-Tasman plant breeders' rights application form and process" but even that was abandoned. The stumbling block was that New Zealand has only acceded to the 1978 International Union for the Protection of New Varieties of Plants ("UPOV") Convention while Australia has acceded to the more comprehensive UPOV 1991.

While the SEM negotiations established more communication between IP Australia and the Intellectual Property Office of New Zealand ("IPONZ"), there has never been a formal proposal to create a single IP regime between the two countries apart from the aborted half measures under SEM. When the IP laws of each country have changed, harmonisation has barely, if ever, been mentioned.

The trade negotiation that introduced IP standards (worldwide) was the Uruguay Round of General Agreement on Tariffs and Trade negotiations signed in Marrakesh, Morocco on 15 April 1994. The agreement contained an intellectual property chapter (TRIPS), which has three main features:

- minimum standards for IP laws of member countries;
- general principles applicable to IP enforcement procedures; and
- dispute settlement procedures for complaints about countries not meeting TRIPS obligations.

With a firm deadline of 1 January 1995, the various processes of New Zealand IP policy review then in train accelerated into an Omnibus Bill that effected the necessary changes to meet the minimum standards just in time.

Since TRIPS came into force, New Zealand has entered into numerous free-trade agreements with Asian countries that have included TRIPS-type IP provisions.

The next step change in free-trade agreements with IP provisions was the 12-nation Trans-Pacific Partnership Agreement ("TPP") signed on 4 February 2016. It contained many TRIPS-plus provisions. New Zealand was quick off the
mark in enacting legislation that would allow it to accede to the treaty. However, the United States ("US") withdrew from the Agreement just after the 2016 presidential election and it was back to the negotiating table for the 11 remaining partners. The number of countries may have been reduced but the name of the resultant agreement was expanded to the Comprehensive Progressive Agreement for Trans-Pacific Partnership ("CPTPP"). Most of the TRIPS-plus provisions were suspended – in case the US ever wanted back in.

A remaining carve out that New Zealand negotiated from the original TPP was that instead of having to accede unconditionally to UPOV 1991, New Zealand could either accede conditionally to UPOV 1991, or adopt a sui generis plant variety rights ("PVR") system that gives effect to UPOV 1991, within three years after CPTPP comes into force. In either case, New Zealand can take measures it deems necessary to protect Indigenous species in fulfillment of its obligations under the Treaty of Waitangi. And the consistency of measures taken and the interpretation of the Treaty of Waitangi are not subject to the dispute settlement provisions of the agreement. The measures New Zealand is proposing to take are considered later this article.

2 | Convention on Biological Diversity

In a parallel universe (as the TRIPS talks were progressing) in response to "a growing recognition that biological diversity is a global asset of tremendous value to present and future generations", a United Nations sponsored negotiation resulted in the Convention on Biological Diversity ("CBD") at the Earth Summit in Rio de Janeiro in 1992. New Zealand is an enthusiastic supporter of the CBD, not just because of the country's pride in its natural environment, but also because that environment is the primary asset of the tourism industry – the country's largest export earner. But this enthusiasm is tempered by its constrained ability to comply with both its CBD and Treaty of Waitangi obligations.

Although the CBD is primarily concerned with biological diversity, it has provisions that deal with the regulation of genetic resources that have the potential to impact upon IP laws. And that potential is now beginning to be register with policy advisors. Some of its objectives are similar to the objectives of the Wai 262 claimants but with significant differences that will be difficult for the policy advisors to reconcile.

Several articles of the CBD are of relevance here.

Article 3 sets out the general principle that states have the sovereign right to exploit their own resources and set their own environmental policies while ensuring that domestic activities do not damage environments of outside territories.

Article 8 sets out the obligations of parties to establish and maintain conservation areas and policies to conserve biological diversity. The specifics of the terms and policies are also set out in the later paragraphs of the article.

Of relevance to the Wai 262 claim is article 8(j):

Subject to its national legislation, [each party shall] respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices.

Article 15 sets out reciprocal rights and obligations of members for accessing genetic resources. Access is to be determined by national laws, subject to an endeavours obligation to facilitate access to those resources by other convention parties. Access, where granted, is to be on mutually agreed terms and subject to prior informed consent. Countries carrying out scientific research on genetic resources of a source country are to do so with the full participation of the source country.

Article 16 sets out more specifically how transfer of technology is to be governed. Each party undertakes to facilitate access to and transfer of technologies to other parties that make use of genetic resources on mutually agreed terms. Where patents or other IP rights are involved, the terms are to be consistent with adequate and effective IP rights. Source countries are to be given access to and transfer of technology making use of those resources including patents and other IP on mutually agreed terms. Parties also undertake to establish legislative, administrative or policy measures to ensure that the private sector carries out all of the countries' obligations.

Article 22 of the Convention provides that its provisions do not affect the rights and obligations of members under any existing convention except where it would cause serious damage or threat to biodiversity.

The text of the Convention reflects the tensions between the countries providing genetic resources and the countries wanting to exploit them. There are many "subject to" and "endeavours" clauses leaving a lot of wriggle room. But, given the spirit of the 1992 Earth Summit, it was a good start. At present there are 196 parties to the Convention. The only territories not parties to the CBD are the US and the Holy See. Although it became a signatory in 1993, the US has never ratified the CBD. Governments of both political persuasions have shown an aversion to being bound by its terms, possibly because of the political influence of industries that have developed natural products from genetic resources of other countries. (And the Holy See probably regards itself as answerable only to a Higher Authority in respect of its genetic resources.)
3 Nagoya Protocol

If CBD articles 8, 15 and 16 provide the skeleton of the rules of access and benefit sharing of genetic resources, the Nagoya Protocol provides the flesh. While the CBD was negotiated within four years, the Nagoya Protocol took over 12 years before it was agreed to in 2014. There are currently 107 member countries of the Protocol, but neither Australia nor New Zealand is a party in spite of the active participation of both countries in its negotiation. The reluctance of New Zealand to sign reflects the tensions between its CBD obligations and those under the Treaty of Waitangi.

Article 4 (expanding on article 22 of the CBD) also provides that the Protocol does not affect the rights and obligations of member countries under any other existing international agreement. But that principle is further qualified by requiring that the Protocol “be implemented in a mutually supportive manner with other international instruments” paying due regard to practices under the other instruments so long as they are supportive of the CBD.

Article 5 requires that benefits arising from the utilisation of genetic resources are to be shared in a fair and equitable way upon mutually agreed terms between the source country and the country doing the exploiting. Parties are also to ensure (through legislative, administrative or policy measures) that the beneficiaries of the exploitation of genetic resources and of traditional knowledge include Indigenous communities.

Article 6 sets out the rules about how access is to be granted and how informed consent is to be obtained. The rules are listed in detail in paragraph 3 of the article. Once the requirements have been satisfied, a certificate of compliance is to be granted and a copy sent to the central clearing house.

Under article 13 each party is to establish a national focal point on access and benefit sharing. The focal points are to provide information to enable those wishing to access genetic resources and traditional knowledge and the holders of those resources and knowledge to meet the prior informed consent and access and benefit sharing requirements. The national focal points will need to be notified to the CBD Secretariat.

Article 14 establishes an international clearing-house to receive and share the information from the national focal points.

Articles 15 and 16 require parties to establish legislative and other measures to ensure that genetic resources and any traditional knowledge associated with them have been accessed with prior informed consent and are subject to fair and equitable access and benefit-sharing agreements.

Article 17 requires each country is to establish one or more checkpoints “to monitor and to enhance transparency about the utilization of genetic resources.” Although the article does not specify who is to issue each certificate of compliance, it would be logical to have a checkpoint issue the certificate once it is satisfied that the requirements have been met.

The European Union (“EU”) was among the early adopters of the Protocol, passing a regulation in 2014 requiring EU member states to oblige users of genetic resources and related traditional knowledge to exercise due diligence in ascertaining that they have complied with the requirements of the Protocol.

Relationship with IP Law

One means of ensuring compliance with the Protocol would be to require patent applicants to provide a certificate of compliance as a part of the application procedure. But there is considerable doubt that making the absence of a certificate of compliance a ground for refusal of a patent application for an invention involving a genetic resource would comply with the TRIPS Agreement. Article 4 of the Protocol indicates that a country’s obligations under TRIPS take precedence. The tensions at play have long been recognised by The World Intellectual Property Organization (“WIPO”). WIPO has an Intergovernmental Committee (“IGC”) that has been negotiating an international treaty to ensure the effective protection of traditional knowledge, traditional cultural expressions and genetic resources that would navigate through the treacherous waters of the IP treaties that WIPO administers and the TRIPS Agreement administered by the World Trade Organization.

The IGC was scheduled to hold its 38th session in December 2018 to again discuss draft texts that contain more bracketed phrases and sentences than ones that have been agreed to. That this will be the 38th session since the first in 2001 speaks volumes about the prospects of an early agreement. Indeed, a review of the papers to be discussed at each meeting leaves this viewer with the impression that the negotiation has become more of an end in itself than a means to an end.

In yet another international forum, in 2008 the World Trade Organization’s Doha Round of negotiations (in an attempt to reconcile TRIPS with the CBD) added disclosure of origin (“DOO”) requirements to the agenda. The proposal would have required patent applicants to disclose the origin of genetic material and traditional knowledge. Four mutually exclusive proposals were debated:

• disclosure as a TRIPS obligation,
• disclosure through WIPO treaties,
• disclosure, but outside patent law, or
• use of national legislation including contracts.

The WTO debate, as in the debates in other fora, reflected the competing interests of source countries and exploiting countries. It was not advanced beyond the initial discussions.
Making Protocol compliance a part of IP law could prove to be counterproductive. Prior informed consent would need to have been obtained before any research was done and invention made. And if the absence of a certificate were grounds for refusing a patent application, the possibility of using that patent to support the commercialisation of the relevant invention would be eliminated. While that might punish the biopirate it would also punish the source community because there would be no or a diminished benefit to share.

Efforts to integrate the Protocol requirements with IP laws overlook the nature of IP rights. IP rights are not licences to commercialise a protected technology. An IP right is a negative right – the right to exclude others from commercialising the protected technology. Making the absence of prior informed consent (“PIC”), access and benefit sharing (“ABS”) or DOO an IP eligibility requirement, while it might discourage exploitation, would not of itself prohibit such exploitation.

The legislation mandated by the CBD and the Nagoya Protocol falls more naturally into the category of bioprospecting law rather than IP law. Each of the Protocol implementing obligations listed above could be made provisions under bioprospecting law without being in conflict with IP laws. Such a law would also meet the Nagoya Protocol article 4 wish of implementing the Protocol in a manner mutually supportive of other international instruments. Under a licensing regime (as a part of the bioprospecting laws), a technology derived from a genetic resource would need to have PIC and ABS before it could be commercialised. Such licensing regimes already exist such as in the pharmaceutical industry, the chemicals industries, the aviation industries and many others. This approach might also assist in mitigating the conflicts brought to light in the Wai 262 claim.

4  Patent Law Reform

New Zealand, in the years leading up to the 1984 general election, had become one of the most regulated countries in the world. Although it relied heavily on favourable markets to export its agricultural products to, New Zealand protected its own small industrial manufacturing industries with high tariffs and import licensing. But in 1984 a new Labour government swept into power and set out to make New Zealand one of the most deregulated countries in the world.

Government departments, before the changes, tended to work in silos and there was little joined-up thinking in policy settings. Indeed, it was hard to determine what was the policy rational for its IP legislation other than whether there was any reason not to follow what was being done in Great Britain. The four main IP statutes were administered by the Justice Department, although the Patent Office was a stand-alone entity that more or less independently determined the meanings of the Patents, Design and Trade Marks Acts subject only to the rare IP decisions of the courts.

Among the economic reforms of the mid-1980s was the abolition of import licensing. A large part of the remit of the then Department of Trade and Industry was the issuing of import licences. Department officials were looking for something to fill the void. The department became the Ministry of Commerce (“MOC”) and MOC became responsible for competition law the newly minted Fair Trading and Commerce Acts 1986. And, in a rare example of joined-up thinking, MOC also acquired responsibility for the Patent Office and its three IP Acts the alter egos of the competition laws. (Responsibility for the Copyright Act 1962 remained with the Justice Department and that for the Plant Varieties Act 1973 with the Ministry of Agriculture and Fisheries.)

In 1990 the Ministry of Commerce commissioned and published a study of options for reform of the Patents Act 1953 followed in 1992 by a set of proposed recommendations. At the same time officials from MOC were engaged in the Uruguay Round negotiations of TRIPS. When it became clear that no-fault compulsory licences of drug patents would not be allowed under TRIPS, MOC oversaw an amendment act that removed such licences, and at the same time allowed New Zealand to become a member of the Patent Cooperation Treaty. Patent law reform was on a roll. But before the 1992 proposed recommendations could be implemented the TRIPS changes had to be drafted into a Bill and steered through Parliament. The TRIPS changes were enacted, but the proposed ongoing reforms ran into an unexpected snag. While the TRIPS Bill was going through the committee stages the Wai 262 claimants objected that the TRIPS amendments were in breach of the Crown’s obligations under the Treaty of Waitangi. Any further review of the Patents Act 1953 was put on hold.

The patent reform process resumed in 2000. After an eight-year gestation, the Patents Act 2013 was passed. The concession to the Wai 262 claim was the establishment of a Māori Advisory Committee to advise the Commissioner of Patents (but only on request) whether:

- an invention claimed in a patent application is derived from Māori traditional knowledge or from Indigenous plants or animals, and
- if so, whether the commercial exploitation of that invention is likely to be contrary to Māori values.

The Commissioner is bound to consider the advice of the advisory committee, but is not bound to follow it.

5  Plant Variety Rights Law Reform

In the early 1970s, Sam McGredy found a way to escape from the “troubles” of Northern Ireland. He would move his rose breeding business to New Zealand. But before doing so he got a promise from the New Zealand Government that they would implement plant breeder’s protection legislation. And that was the origin of the Plant Varieties Act 1973. The
The 1973 Plant Varieties Act was amended once in 1979 and then replaced by the current legislation, which came into force in 1988. New Zealand became a UPOV 1978 member in November 1981.

One of the submissions to the select committee that considered the 1985 Bill that led to the 1987 Act, did raise the issue that the Bill was creating rights that were in breach of the Treaty of Waitangi. In response the New Zealand Institute of Patent Attorneys submitted that article 2 of the English text of the Treaty related to real property, but that PVRs were a form of personal property outside of the ambit of the Treaty. The Bill was duly passed, but the Wai 262 claim had been foreshadowed.

TRIPS required only that member countries provide for the protection of plant varieties by patents or an effective sui generis system. The 1987 PVR Act complied, so PVR reform was off the agenda in the 1994 scramble to meet the TRIPS requirements. And any consideration of upgrading to UPOV 1991 was shelved in the face of the Wai 262 claim. Responsibility for administration of the PVR Act was passed to MOC in 1995. A new review produced an exposure draft PVR Amendment Bill in 2005. That initiative ended in 2007 to await the Wai 262 Report and later to await the conclusion of the TPP negotiation.

The 2005 draft Bill proposed to expand the protection to a UPOV 1991 rights level with a farm saved seed exception. It also gave the Commissioner power to refuse a proposed denomination “if the Commissioner considers that its use or approval would be likely to offend a significant section of the community, including Māori”.

To paraphrase Winston Churchill, this was not the beginning of the end of PVR law reform, but it was the end of the beginning.

6 The Wai 262 Claim

The Treaty of Waitangi was signed in 1840 by a representative of Queen Victoria and by around 500 Māori chiefs. Its precise standing in constitutional law has been debated ever since, but it is now well accepted as a source of law that is binding on the Crown, as the Government of New Zealand is identified.

The Treaty consists of three articles. Its two official texts in Māori and English do not exactly match:

**Article One: in Māori it gave Queen Victoria governance over the land, while in English it gave her sovereignty over the land, which is a stronger term.**

**Article Two: the Māori version guaranteed chiefs ‘te tino rangatiratanga’ – chieftainship over their lands, villages and treasured things. It also gave the Crown a right to deal with Māori in buying land. The English version gave chiefs ‘exclusive and undisturbed possession’ of lands, forests, fisheries and other property. It also gave the Crown an exclusive right to deal with Māori over buying land.**

Over the next 135 years successive governments and the courts gave some recognition of the Treaty’s existence, but expediency often overrode adherence to the text. Finally, in 1975 a Labour Government, responding to a growing political movement to “honour the treaty”, passed a law creating the Waitangi Tribunal. It had a limited mandate, being empowered only to investigate breaches committed subsequent to its enactment. However, in 1985, the next Labour Government opened the floodgates by allowing the Tribunal to investigate breaches back to 1840. The jurisdiction of the Tribunal is limited to making recommendations to the Crown as to what redress might be appropriate if it determines that a claim is well founded.

Most of the Treaty claims were made by Iwi or tribes and related to the taking of lands. After a few earlier ad hoc negotiated settlements were made, a settlement process was developed whereby the Crown negotiated an agreement with spokespersons for the claimants formalised by a deed of settlement usually written into an act of parliament. A Treaty Settlement Office was set up to facilitate the process.

In 1991 an unprecedented claim (Wai 262) was made by six individuals on behalf of six iwi. This was not a specific claim about land with defined boundaries like its predecessors, but rather was a claim on behalf of all Māori in respect of “the customary tikanga rights inherent in and associated with the natural resources of Indigenous flora and fauna me o ratou taonga katoa. Rights which the claimants say were guaranteed to them by Te Tiriti o Waitangi.” What that meant and how it impacted upon IP rights and the Crown’s ability to enter into international agreements would be debated before the Tribunal over the next 20 years.

The Tribunal issued its final report in July 2011 (“the Report”). Since then there has been no formal settlement proposals by the Crown. However, in September 2018, the Ministry of Business, Innovation and Employment (“MBIE”) released two papers about possible amendments to both the PVR and Patents Acts. Each refers to limited consultations with selected interest groups that have already been held. The consultation is to be extended with the holding of regional hui and consultation meetings in addition to calling for submissions in response to the discussion papers.

The Wai 262 Report

Given the complexity and the number of issues it is not surprising that it took 20 years for the Tribunal to complete the Report. The full version has two volumes, each of 440
The introduction summed up what the Tribunal felt it had done:

As will be seen in the chapters to follow, we do not always agree with the way the claimants framed this problem, but where we do, we look for ways in which the priorities of kaitiaki can be relocated from the margins of legal or policy discourse to the centre, where they can be properly and transparently weighed against other considerations. Sometimes our recommendations are procedural — a simple requirement on the Crown to notify or consult with kaitiaki; sometimes we recommend that new substantive standards be introduced — for example, positive obligations on Crown agencies to explore partnership opportunities with kaitiaki; and sometimes we recommend statutory decision-makers should change — whether by vesting power directly in kaitiaki in some cases or by the creation of new partnership mechanisms.

In all cases, the innovations we recommend are designed to express the new generation of Treaty partnership in which Maori have a meaningful voice in the ongoing fate of their taonga, and the partnership itself is not static but is being constantly rebalanced.

Chapter 2 of the Report addresses issues of the bioprospecting and IP treatment of genetic and biological resources of taonga species:

The claimants say that they are kaitiaki of many of this country’s indigenous species; some would say all these species. They argue that their kaitiaki relationships, and the mātauranga Māori associated with species they say are taonga to them, should be recognised in New Zealand law, and should take priority over the interests of research science and commerce. They say kaitiaki should have a veto over commercial and scientific exploitation of species that are taonga.

The Crown accepts that Māori have special cultural associations with some species of flora and fauna but says that these associations do not give Māori ownership of the genetic or biological material of those species. The Crown rejects any notion that Māori should be entitled to veto scientific research or commercial exploitation of these species by reason of cultural association. Most interested parties who gave evidence in this claim tended to support the Crown’s position, though as we shall see, they were by no means unanimous on that point.

In broad terms, we conclude that existing law provides some protection at the margins, but fails to recognise or understand the power of kaitiakitanga and fails therefore to accord it the protection it deserves. **It is possible to respect kaitiakitanga in the law without unduly interfering in the interests of science, commerce, or the wider community.** We propose a set of reforms to do that. On the other hand, **we reject the notion that Māori have, or should be given, any special proprietorial rights over the genetic and biological resources of taonga species.**

In refining its analysis the Tribunal concluded that bioprospecting, genetic modification and IP are different parts of a single process that begins with scientific research and (sometimes) ends with the commercialisation of a patent protected product. The three claimant issues it identified were:

- unauthorised use of mātauranga Māori in research based on bioprospecting, and the resulting unauthorised scientific or commercial use of genetic and biological resources of taonga species;
- offensive interference with the whakapapa of taonga species when they are subjected to genetic modification; and
- use of the IP regime to exploit rights in the genetic and biological resources of taonga species in ways that exclude kaitiaki and undermine the relationship between kaitiaki and taonga species.

Chapter 2 of the Report concludes with the following recommendations:

Accordingly, we recommend several changes to bioprospecting, GM, and IP legislation to ensure the kaitiaki relationship with taonga species and mātauranga Māori receives a reasonable degree of protection. Just what is reasonable requires case-by-case analysis, a full understanding of the level of protection required to keep the kaitiaki relationship safe and healthy, and a careful balancing of all competing interests. These include the interests of IP holders, the public good in research and development, knowledge, and the species itself. None of these, including the kaitiaki interest, should be treated as an automatic trump card.

Importantly, all the reforms we recommend can operate within the existing frameworks. They are:

**Bioprospecting:** We recommend that DOC take the lead in developing a bioprospecting regime that is applicable within the conservation estate and complies with the requirements of section 4 of the Conservation Act 1987. Joint decision-making between DOC’s regional conservator and the pātaka komiti (which already deal with matters relating to the cultural harvest of native flora and fauna on the conservation estate) offers a potential avenue for protecting the kaitiaki interest in bioprospecting; we therefore recommend an expanded role for the komiti. Its role would need to change from an advisory one to one of joint decision-
making with the regional conservator. We do not think a compulsory requirement for access and benefit sharing and prior informed consent is justified because not every bioprospecting proposal will involve mātauranga Māori or affect the kaitiaki relationship with taonga species. No one interest should have automatic priority. [Emphasis added]

Intellectual property: We recommend various measures to protect the kaitiaki relationship with taonga species and mātauranga Māori to a reasonable degree. Specifically:

1. We recommend the law ensure that kaitiaki relationships with taonga species and mātauranga Māori are expressly protected in accordance with their proven depth (unless it can be demonstrated that other deserve priority). This includes a mechanism to ensure that any mātauranga Māori is treated as a key factor in decisions about whether a patent application is novel or involves an inventive step.

2. To ensure that mātauranga Māori is treated as a key factor, we recommend the establishment of a Māori committee to advise the Commissioner of Patents about whether mātauranga Māori or taonga species have contributed in any way to the invention, and whether the proposed use is consistent with or contrary to tikanga Māori. This advice should be relevant to the requirements of patentability and (even if the patentability criteria are satisfied) whether there are kaitiaki interests as risk.

3. We recommend the commissioner be empowered to refuse patents that are contrary to ordre public as well as morality.

4. The committee should not be reactive: the commissioner should be required to take formal advice from it, and work in partnership with a member of the Māori committee when making patent decisions that affect the kaitiaki relationship.

5. We recommend kaitiaki be able to formally notify their interest in particular species or mātauranga Māori by way of a register. This would allow kaitiaki to demonstrate the importance of their relationship, while also giving patent applicants fair warning of the kaitiaki interest. That said, kaitiaki should always have a right to object to a patent application, whether or not they have registered their interest.

6. We recommend patent applicants be required to disclose whether any mātauranga Māori or taonga species have contributed to the research or invention in any way. IPONZ must make these records publicly available. Patent applicants who fail to comply with a disclosure requirement can be subject to a range of outcomes, from no sanctions at all to the patent being revoked, to be decided by the commissioner and the chair of the Māori committee (or his or her delegate) on a case-by-case basis.

7. In respect of PVRs, while Māori have no proprietary rights in taonga species, the cultural relationship between kaitiaki and taonga species is entitled to reasonable protection. We support the Crown's proposed changes to the Plant Variety Rights Act, but recommend that any new PVR legislation also include a power to refuse a PVR if it would affect kaitiaki relationships with taonga species. In order to understand the nature of those relationships and the likely effects upon them, and then to balance the interests of kaitiaki against those of the PVR applicant and the wider public, the Commissioner of Plant Variety Rights should be supported by the same Māori advisory committee that we recommend becomes part of the patent regime.

8. In addition, we recommend that each of the advisory committees (that is, the pātaka komiti, Ngā Kaihautū, and the Māori advisory committee to the Commissioner of Patents) assists in the preparation of adequate ethical guidelines and codes of conduct relevant to their field for use by those in research and development, and in the education sector more broadly. They could range in subject matter from identifying when an issue in relation to tikanga Māori arises, to locating and engaging with kaitiaki. We would expect universities, private research institutions, CRIs, DOC, ERMA, and IPONZ all to be interested in, and contributing to, the preparation of such guidelines and codes.

The emboldened sentences give some guidance as to how the Crown might respond:

- **It is possible to respect kaitiakitanga in the law without unduly interfering in the interests of science, commerce, or the wider community.**

This balancing guideline will come as a relief to science and IP policy advisors, and probably a disappointment to the claimants. It could also be seen as wishful thinking, but that would be an overly cynical view.

- **[W]e reject the notion that Māori have, or should be given, any special proprietorial rights over the genetic and biological resources of taonga species.**

This statement of principle will also have disappointed the claimants, but it is consistent with article 3 principle of the CBD, that states have the sovereign right to exploit their own resources. Article 8(j)
requires states only to “respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities”, not to cede ownership of genetic resources. The Report concluded that while Māori “created taonga works and mātauranga Māori, they did not create taonga species. In fact, at a cultural level at least, the relationship is the reverse.”

- … [U]se of the IP regime to exploit rights in the genetic and biological resources of taonga species in ways that exclude kaitiaki and undermine the relationship between kaitiaki and taonga species.

The words “use of the IP regime to exploit” illustrates the misunderstanding of the nature of IP rights. IP rights can assist in the exploitation of genetic resources by allowing the exploiter to exclude others but do not give the IP rights holder the licence to exploit. The Report overlooks the possibility that a bioprospecting regime would be a direct means to enforcing the kaitiaki relationships central to its recommendations rather than the indirect means that the IP regime might allow.

- None of these, including the kaitiaki interest, should be treated as an automatic trump card.

While this statement might be seen to be balanced, it is also a recipe for legal uncertainty given the multiple kaitiaki interests at play, as identified in the report:

Different taonga species have different roles in different contexts (whether of time, place, or community), and in almost all cases more than one role. They will also be perceived differently by different iwi and hapū. For example, some communities emphasise the emblematic importance of the tohōrā or whale; others do not. The importance of the relationship varies considerably from community to community.

- We do not think a compulsory requirement for access and benefit sharing and prior informed consent is justified because not every bioprospecting proposal will involve mātauranga Māori or affect the kaitiaki relationship with taonga species.

This recommendation is at odds with the CBD requirement for ABS and PIC in every case. It could even imply that the CBD or the Protocol are not relevant to mātauranga Māori or the kaitiaki relationship with taonga species.

It also highlights the differing considerations between article 8(j) of the CBD that “encourage[s] the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices” and, on the other hand, preserving kaitiaki relationships, which might preclude any exploitation of mātauranga Māori or Taonga species.

7 Government Responses to Wai 262 Report

Bioprospecting

The Report noted that there was no current bioprospecting law or policy in New Zealand. By default its control had to be dealt with under the general law. It listed the many acts and the complexity of trying to get access to Crown-owned or controlled land. DOC was singled out as the only agency providing guidance on bioprospecting on conservation land – which comprises one-third of New Zealand. It identifies section 4 of the Conservation Act 1987 as “one of the strongest legislative requirements anywhere to give effect to [the Crown’s] obligations under the Treaty.” DOC’s day-to-day activities are controlled by the Conservation General Policy and by the General Policy for National Parks. The summary conclusion was that only DOC has a policy capable of applying to bioprospecting within the conservation estate.

The Ministry of Economic Development (“MED”) did publish a discussion paper in 2007 on how a future bioprospecting policy might look followed by extensive consultation. The Report’s conclusion was that the 2007 paper was a disappointment with aims “clearly more modest than the expectations of the stakeholders.” It did not go beyond bioprospecting carried out on Crown owned land and it expressly excluded issues relating to mātauranga Māori. The Report conjectured that perhaps the Crown was waiting for its recommendations before going any further. That remains the position today.

The absence of any development of a bioprospecting law in response to the Wai 262 claims is an unwelcome return to the policy silos referred to at the beginning of this article. The Report recognised that bioprospecting, scientific research and commercialisation (assisted by IP rights) were a continuum. The policy governing this continuum should integrate the whole process. But instead of starting at the foundation (bioprospecting) and working up the value chain, MBIE is proposing policy changes in patent and PVR laws affecting the exploitation end of the spectrum, without first setting a coherent framework for the whole process.

When it does finally develop a bioprospecting policy it is to be hoped that it will include that possibility that exploitation of genetic resources identified as useful be governed directly by requirements under the bioprospecting laws rather than indirectly by IP laws.

Royal Society of New Zealand – Revision of Code of Professional Standards and Ethics

A recommendation of the Report about IP (set out above) was that various committees it identified should “assist in the preparation of adequate ethical guidelines and codes of conduct relevant to their field for use by those in research and development.” The Royal Society of New Zealand (the “Royal Society”) has taken a first step towards implementing this recommendation with their proposed draft code of
standards and ethics. Clause 3.5(1) of the draft code requires members of the Royal Society “to both endeavour to partner with those communities and mana whenua for whom there are reasonably foreseeable direct impacts, and meet their obligations under the Treaty of Waitangi.” Specifically they are required to:

(a) endeavour to identify potentially affected communities, hapū or iwi prior to commencement of the activity; and
(b) where practicable, involve the affected community, hapū or iwi in the development of the aims, design of the activity and the selection of means for its execution; and
(c) endeavour to both involve affected communities, hapū and iwi as partners in the activity and respect their rights and cultural practices; and
(d) recognise and respect any established community, hapū or iwi rights and interests in intellectual property, mātauranga, or of materials, samples, data or information gathered during or developed during the research including obtaining necessary permissions to use existing mātauranga and giving effect to any established right to community, hapū or iwi ownership of new knowledge created during the activity; and
(e) endeavour to share those results and findings that are specific to the affected community, hapū or iwi with them in advance of publishing or otherwise communicating the results and findings to others.[74]

This draft code, if adopted, would apply to scientists who are members of the Royal Society. Since this includes most professional scientists in the country, it is likely that any government-funded researcher would be bound to follow its practices. There was no indication in the Royal Society announcement that the draft code was a response to any Report recommendation, but its aim is certainly consistent with bringing kaitiaki relationships into the mainstream of science. Policy advisors setting out to write a bioprospecting policy will find that much of the leg work has already been done by the Royal Society.

**Patent Law**

The only response to the Report so far from the Government relating to patent law is the discussion paper titled *Disclosure of origin of genetic resources and traditional knowledge in the patents regime*. The discussion paper seeks views on the introduction of a DOO into the patents regime of one of the following types:

- disclosure of country of origin, if known,
- disclosure of source, or
- disclosure of ABS compliance.[77]

The reason for the proposal was said to be the recommendation in the Report that patent applicants be required to disclose:

- the source and country of origin of any genetic or biological resource that contributed in any material way to the invention; and
- mātauranga Māori that was used in the course of research, including traditional knowledge that is not integral to the invention but that prompted the inventor to take the course of research that led to the relevant patent application.[78]

The discussion paper does not identify any compelling reason for why the policy advisors picked this recommendation over all of the others made in the Report. The main reasons stated are that it would reduce the potential for patent application relevant to Māori to be missed,[79] there is not enough information available about how genetic resources and traditional knowledge are used in research,[80] and it might encourage other countries to adopt a DOO regime.

The discussion paper suggests that TRIPS is “generally accepted to be flexible enough to permit” formal DOO requirements.[81] The “generally accepted” assertion is not convincing because it ignores the failure of international negotiations in both the WIPO and WTO fora to agree on a treaty that integrates DOO with patent law. Indeed, the fact that the WTO even considered a DOO regime indicates that it would constitute an amendment of the substantive requirements of TRIPS.

The first six specific IP recommendations in the Report (set out above) are about patent law:

1. The recommendation to treat mātauranga Māori as a key factor in assessing novelty and inventiveness is, at least in the letter of the law, already present. If the mātauranga Māori is available to the public by written or oral description, by use or any other way, it is within the prior art base used to make the assessment. The practical reality is that IPONZ examiners may not have access to mātauranga Māori when examining a patent application. The recommendation that there be a register of kaitiaki interests in mātauranga Māori[83] would assist examiners in finding relevant mātauranga Māori prior art.

2. As noted above, a Māori committee was established in the new patents legislation. The function and powers of that committee in the *Patents Act 2013* were unchanged from those of the Crown policy considered to be inadequate in the Report.[85] The main criticism was that the committee is reactive, has little capacity to investigate kaitiaki relationships and that its recommendations are not binding. None of these have changed.

3. The recommendation that the Commissioner of Patents be empowered to refuse patents that are
counter to *ordre public* is reflected in the *Patents Act 2013*. However, in the Act it is the commercial exploitation of the invention that must be contrary to *ordre public* in order to be refused, it is not the patent itself that is to be considered. This is a subtle, but important difference that mirrors the wording of the TRIPS agreement. The Report assumes that if commercial exploitation of an invention would be contrary to Māori values then it could be rejected under the *ordre public* ground. However, that assumption relies on the opinion of one expert commentator and does not take into account the origin of the exclusion upon which TRIPS article 27.2 was based. Under article 53(a) of the European Patent Convention, “*ordre public*” is interpreted to mean “inventions likely to induce riot or public disorder, or to lead to criminal or other generally offensive behaviour” and the rejection should only be used in “rare and extreme cases.” The Report’s assumption about the width of the *ordre public* exception is open to doubt.

4. The recommendation that the Māori committee should have proactive powers and work in partnership with the Commissioner of Patents has not been followed in the 2013 *Patents Act*.

5. The recommendation that there be a formal register of mātauranga Māori has not been followed. As noted above, such a register would be of assistance to patent examiners assessing novelty and inventiveness. The DOO discussion paper did not mention this recommendation as an alternative or in addition to DOO to assist examiners.

6. Applicants do not have any obligation under the new Act to disclose whether any mātauranga Māori or taonga species have contributed to the research or invention in any way, apart from a general obligation to disclose how the invention is to be performed and the best way of performing it. The DOO proposal would meet this recommendation. The contents of a patent application file do become open to public inspection, meeting the recommendation that records must be made publicly available.

The criticism that the DOO discussion paper is a siloed approach is underlined by comparing its recommendations with the six Report recommendations. Government policy makers have not addressed a number of the Report’s recommendations.

*Issues Paper Review of the Plant Variety Rights Act 1987*

The most comprehensive response to date to the IP recommendations in the Report is the PVR issues paper. Part 4 of the PVR issues paper analyses the Report in some detail and identifies four PVR related recommendations:

1. *That the Commissioner of PVRs be empowered to refuse a PVR that would affect the kaitiaki relationship*

The TPP carve out from UPOV 1991 obligations is an acknowledgement that a refusal of a PVR application on the ground that it affects the kaitiaki relationship would not comply with UPOV 1991. Article 3 of UPOV 1991 would require New Zealand to provide PVR protection to all plant genera and species. It would not permit New Zealand to exclude protection for plants of taonga species.

Article 4 of UPOV 1978 allows national laws to apply to all botanical genera and species. The *Patents Act 1987* includes varieties of all types of plants including fungi, but not algae or bacteria. Article 4 allows the progressive phasing in of genera and species to be protected up to a minimum of 24. UPOV 1978 is silent on whether a country can subsequently phase out species to be protected. But article 6 of UPOV 1978 specifies that a grant of protection may not be made subject to conditions other than meeting the distinctiveness, uniformity and stability and novelty requirements and national formality requirements and fee payment requirements. It is doubtful that a refusal of a PVR application on the ground that it would affect a Kaitiaki relationship would comply with article 6 of UPOV 1978.

The PVR issues paper does suggest that the articles of both UPOV 1978 and 1991 (allowing members to restrict the free exercise of a breeder’s right if in the public interest) might permit kaitiaki relationship exclusion. However that suggestion is, with respect, misconceived. Applying for a PVR grant is not exercising a PVR right. It is seeking to obtain a PVR right. A restriction on being able to obtain a PVR grant is outside the purview of these provisions.

Neither UPOV 1978 nor UPOV 1991 has any provision as to what penalties might apply if a member has a PVR law that does not meet its obligations. There are no dispute resolution articles. But New Zealand could be seen to be applying a double standard by proposing a PVR limitation that would not meet its obligations under either UPOV 1978 or UPOV 1991, but only acknowledging that it would not meet the UPOV 1991 standard. In focusing on the UPOV 1991 obligation in the TPP negotiations it has overlooked its UPOV 1978 obligations.

2. *That the Commissioner be supported by a Māori advisory committee in his/her consideration of the kaitiaki interest*

The PVR issues paper noted that the role of the patents advisory committee was not as broad as recommended in the Report. But it did not suggest whether or not the committee should have the role recommended in the Report. It merely asked submitters what role an advisory committee could play. If the role of the PVR committee merely mir-
To clarify the level of human input into the development of a plant variety for the purposes of PVR protection.

This recommendation is intended to clarify an apparent misunderstanding in the Report about PVR eligibility. The PVR Act defines the owner of a PVR grant as “a person who bred or discovered that variety.” The concern was that anyone who merely discovered a new variety of taonga species could obtain a PVR grant. But that concern confuses the determination of ownership with eligibility. Any such discovered variety would need to be both stable and homogenous through repeated cycles of reproduction to be eligible.

The PVR issues paper asserts that the 2005 draft PVR Bill was in 1968. The Prime Minister is an unmarried mother. The Chief Justice and Governor General are both women. The Patent Office is now IPONZ. Virtually every communication with the Office is now IPONZ. A letter to IPONZ is now a rare exception.

APPENDIX

The meanings of the Māori words and expressions are:

- Matauranga Māori – “Matauranga’ derives from the verb ‘to know’. ‘Matauranga’ can be literally translated as ‘knowing’ or ‘knowledge’. But ‘matauranga’ encompasses not only what is known but also how it is known — that is, the way of perceiving and understanding the world, and the values or systems of thought that underpin those perceptions. ‘Matauranga Māori’ therefore refers not only to Māori knowledge, but also to the Māori way of knowing. This … differs in fundamental ways from the Western systems of thought that underpin much of the law and policy that concerned the claimants.”

- Taonga species – “taonga species are the species of flora and fauna for which an iwi, hapū, or whānau says it has kaitiaki responsibilities. These kaitiaki-taonga species relationships are complex and varied. The purpose of the relationship is defined in mātauranga Māori (the tribe’s traditional knowledge about the species), in whakapapa, waiata and other performance arts, and in kōrero or story. No two iwi, hapū, or whānau will have the same mātauranga or the same kōrero about a particular taonga species. Rather, relationships will be unique and jealously protected.”

- Iwi, hapū, and whānau – are Māori tribes, sub-tribes and extended family.

- Kaitiaki – are the guardians of taonga species.

- Kaitiakitanga – “is the obligation, arising from the kin relationship, to nurture or care for a person or thing. It has a spiritual aspect, encompassing not only an obligation to care for and nurture not only physical well-being but also mauri.”

- Mauri – “life principle, life force, vital essence, special nature, a material symbol of a life principle,
source of emotions the essential quality and vitality of a being or entity.” Also used for a physical object, individual, ecosystem or social group in which this essence is located.\textsuperscript{112}

• \textit{Whakapapa} – “genealogy, genealogical table, lineage, descent”.\textsuperscript{113}

• \textit{Tikanga} – “the customary system of values and practices that have developed over time and are deeply embedded in the social context”.\textsuperscript{114}

• \textit{Mana whenua} – “power associated with possession and occupation of tribal land. The tribe’s history and legends are based in the lands they have occupied over generations and the land provides the sustenance for the people and to provide hospitality for guests”.\textsuperscript{115}

1 Doug Calhoun is an IP mentor from Wellington, New Zealand.

2 National Research and Development Corp v Commissioner of Patents (1959) 102 CLR 252.

3 Australia-New Zealand Close Economic Relations Trade Agreement (“ANZCERTA”). A brief history of this is found at the link: \url{https://newzealandembassy.gov.au/ltm/CloseEconRel.html}.


8 International Union for the Protection of New Varieties of Plants: \url{http://www.upvpeut.org/portal/index.html}.

9 The Uruguay Round: \url{https://www.wto.org/english/thewto_e/minist_e/fta_e/ur.htm}.

10 TRIPS Agreement: \url{https://www.wto.org/english/tratop_e/minist_e/uri98_e/tdde_e/trips_e.htm}.

11 For example the \textit{Patents Amendment Act} 1994 (1994 No.122) inter alia changed the patent term to 20 years from the date of application.


15 Trans-Pacific Partnership Agreement, Chapter 18, Annex 18-A.

16 Please refer to part 7 of this article.

17 History of the Convention: \url{https://www.cbd.int/history}.


19 Please refer to part 6 of this article.


21 List of Parties: \url{https://www.cbd.int/information/parties.shtml?#tab=0}.


23 History: \url{https://www.cbd.int/abs/background/default.shtml}.

24 Parties to the Nagoya Protocol: \url{https://www.cbd.int/abs/nagoya-protocol/}


26 The agenda at the link: \url{http://www.wipo.int/meetings/en/details.jsp/meeting_id=46446}.


28 Bracketed provisions are those that have been proposed when there has been no agreement.

29 Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore: First Session: \url{https://www.wipo.int/meetings/en/topic.jsp?group_id=110&items=50}.


34 In the \textit{Patents Amendment Act} 1994 (1994 No. 122).

35 \textit{Patents Act} 2013, ss 225 -228.

36 PVR grant 1 for the rose variety Matangi on 5 November 1976.


39 Supplementary Submissions on the \textit{Plant Variety Rights Bill} to the Primary Production Committee by the New Zealand Institute of Patent Attorneys, 30 September 1985.

40 TRIPS, art. 27(3)(b).

41 MOC became the Ministry of Economic Development (“MED”) and finally the Ministry of Business, Innovation and Employment (“MBIE”).


43 Draft \textit{Plant Variety Rights Bill} 2005, clauses 17, 17A and 17B.


48 The \textit{Treaty of Waitangi} Act 175.


51 Ko AutaeAhia ariki. A Report into Claims Concerning New Zealand Law and Policy Affecting Māori Culture and Identity, Te Taumata Taumata, Volume 1, 2.


55 “Hui” is the Māori expression for a meeting often held on marae, gathering places of iwi.
56 Te Taumata Tuatahi
57 Te Taumata Tuatahi
58 Te Taumata Tuatahi, 19.
59 The Māori words and expressions are defined in the Appendix of this article.
60 Te Taumata Tuatahi, 63,64.
61 Te Taumata Tuara, Vol. 1, 140.
63 This Act shall so be interpreted and administered as to give effect to the principles of the Treaty of Waitangi.”
64 Māori committees established by DOC.
65 Te Taumata Tuara, Volume 1, 211, 212.
66 Te Taumata Tuara, Volume 1, 192.
67 Te Taumata Tuara, Volume 1, 194.
68 Te Taumata Tuara, Volume 1, 153, 154.
70 Te Taumata Tuara, Volume 1, 155 – 157.
72 Te Taumata Tuara, Volume 1, 212.
75 Apart from the Patents Act 2013, which was unchanged in respect of the Wai 262 claim from the 2008 Patents Bill.
78 Te Taumata Tuara, Volume 1, 204.
82 Patents Act 2013, s.8.
83 Te Taumata Tuara, Volume 1, 212.
84 Patents Act 2013, ss.225–228.
85 Te Taumata Tuara, Volume 1, 200, 201.
86 Patents Act 2013, s.15.
87 TRIPS, art. 27.2.
88 Te Taumata Tuara, Volume 1, 176, 177.
89 Daniel Gervais.
92 Patents Act 2013, s.39.
93 Patents Act 2013, ss.76-79.
95 Plant Variety Rights Act 1987, s.2.
97 Article 9(1) of UPOV 1978 and Article 17(1) of UPOV 1991.
100 Plant Variety Rights Act 1987, s.2.
101 Plant Variety Rights Act 1987 ss.10 (2)(d), (4)(c), (5).
103 Trade Marks Act 2002, s.17.
109 Te Taumata Tuatahi, 22.
110 Te Taumata Tuatahi, 65.
111 Te Taumata Tuatahi, 23.
Protecting Indigenous Cultural Expressions in Australia and New Zealand: Two Decades After the *Mataatua Declaration* and *Our Culture, Our Future*

Terri Janke

**Introduction**

In September 2018, I attended the *Ngā Taonga Tuku Iho Conference on Maori Cultural and Intellectual Property Rights* (the “*Ngā Taonga Tuku Īho Conference*”) in Nelson, New Zealand. I was invited by Aroha Mead, a Maori woman of Ngāti Awa Ngāti Porou affiliation. Aroha is a recognised world leader in advancing Indigenous cultural and intellectual property (“ICIP”) rights. I met Aroha nearly 20 years when I was working in the Pacific for the World Intellectual Property Organization (“WIPO”) conferences in Noumea in 1990s. Her passion for cultural rights advocacy was obvious when she presented on the *Mataatua Declaration on Cultural and Intellectual Property Rights of Indigenous Peoples* (“*Mataatua Declaration*”).

This Declaration was the first of its kind to call for rights to intangible cultural heritage. I was influenced by her words and the words in the Declaration when I wrote the report *Our Culture, Our Future: Proposals for Recognition and Protection of Indigenous Cultural and Intellectual Property* (*Our Culture: Our Future*). This Australian report was a national investigation of what rights Indigenous people wanted and how the law delivered. It recommended legal and non-legal measures for better recognition of ICIP rights. The Mataatua Declaration was an influence on this report. It is also included in the report as an appendix. The *Our Culture: Our Future* report recommended new law – sui generis law. However, this has not occurred and Indigenous Australians work within existing laws, pushing the boundaries, and using contracts and protocols for rights recognition.

Later this year, IP Australia will be consulting with Indigenous people on what should be done. It is yet to be seen how the Australian Government will respond. In the meantime, and despite the shortfalls in law, Indigenous Australians have been using the court system, development protocols and building infrastructure to assert their rights.

The *Ngā Taonga Tuku Iho Conference* was convened to recognise the 25 years since the Mataatua Declaration, and to reinvigorate the debate on ICIP rights in New Zealand following on from the Wai 262 Claim. The lack of response from the New Zealand Government was noted by participants and the convenors called for a response. It was interesting to see the parallels and similarities between the two countries. My paper presented on the past 19 years since *Our Culture, Our Future* including copyright cases such as *Milpurruru v Indofurn* and *Bulan v R & T Textiles* and the co-owned patent examples of benefit sharing where Indigenous knowledge is used. Whilst New Zealand had no cases that formed judgments it was interesting to hear of their approaches in trade marks and the Ka Mate Haka legislation. There were also proposals to amend plant breeders rights to recognise Maori rights but to also introduce disclosure provisions to the patent law, so that on application, patent

This year, my firm, Terri Janke and Company, prepared a discussion paper for IP Australia to highlight the key issues of protecting and managing Indigenous knowledge. In it we identified six issues faced by Indigenous Australians in protecting their knowledge:

1. Misappropriation of Indigenous arts and crafts (examples include copying an artist’s work, reproduction of fake indigenous arts and craft products such as backpacker painted didgeridoos);
2. Misuse of Indigenous languages, words and clan names;
3. Recording and digitisation of Indigenous knowledge;
4. Misappropriation and misuse of traditional knowledge;
5. Use of Indigenous genetic resources and associated traditional knowledge; or
6. Misuse and derogatory treatment of secret or sacred knowledge.
claimants must identify if traditional knowledge was a source for the patent claim. This is also something that the Australian Government should implement as it is a recommendation in WIPO’s Intergovernmental Committee on Intellectual property and Genetic Resources, Traditional Knowledge and Folklore (“IGC”).

However, for the purposes of this article, I will focus on the developments in Indigenous cultural expression only. I will compare developments in both Australia and New Zealand and advocate for new laws, the national and international acceptance of Indigenous cultural protocols and the need for a National Indigenous Cultural Authority.

**The misappropriation of Indigenous cultural expression**

The problem is that ICIP is appropriated by others without permission, often is used derogatorily, and without sharing of benefits with Indigenous people. Aboriginal and Torres Strait Islander arts and designs have been used in home furnishing and interior design, architecture, film, fashion and by souvenir manufacturers and tourism businesses, just to name a few. Indigenous names and words have been used by companies for brands where they have no connection to Indigenous people. Indigenous knowledge has also been taken without sharing benefits and recognition of the Indigenous sources. Examples include fake Indigenous art such as the carpets in *Milpurrurrwa v Indofurn* to the Wandjina in the Whispering Stone and the Chanel boomerang.

Maori in New Zealand have also had their arts and designs copied and demeaned through these years. The example of the Tiki, designs used in fashion, brand names for cigarettes, the tattoo being copied, and the haka appropriated in commercials for cars and fashion in Europe. “Maori Tear” beer in Europe has also raised concern for being spiritually and culturally offensive. The beer, owned by the Brussels Beer Project in Belgium, claims to “encapsulate those tears to capture their sacred nature”. This has been seen as offensive by Maori advocate Karaitiana Taiuru whereby the idea of drinking someone’s tears is spiritually offensive to a traditional Maori world view.

The impact of cultural misappropriation is twofold. First, misappropriation causes cultural harm because most reproductions are derogatory and out of context. It is done without the connection of Indigenous people. Secondly, misappropriation of cultural expression and knowledge take economic opportunities for Indigenous people who could be selling their products and services to the marketplace, or collaborating with business and science.

**International development at WIPO**

IP and corresponding rights are protected under an umbrella of internationally recognised instruments. WIPO encourages creative activity and aims to promote the protection of IP across the globe. WIPO seeks to help ensure that the rights of creators and owners of IP are protected, recognised and rewarded for their ingenuity. Systems that recognise IP offer a number of safeguards and incentives that act to spur human creativity, extend boundaries of science and technology and enrich the world of literature and the arts. However, this does not cover Indigenous cultural expression which falls through the cracks of the IP system, deemed as being in the public domain. Indigenous cultural expression is conceptualised as *terra nullius* in the sense that it was owned (occupied) by no one. Although some forms of Indigenous knowledge fall under current IP law protections, many do not.

The interface between two systems of knowledge (Indigenous and Western) has resulted in the detachment of knowledge from the Indigenous people. Indigenous people were viewed more as a resource, than a partner/innovator, hence benefits accrued not to Indigenous communities, but to non-Indigenous “discoverers”. In Australian law, the differentiation between individual and communal rights has meant that community ownership remains largely unrecognised and unprotected. The idea of “authorship” is difficult to align with Indigenous methods of passing down knowledge and cultural stories over generations. The limited duration of copyright protection (usually life of creator plus 70 years) means that most traditional knowledge (which has persisted for thousands of years) falls well outside of the scope of traditional protections.

The WIPO IGC on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore has been convened for the past 18 years. The *Draft Articles on the Protection of Traditional Cultural Expression*, are still very much debated with options and alternative approaches about whether rights should exist for sacred material, cultural material that is not widely published and whether these rights should be national rights or for Indigenous and local people. There has been a lack of Indigenous participation in this debate, and it is necessary for this to be rectified. There should be more Indigenous Australians and Maori attending the WIPO IGC. Whilst there is a fund for participation, it is limited in achieving meaningful participation. Further, the Indigenous peoples’ Permanent Forum at the United Nations must work with WIPO to enable greater recognition of Indigenous rights as expounded in the *United Nations Declaration on the Rights of Indigenous Peoples*. Article 31 recognises that Indigenous peoples have the right to practice and revitalise their cultural traditions customs. This includes the right of Indigenous people to hold the right to maintain, control and protect and develop the past, present and future manifestations of their cultures, such as archaeological and historical sites, artefacts, designs, ceremonies, technologies and visual and performing arts and literature. It is this Declaration that Indigenous people call for recognition. Aroha Mead speaking at the Ngā Taonga Tuku Iho Conference went into detail of the enormous
The equivalent entity in New Zealand, Copyright Licencing New Zealand, could do similar advocacy for Maori Artists. However, there is no resale royalty in New Zealand. In 2009, the former Labour Cabinet Minster Judith Tizard proposed the Copyright Amendment Bill 2009\textsuperscript{19} which sought to introduce mandatory resale rights so New Zealand artists would receive royalty payments when their work was on-sold. This Bill remains to be ineffective and debated upon whether or not artists should receive royalties from second and subsequent resales of their artworks. In 2007, a Ministry for Culture and Heritage discussion paper proposed the creation of an inalienable right of the artist to five percent royalties on all resales. This was seen as increasingly worthwhile given the steady growth of New Zealand's secondary art market. It was suggested that resale royalties would apply to all intermediary sellers operating in the art market, regardless of whether the artist had retained copyright in the artwork.\textsuperscript{20} As yet, New Zealand has no resale royalty.

**Labelling and certification**

Using consumer and trade marks laws, the NIAAA developed an Indigenous Art certification system in 1998. Its focus was to deal with the fake arts that were expected to be infiltrating the market for the Sydney Olympics. There were two labels. The Label of Authenticity was designed to be attached to Aboriginal and Torres Strait Islander arts products which were created 100 percent by Aboriginal and Torres Strait Islander artists and that they had permission from the relevant community to make the artwork. The Label of Authenticity would allow buyers to know that the artwork was created 100 percent by Aboriginal and Torres Strait Islander artists and that they had permission from the relevant community to make the artwork. The Label of Authenticity did operate for two years but it never really gained momentum. The certification system is a good model but one which requires funding and national coordination. The Indigenous arts market has developed and there is greater consumer awareness. It would be timely for Indigenous Australians to develop a new certification system that could include arts, bushfoods and other commercial products. The idea of the certification mark or a geographic indication should be explored.

In New Zealand, similar trade mark systems have been developed. A few years after the Label of Authenticity was established, the Toi Iho Mark was developed by Maori in New Zealand. Toi Iho was in part inspired by the Label of Authenticity but its use was a general trade mark rather than certification. The Mark, once attached to an item, denotes that the art piece is authentic Maori produced art. Maori artists can apply to use the Toi Iho Mark through the Toi Iho
Charitable Trust. It started being developed by Creative New Zealand but was handed over to the Charitable Trust after it was almost disbanded. At the Ngā Taonga Tuku Iho Conference, Maori called for better resources to enable them to manage the Toi Iho Mark. At the conference, Maori expressed their concern that Australia honey producers were using “Manuka Honey” for their honey products, when this name has a New Zealand origin.

Branding and trade marks

A key area of exploitation has been companies using Indigenous words, designs and people for branding their products. Indigenous words are often used for business and product names and brands. Legally, traders can use names commercially without consulting with Indigenous language groups and can register business names and trade marks without the need for consent.

Under the Trade Marks Act 1995 (Cth), there are no requirements for trade marks examiners to inquire about whether owners seeking registration of an Indigenous word as a trade mark are associated with the country or clan from which the word originates. On the application for a trade mark, there is a question about whether the word is a foreign language and asks for a translation. Many Indigenous applicants simply note that the word is “Indigenous”.

In New Zealand, trade marks legislation enables the Commissioner of Trade Marks to reject trade marks that are “offensive to Maori”. In the past, the New Zealand Trade Mark Office has rejected the word “mana”, which means power, for a brand of a beer.

Under section 177 of the Trade Marks Act 2002 (New Zealand), the New Zealand Intellectual Property Office (“IPONZ”) has Maori Advisory Committees appointed by the Commissioner for trade marks, designs and patent applications, with members being sought from the public and also relevant agencies and sectors.

If trade mark applications contain a Maori element, applications are referred to the Maori Trade Marks Advisory Committee for assessment on offensiveness to Maori communities. Where the examiner is unsure, the application is referred to the Committee to determine whether Maori elements are contained in the application. The Committee provides advice to IPONZ on whether or not the elements are considered offensive. The Maori Trade Marks Advisory Committee also provides advice in relation to design applications with Maori elements.

IPONZ has specific guidelines for trade marks examiners in examining applications containing Maori elements. All trade marks received by IPONZ are assessed to determine whether they contain a Maori sign, or are derived from a Maori sign. Maori trade marks are identified on the New Zealand Trade Marks database.

To identify Maori elements in applications, the Practice Guidelines provide extensive guidance to examiners on Maori culture, customary concepts, language, translations and a list of additional resources. Even if an applicant does not mean to use a Maori word, if the word is recognised in the examination process as Maori, then it must be assessed for offensiveness in accordance with s.178 of the Trade Marks Act 2002 (New Zealand).

Australian trade mark legislation does not contain a similar provision for Indigenous Australians. Whilst there is a provision that allows scandalous trade marks to be rejected, the test for what is “scandalous” is subjective and may not extend to the use of Aboriginal words that are used in ways that are culturally offensive. This has its limitations as was observed in a recent case.

In the 2017 case of Jabree Ltd v Gold Coast Commonwealth Games Corporation, a registered cultural heritage body from the Gold Coast opposed the registration of a trade mark “Borobi”. Grounds for the opposition included that the trade mark was “scandalous”. “Borobi” comes from the Indigenous Australian Yugambeh language meaning “Koala”. The trade mark applicant, the Gold Coast Commonwealth Games Corporation (“GCCG”), wanted to use the word “Borobi” as the name of its Gold Coast 2018 Commonwealth Games koala mascot. Jabree argued that the use of the “Borobi” by the GCCG was scandalous because members of Indigenous communities were outraged and offended and that the GCCG “had failed to consult using the proper decision making policy of the Yugambeh claim group” which would have involved the GCCG consulting Jabree as the appointed cultural heritage body for the local group. Further, Jabree argued that it was scandalous that GCCG did not properly consult which it was obligated to do in accordance with international Indigenous rights instruments. The Hearing Officer found that the trade mark was not “in any way shameful, offensive or shocking like other scandalous trade marks.”

There was contradictory evidence to show that other members of the Yugambeh community supported the use of the word to name the blue koala mascot. To the point of improper consultation, the Hearing Officer acknowledged that this was a sensitive subject, but “even though it was not required to do so the Applicant did seek consultation with Yugambeh people about the adoption and use of their word ‘Borobi’ as the name for the Games mascot in a respectful and inclusive manner albeit not in a way the Opponent recognises”. The Hearing Officer pointed out that the name had been suggested by another Yugambeh Community Elder who provided the GCCG with the “Borobi” name. Therefore, the trade mark application was allowed to proceed.

Despite the lack of a unified position on whether the GCCG’s use of Borobi was culturally appropriate, the Jabree case highlights the limitation of the scandalous provision...
to deal with potentially offensive use of Indigenous words and content. Unlike New Zealand, Australia doesn't have legislation which makes trade marks unregistrable if offensive to Indigenous people. Further, Australia doesn't have an Indigenous Trade Mark Indigenous Advisory Group in its Trade Mark Office however, it needs one. There should be an Australian Indigenous Advisory Group and other mechanisms in the process of applying for trade marks to enable Indigenous content to scrutinised for appropriateness. A further key point however, is that brand owners should consult with Indigenous people about the commercial use of Indigenous names and words even before filing for trade marks. This is about respecting cultural protocols and enabling Indigenous people the right to maintain and control their Indigenous cultural expression.

Contracts and legal representation

Indigenous artists are using contracts as a means to negotiate ICIP rights and to enable them to assert the rights of cultural integrity and attribution. Licensing contracts in particular are one way that Indigenous people can ensure that parties to a contract are on the same page in terms of dealing with their ICIP. It is common for such contracts to specify that as a condition of licensing, the licensor agrees to abide by the relevant protocols. In this way, contract and protocols interact to create a potentially powerful tool for protecting traditional knowledge and ICIP. However, one of the key issues with contracts is that only the parties to the contract are bound by its terms – meaning that parties are only protected on a case-by-case basis.

Kirrkin, an Aboriginal owned design company, provides luxury accessory and clothing featuring artwork from contemporary Indigenous artists. Kirrkin collaborates with Babici. Kirrkin in is an Aboriginal word that roughly translates as “Sunday’s best clothes”. It was a part of the original language recorded by the missionaries visiting the Hunter Valley early in the 1820s. It is also part of Wonnarua language revitalisation. The focus is on the Aboriginal artist - promote the artist and pay royalties. Every Kirrkin purchase is directly returned to the featured Indigenous Australian artist involved in the design.

There is also scope for the licensing of communally owned designs by Indigenous groups. Danielle Conway, for example, espouses the opportunities for licensing the rights contained in article 31 of the United Nations Declaration on the Rights of Indigenous Peoples (2006), using contracts as a basis for transaction. Furthermore, Kathy Bowrey, Australian IP commentator and lecturer at the University of New South Wales, explores the Free/Libre Open Source software (“FLOSS”) licensing model which has built a new framework of private law rights arising out of contractual obligations to provide resolution for Indigenous parties. For example, possum skin cloaks could be licensed, if they were culturally appropriate, and this leads to the important question of cultural integrity and following Indigenous cultural protocols.

Protocols

Indigenous Cultural and Intellectual Property (“ICIP”) is based on the right to self-determination and rights to their heritage and culture. ICIP rights cover literary, performing and artistic works, languages, types of knowledge (including spiritual knowledge), tangible and intangible cultural property, Indigenous ancestral remains and genetic material. At the Ngā Taonga Tūkū Iho Conference, I presented on our True Tracks ICIP Protocols which is used by a range of applications including arts, film, design and education. The model was met with interest and several conference attendees expressed a need for a protocols framework for New Zealand.

In 2012, the Australian Council for the Arts produced a guide protocol for the production of Indigenous Australia visual arts. The protocol guidelines endorse Indigenous cultural and IP rights – i.e. the rights of Indigenous people to own and control their cultural heritage. These rights are confirmed in internationally recognised instruments such as the United Nations Declaration of the Rights of Indigenous Peoples (2006). This guide can be used as an initial point of reference in planning or work with indigenous visual art, practitioners or the use of Indigenous cultural material.

Applicants working with Indigenous Australian artists, who are funded by the grant assessment panels of the Australia Council, are required to adhere to the Indigenous Cultural protocol guides that are published by the Council as a condition funding.

Protocols provide useful guidelines for cultural exchange and collaboration. One way to make these protocols even more effective might be to make them the National Protocols, accepted by Indigenous people nationally, accepted by industry and by the Government. These protocols could apply across the country and offer a unified process for managing ICIP. In terms of ensuring compliance, it would also be important to make the protocols visible and accessible. In this way, the public and various industries can be used to monitor and put pressure on organisations to abide by the protocols.

New Zealand arts funding agencies do not appear to have similar protocols. It could be useful to adapt and use a similar model which can be used with arts funding agreements to make them enforceable.

Indigenous Art Code

Launched in 2010, the Indigenous Art Code is a voluntary code that applies to dealers who are signatories to the Code. The Code was established to standards for dealings between dealers and artists to ensure that there is fair and ethical trade, there is transparency in the process of promotion and sale of
artwork and that disputes arising under the code are dealt with efficiently and fairly. There has been debate whether this should be mandatory.42

The Indigenous Art Code was established to introduce standards for dealings between dealers and artists to ensure fair and ethical trade in artwork; transparency in the process of promotion and sale of artwork, and that disputes arising under the Code are dealt with efficiently and fairly. The signatories are held to general standards outlined by the Code and signatories that breach the Code may have sanctions bought against them, which may result in them being removed as a signatory. Whilst this system seems sound in practice, the Code is not mandatory, and a lot of behaviour can go unchecked by those who are not signatories. The Indigenous Art Code remains a key development to protecting Indigenous artists, and the organisation was responsible for the Fake Arts Campaign which lead to the Inquiry into the Proliferation of Fake Indigenous Arts which has not yet reported its outcomes.

Fake Aboriginal arts inquiry
In 2016, to combat fake Indigenous art, the Indigenous Art Code, the Arts Law Centre of Australia and the Copyright Agency created the “fake art harms culture” campaign. The campaign aims to provide both artists and buyers with the tools to engage in the successful transfer of Indigenous knowledge, culture and art. As well as law reform and awareness raising, Indigenous art protocols are a large part of this campaign to prevent fake art from negatively affecting Indigenous and non-Indigenous members of the art and broader community.43

In 2017, the “fake art harms culture” campaign led the Parliamentary Inquiry into the growing presence of inauthentic Aboriginal and Torres Strait Islander “style” art and craft products and merchandise for sale across Australia. The Committee has received 161 submissions and has convened hearings in major capital cities of Australia.44

Bob Katter draft Bill
Bob Katter, federal member of Kennedy in Queensland, introduced a Private Member’s Bill to end fake “Indigenous” art being sold in Australia. Art being sold purported to be First Australian products and they’re not – this is deceitful upon the Australian public. It is estimated that up to 80 percent of the items being sold as legitimate Indigenous artworks in tourist shops around Australia are unauthentic. This is damaging to both the Aboriginal and Torres Strait Islander culture and also decimates an income stream for practising artists.45

In February 2017, the Competition and Consumer Amendment (Exploitation of Indigenous Culture) Bill 2017 (Cth) was introduced by Bob Katter to deal with sale of the fake Indigenous art and souvenirs by non-Indigenous people which deprive Indigenous people benefits from their culture.46

The Bill would prohibit the sale of goods that include an “indigenous cultural expression” unless it was supplied by, or in accordance, an arrangement with, each Indigenous community and Indigenous artists with whom the Indigenous cultural expression is connected; and it was made in Australia.47 Maximum penalties would apply: for an individual AU$25,000 and for a company AU$200,000.48

The Bill was supported by the Arts Law Centre of Australia and the Indigenous Art Code with the proviso that any proposed law should not harm legitimate business partnerships that are working for Indigenous artists. For example, an arrangement where an Indigenous community licenses an artwork to a design company that sells products in Australian shops but manufactures products overseas would be precluded by the Bill in its current form.49

The Ka Mate Haka legislation
The Ka Mate Haka has become a symbol, not only of the All Blacks, but of New Zealand and its people. It is performed formally and informally at sporting events and by New Zealanders overseas wishing to express their New Zealand identity, but it has also been used, satirically or otherwise, in foreign advertisements for Italian cars. Maori people and particularly the iwi of the warrior chief, the Rauparaha, who authored the Haka in 1821, have taken offence and expressed anger at the inappropriate use of the words and actions, which have been performed outside of and against Tikanga and without consultation, particularly in instances of overseas commercial use. An attempt was made to trade mark the lyrics of the Ka Mate Haka but was rejected for various reasons. In February 2009, the New Zealand Government, as part of negotiations for financial, property, and cultural redress for breaches of the Treaty of Waitangi, stated in a formal offer letter to Ngāti Toa that the legislation implementing the final settlement will recognise the significance of the Haka to the iwi.50 The Haka Ka Mate Attribution Act 2014 (New Zealand) recognises the right of attribution to the Rauparaha, the author of the Ka Mate Haka and a chief of Ngāti Toa Rangatira.51

This is an example of sui generis laws protecting an aspect of Indigenous culture. There is no similar law in Australia which protect specific items of cultural expression. However, there have been calls to protect items including the Albert Namitjira works when they are due to fall in the public domain.52

Consumer laws
Section 18 of the Australian Consumer Law makes it illegal for corporations to engage in misleading and deceptive conduct.53 This provision has been used to stop misleading and deceptive Indigenous fake arts. In the matter of
The ACCC alleged that Birubi made misleading Indigenous art claims. The products made were alleged to be made in Australia, but were in fact made in Indonesia. The products displayed a combination of words and artwork including “hand painted”, “handcrafted”, “Aboriginal Art” and “Australia”. It is alleged that more than 18,000 of these Birubi products were sold to retailers in tourist shops around the country. This has the potential to undermine the integrity of Aboriginal arts and negatively impact Indigenous artists by taking away legitimate sales opportunities. The Court concluded that the overwhelming impression conveyed by some of the products, and the associated images and representations, is that they were made in Australia and were hand painted by Australian Aboriginal persons. Justice Perry of the Federal Court found that Birubi, by representing that the loose boomerangs, boxed boomerangs, bullroarers and digeridoos and messages stones were hand-painted by Australian Aboriginal persons, engaged in misleading or deceptive conduct in breach of section 18 and subsection 29(1)(a) of the Australian Consumer Law. This type of misleading and deceptive contact will continue to be protected by the ACCC. 

Heritage laws and protection of intangible cultural heritage 

Currently Victoria is the only state in Australia to have enacted legislative protection for intangible cultural heritage. The amendments made to Aboriginal Heritage Act 2006 (Vic) in 2016 established a process by which Aboriginal intangible heritage can be registered on the Victorian Aboriginal Heritage Register. 

Traditional owners may make Aboriginal intangible heritage agreements once the intangible heritage is registered. These agreements outline how their tradition knowledge is used and for what purpose. “Knowingly” exploiting registered heritage for commercial purpose with consent is an offence. With “reckless” use of registered intangible also being prohibited. 

Intangible heritage such as oral traditions, performing arts, stories, rituals, festivals, social practices, crafts and visual arts are able to be registered. Ecological and environmental knowledge can also be registered, including knowledge of medical and other priorities of flora, fauna, minerals and other elements of the environment. 

The Register is not accessible to the public because it contains culturally sensitive information. It can only be accessed when a person or group needs more detailed information on how it protects cultural heritage. Secret or scared information is offered even further protection. If the information is designated secret or scared, access is only given with written approval of the relevant registered party. 

New South Wales (“NSW”) is also following this path. Currently, NSW offer very limited protections for intangible Aboriginal cultural heritage. However, the Draft Aboriginal Cultural Heritage Bill 2018 (NSW) covers the recognition and protection of intangible Aboriginal cultural heritage. The Bill aims to protect both tangible and intangible heritage in a similar manner to the Victorian Act. Intangible Aboriginal Cultural Heritage is able to be registered with the Aboriginal Cultural Heritage Authority, which would be established by the Bill. 

Once registered, the heritage is protected and anyone who wants to use it commercially must enter into an agreement with the registered owners. With penalties applying to those who do not. 

In both the Victorian Act and the NSW Bill, intangible heritage that is widely known to the public cannot be registered, preventing intangible heritage that has been adapted and enjoyed by the general public from being given retrospective protection. 

In these two heritage law frameworks, there are aspects of the WIPO IGC Draft Articles on the Protection of Traditional Cultural Expression, namely the fact that the focus of the law is on items of intangible heritage that are not widely known to the public. It is interesting to note that the fact that intangible heritage is widely known has often been because of misappropriation and disclosure by outsiders, who are non-Indigenous, and often without benefit sharing. This renders the heritage law models as fairly limited in scope. A wider recognition would be to include all Indigenous cultural expression, and advocate for free prior informed consent and the following of protocols. 

New laws 

Indigenous Australians have consistently called for laws that recognise their rights to cultural knowledge and expression. The key recommendation in Our Culture: Our Future was for the enactment of sui generis legislation. However, being only three percent of the population, there is no political will for changes to law. We need to now act to fix this problem by bringing in structures and processes that assist the management of these rights. The solution should include laws and processes which recognise the authority of the group to “maintain, control and protect” what can be shared, and provide assistance to identified custodians. 

The features of the law would need to recognise: 

• that rights exist in traditional cultural expressions and traditional knowledge regardless of whether there is material form;
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- a definition and scope of rights so that they can be defined and demarcated;
- the ongoing connection of Indigenous knowledge to their clans and communities;
- attribution rights for clan groups (and rights against false attribution);
- rights to protect against derogatory treatment;
- processes for prior informed consent (prior authorisation);
- dealing with derivatives, and new works that are inspired or based on Indigenous cultural expression or knowledge;
- processes for commercialisation where works are suitable for publication;
- special protection provisions for sacred and secret works that are not meant for publication, but are governed largely by customary secrecy laws;
- processes for where there is more than one group who is the source of the knowledge;
- benefits sharing provisions – this will allow Indigenous people to ask for payment of fees or some non-fee based benefit in recognition of their knowledge's contribution;
- obligations to adhere to relevant protocols in the first instance;
- the potential to include a database of rights registration, similar to the register that is established in the Aboriginal Heritage Act 2006 (Vic);57 and
- dispute resolution and enforcement processes.

For Indigenous people, artists and communities, the enactment of new laws would have the benefit of enabling communal rights over content that is currently seen as being in the public domain. Laws acknowledging these rights could empower Indigenous communities with rights that can foster and encourage collaborations that allow Indigenous knowledge holders to negotiate benefits which can include payment of royalties but also jobs on country.

**National Indigenous Cultural Authority**

I have written about a proposal for a consistent national framework – National Indigenous Cultural Authority (“NICA”) in Beyond Guarding Ground.58 The NICA model proposes the creation of an independent organisation that can support the facilitation of ICIP rights by providing tools, contracts, monitoring and codes/protocols, as well as implementation of a certification process using a registered trade mark, to allow consumer identification of NICA endorsed cultural products and services. The model for a NICA recognises the rights of Aboriginal and Torres Strait Islander peoples to manage their ICIP through free, prior and informed consent, and on mutually agreed terms, consistent with the United Nations Declaration on the Rights of Indigenous Peoples (2006).59 This is a suggested solution jurisdictions in all countries should consider.

A NICA could be used where it is unclear who should have custodianship of Indigenous cultural material or knowledge. It could also provide a mechanism to lobby for rights holders and provide a collective voice for Indigenous Australians on a national and international level. Also, a NICA would work to administer profits and would necessarily provide increased and diverse networking and employment opportunities. I believe that a NICA can achieve a balance between protecting traditional cultural expression rights and allow sharing on agreed terms. Furthermore, it is a framework that can empower Indigenous people both culturally and economically. In this way, Indigenous people can benefit from systems of IP protection which incentivise and reward their sharing, continual innovation and practice of their cultures.

There is currently a proposal for a National and Indigenous Arts and Cultural Authority (“NIACA”). For decades, the idea of the NIACA has emerged in recondition of the unique place of Aboriginal and Torres Strait Islander arts as the world premier continuous cultural tradition. If a NIACA authority was introduced, there would be acknowledgement and assistance with the ongoing responsibilities and obligations for Aboriginal and Torres Strait Islander people to maintain, control, protect and nurture this inheritance and various contemporary creative expressions.60 The vision of the NIACA is to recognise the collective voice of the First Nations arts and cultural sector. Policy objectives seek to achieve the vision of the NIACA are grouped under three main themes: establish networks, partnerships and services to strengthen and grow the First Nations arts and cultural sector; seek policy development, expert advice and advocacy though meaningful representation for Aboriginal and Torres Strait Islander people on arts and cultural policy issues; and support and defend ICIP rights.61

**Conclusion**

In conclusion, this article has examined the developments in the protection and management of Indigenous cultural expression, since the publication of the Mataatua Declaration and the Our Culture: Our Future report. Whilst there have been various approaches using existing laws, protocols, trade marks and advisory committees, there still remain calls for new laws. The commonality between Maori and Indigenous people in grappling with this continuing problem is highlighted. There are differences but also ways we can learn from each other. By working together, we can share the practical measures and the legal and policy methods. I would especially advocate for protocols as a solution that Indigenous people can adopt and assert rights therein. A NICA could present the infrastructure to bring compliance measures and a strong trade mark that denotes ethical standards. It is hoped
that the two countries to continue to share their experience and to learn from each other towards the strengthening of our cultures, for future generations. In Aroha Mead’s speech at the Ngā Taonga Tuku Iho Conference, she reflected on the preamble of the Mataatua Declaration. She highlighted that the preamble calls for self-determination and that Māori must be recognised as first owners of the ICIP and that we then recognise that they are willing to share with humanity if fundamental rights are protected by the international community. “It’s about being a good ancestor.”

I agree, it’s about looking after our culture, for our future.
After the Mataatua Declaration and Our Culture, Our Future

30 [2017] ATMO 156.
31 Jabree Ltd v Gold Coast Commonwealth Games Corporation [2017] ATMO 156, para. 11.
32 Jabree Ltd v Gold Coast Commonwealth Games Corporation [2017] ATMO 156, para. 44.
33 Jabree Ltd v Gold Coast Commonwealth Games Corporation [2017] ATMO 156, para. 42.
34 Jabree Ltd v Gold Coast Commonwealth Games Corporation [2017] ATMO 156, para. 67.
43 Arts Law Centre of Law, Fake Art Hurts Culture (Discussion Paper).
46 Competition and Consumer Amendment (Exploitation of Indigenous Culture) Bill 2017 (Cth).
47 Competition and Consumer Amendment (Exploitation of Indigenous Culture) Bill 2017 (Cth), proposed s 50A(1).
48 Competition and Consumer Amendment (Exploitation of Indigenous Culture) Bill 2017 (Cth), proposed s 168A.
51 Haka Ka Mate Attribution Act 2014 (New Zealand), s 9.
53 Competition and Consumer Act 2010 (Cth).
57 Aboriginal Heritage Act 2006 (Vic), Pt 5A.
International Negotiations at WIPO on Intellectual Property and Genetic Resources, Traditional Knowledge and Traditional Cultural Expressions: Analysis of the Process So Far and Thoughts on Possible Future Directions

Wend Wendland

Marking 20 years since the World Intellectual Property Organization (“WIPO”) formally launched a dedicated program on intellectual property (“IP”) and genetic resources (“GRs”), traditional knowledge (“TK”) and traditional cultural expressions (“TCEs”), this article briefly describes the issues and how Indigenous peoples and local communities (“IPLCs”), countries and regional and intergovernmental organisations approach them. It then presents an analysis of the negotiations undertaken between 2001 and 2018 by the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (“IGC”). Progress in the IGC has been slow, but the negotiation is uniquely complex, and it has produced several beneficial outputs. The options around a new mandatory disclosure requirement in patent law related to GRs and associated TK are becoming clearer and pressure is mounting for agreement on this question.

Introduction

Some of the most fraught, yet significant and interesting, IP issues of the day are the legal protection of TK and TCEs, and the relationship between IP and access to and benefit-sharing in GRs and associated TK.

IPLCs, countries and regional and intergovernmental organisations approach these issues in at least one of four complementary ways. First, by strengthening the capacity of IPLCs to make more effective and strategic use of existing IP tools (such as collective and certification trade marks for authentic Indigenous arts and crafts, as tried in both Australia and New Zealand). Second, by constructing platforms, databases and registers that enable IPLCs and countries to record their knowledge and cultural expressions, control access to them and license them to third parties if they so wish (such as the Mukurtu open source platform which originated in Australia).

Third, by encouraging changes in the behaviour of users (including industry, researchers, scientists and consumers) through adoption of “soft law”, such as guidelines, protocols, codes of conduct and model contracts (such as those of the Australian Institute of Aboriginal and Torres Strait Islander Studies). And fourth, by designing new, special IP-similar rights and measures that respond to the particular characteristics of TK and TCEs (such as provisions in New Zealand’s IP legislation that prevent registering a trade mark, patent or design where its use or registration is likely to be considered offensive by a significant number of people, including Māori), and regulate the relationship between IP and access to and benefit-sharing in GRs.

These new rights and measures are referred to as “sui generis” because they would be specially created for this purpose. They are IP-like but inspired by a blend of IP and Indigenous customary law and environmental and human rights principles and norms.

WIPO began work on these issues in a formal and coordinated manner 20 years ago in 1998. This followed several decades of sporadic work, some of it with the United Nations Educational, Scientific and Cultural Organization (“UNESCO”), on the protection of “expressions of folklore”. The establishment in 1998 of a new program for “new beneficiaries” marked a more coordinated and open approach by WIPO to the calls from many developing country governments and IPLCs for greater legal protection of GRs, TK and TCEs.

WIPO’s current work program on GRs, TK and TCEs comprises all four of the approaches identified above and is carried out by the Organization’s Traditional Knowledge Division. That Division oversees the implementation of a capacity-building program, provides technical assistance and facilitates policy development, including through administering the international negotiation taking place in the IGC.

This article will focus on the fourth approach identified above: the design of new, IP-similar rights and measures that respond to the particular characteristics of TK and cultural expressions, and regulate the relationship between IP and access to and benefit-sharing in GRs – and, in particular, the ongoing negotiation in the IGC.
The IGC was established by the WIPO General Assembly (“GA”) in 2000. The IGC’s mandates are usually two years long, and, every two years, the WIPO GA sets a new mandate for the following biennium. The IGC’s current objective as per its current mandate for 2018 and 2019 is “... reaching an agreement on an international legal instrument(s), without prejudging the nature of outcome(s), relating to intellectual property which will ensure the balanced and effective protection of ...” GRs, TK and TCEs.7

The IGC process is challenging and agreement amongst WIPO’s 191 member countries on concrete outcomes on GRs, TK and/or TCEs is not yet in sight. Challenges include: (a) the technical complexity of the three issues and their cross-cutting nature, requiring an unusually high degree of domestic coordination and policy coherence within participating countries; (b) the intensity of the process: countries decided that sessions should take place roughly every three months in Geneva, placing a strain on all delegations; (c) a relatively low level of interdependence between the issues under negotiation in the IGC and other issues on the international IP agenda, with the result that developing countries have not been able to manufacture adequate “leverage”; (d) fragmentation of the international treatment of these issues amongst a number of international forums, and an attendant difficulty for demandeur countries to establish effective, cross-regional coalitions;8 (e) a weak consensus among countries as to the purposes and objectives of the IGC; and, (f) an almost total absence of public mobilisation and civil society engagement with these issues. Perhaps one could also add that the length of the process so far – the IGC first met in early 2001 – risks draining it of energy and momentum.

Yet, the significance of this work cannot be understated, and pragmatic win-win outcomes are tantalisingly within reach. Achieving them would enrich the IP system by expanding the range of its beneficiaries to include vulnerable and marginalised communities, strengthen its contribution to sustainable development and, therefore, bolster the credibility and legitimacy of the IP system and foster greater respect for it across all regions. Agreed outcomes may also inspire fresh confidence in multilateralism and unblock other negotiations in WIPO.

The remainder of this article briefly summarises the main substantive questions facing the IGC. It then describes and analyses the inner workings of the IGC as a process from 2001 to 2018. The article is not a detailed, gavel-to-gavel account of each session but rather an inside account, from a methodological and political perspective, of the main ebbs and flows of the process so far.

The IGC’s mandate comes up for renewal again in late 2019, and while there are signs of fatigue with the process, expectations for concrete outcomes remain high. There is scope for member countries to draw on lessons learned from the past 17 years to clarify the IGC’s mandate and strengthen its working modalities, and place the IGC on fresh pathways towards agreement on balanced, flexible, pragmatic and effective outcomes.

Before diving into the detail, I would like to recognise the contributions that Australia and New Zealand have made in this area. Indigenous peoples, cultural institutions, research centres, lawyers, government departments, non-governmental organisations and academics from both countries have, for more than two decades, pioneered practical, “soft law” and policy and legislative initiatives. These have been valuable domestically and informed the international community. Both countries are constructively active in the IGC, the current chair of which is an Australian, Ian Goss. Officials from New Zealand have been outstanding “facilitators” in the IGC.10 Australia has been a major donor to WIPO’s Voluntary Fund for Accredited Indigenous and Local Communities,11 and New Zealand has also contributed to it. Experts from Australia and New Zealand have contributed in various capacities to WIPO’s capacity-building and technical assistance work, and to IGC-related panels and seminars.12 An Australian Aborigine and a Māori from New Zealand have previously been WIPO Indigenous Fellows.13

The issues

For many years, IPLCs and governments – mainly, but not only, from developing countries – have called for the IP protection of traditional forms of creativity and innovation, which under the conventional IP system, are generally regarded as “public domain”, and thus free for anyone to use. IPLCs and many countries dispute the “public domain” status of TK and TCEs and argue that this exposes their creativity and innovation to unwanted exploitation and misuse.

For example, a traditional medicinal remedy (a form of TK) could be appropriated by a pharmaceutical company and the resulting invention patented by that company, without any sharing of the benefits arising from its commercialisation with the local community. Similarly, an Indigenous folk song (a TCE) could be adapted and qualify for copyright protection, without any acknowledgement of the Indigenous community who created the song, or any sharing with the community of the revenues flowing from its exploitation.14

In short, the question that IP policymakers are wrestling with is whether TK and/or TCEs should be protected as a new form of IP, beyond the limited protections that are already provided by the conventional IP system. And if so, for which socio-economic and cultural purposes, for whose benefit, in which circumstances and how? These questions – which in legal terms relate to objectives of protection, beneficiaries, definitions of subject matter, scope of rights and appropriate exceptions and limitations – are the core questions that the IGC has been and still is trying to reach agreement on.
The drafts of the negotiating texts on TK\textsuperscript{15} and TCEs\textsuperscript{16} currently contain draft articles on these and other issues, such as formalities, term of protection, administration of rights, transitional measures and international protection. They embody a proposed “tiered” or “differentiated” approach, whereby different kinds or levels of rights or measures would be available to rights holders depending on the nature of the subject matter and the level of control that the beneficiaries still have over it.\textsuperscript{17} For example, exclusive economic rights could be appropriate for secret and/or sacred TK/TCEs, but only a moral rights-like model could be appropriate for TK/TCEs that are publicly available or widely known but still attributable to specific IPLCs.

Regarding GRs, the relevant international frameworks for regulating access to and benefit-sharing in GRs include the Convention on Biological Diversity 1992 ("CBD") and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity 2010 ("Nagoya Protocol"), as well as the International Treaty on Genetic Resources for Food and Agriculture 2001 of the United Nations Food and Agriculture Organization.

While TK and TCEs are developed by the human mind and can be considered “intellectual property”, GRs as such are not produced by the human mind and the IP issues they raise are distinct from those relevant to TK and TCEs.

Inventions based on or developed using GRs may be patentable and, therefore, some countries are concerned about patents being granted in error over inventions based on or developed using GRs. Their interest is in improving the quality and efficiency of patent examination. Additionally, some countries consider that the patent system/IP system should facilitate compliance with the access and benefit-sharing obligations in the international frameworks referred to above, specifically those obligations related to prior and informed consent, mutually agreed terms and fair and equitable benefit-sharing.

The IGC is therefore grappling with whether one or both of these objectives are legitimate for the IGC to pursue and, having determined the objective/s to be pursued, which mechanisms, if any, would be best suited to achieve them.

In regard to possible mechanisms, there are basically two proposals on the table. The first is a proposed new disclosure requirement within IP/patent legislation requiring the disclosure of certain information in applications where the subject matter/claimed invention involves utilisation of GRs and TK associated with GRs. The information that would need to be disclosed would include information about the country of origin or source of the GRs and associated TK and evidence that that country’s access and benefit-sharing regime has been complied with. The second proposal is the establishment of databases, voluntary codes and guidelines for IP/patent offices, third party dispute mechanisms and due diligence regimes within patent offices. The two proposals are not mutually exclusive.

The negotiating text on GRs\textsuperscript{18} currently reflects both options, as well as a “no-disclosure” option.

**An overview of the IGC process\textsuperscript{19}**

The establishment of the IGC by the WIPO GA in 2000 was recognition by all member countries of the need for a forum such as the IGC to address the linkages between IP and GRs, TK and TCEs.

The IGC met for the first time in April 2001. It soon became clear, however, that countries had divergent expectations about the precise purposes and goals of the IGC. In the 17 years since the Committee first met, these differences have never been truly resolved and they mark the IGC’s work to this day.

On the one hand, many countries (the so-called “demandeurs”) desire the adoption of binding international legal instruments providing for the effective protection of GRs, TK and TCEs. On the other hand, other countries (“non-demandeurs”) are unconvinced, so far, of the need for new international IP norms on TK and TCEs.

On GRs, a considerable number of countries, developing and developed, are in favour, in principle at least, of some form of a new disclosure requirement in patent law, and pressure is mounting for agreement on this question.

In the early years of the IGC, the focus was on fact-gathering, case-studies, general policy discussion and practical tasks. These activities led to a number of practically useful outcomes, such as measures that began to include TK as searchable prior art.\textsuperscript{20} However, impatience would soon mount as to lack of progress on “legal instruments(s)”, and demandeurs would seek to shift the focus away from so-called “practical” initiatives to “normative” work in the form of work on the “articles” of one or more prospective international agreements.

The shift was gradual and propelled mainly by developing countries who had always seen the IGC as a norm-setting forum. For them, the mandate agreed on in 2009, which launched “text-based negotiations”, was a logical culmination of this shift.

For non-demandeurs, however, the commencement of formal text-based negotiations was premature. They believed that common understandings on keystone questions such as the objectives of protection, the scope of protectable subject matter, the extent of the rights to be granted and the nature of the beneficiaries were needed before work could begin on substantive “articles”.

Demandeurs’ frustrations would grow over time as they sensed a lack of political will on the part of non-demandeurs,
for whom the status quo was adequate. **Demandeurs** would be unable to create interdependencies between the IGC and other IP issues, and thereby manufacture meaningful “leverage”. **Demandeurs** would battle to take the lead by demonstrating the benefits of changes to the status quo, presenting specific textual proposals and drawing the non-demandeurs in to a true negotiation.

In this context, the biennial renewal of the IGC’s mandate would be especially incendiary. Negotiations would continue late into the night on if and when the GA should be asked to convene a Diplomatic Conference (a high level meeting of countries to adopt an international instrument) and on the meaning of terms such as “legal instrument” and “text-based negotiations”. On each occasion, the IGC or GA would eventually agree a new mandate for the IGC, but the over-negotiated and densely worded mandates would be ambiguous and provide an unstable foundation for continued work.

The process would see a recurring tension between “substance” and “process”. More specifically, the IGC would struggle to resolve a triangle of related questions, namely, the substance or content of the IGC’s work, the legal character of its outcome(s) and the design of the IGC process itself.

One manifestation of this difficulty was the resurgence, at regular intervals, of whether the outcome(s) of the IGC should be “binding” or “non-binding”. This question would ignite a divisive debate whenever it arose. Seeking signs of good faith from non-demandeurs, developing countries would desire assurances that future outcomes would be “binding”. Many developed countries were unwilling to agree to be bound by future instruments where their contents were not yet clear and would prefer “soft norms” at most.

This question was one of the main causes of the breakdown in the fifth session of the IGC in July 2003. It re-appeared in the negotiation of the mandate for the 2010 to 2011 biennium. At that time, the matter was temporarily settled by carefully constructed language referring to “... an international legal instrument” and a possible “Diplomatic Conference”. The word “binding” was notably absent but **demandeurs** believed the inclusion of references to “legal instrument” and “Diplomatic Conference” were code for “binding”. The issue detonated again during IGC 27 in 2014. The 2016 to 2017 and 2018 to 2019 mandates would eventually agree a new mandate for the IGC, but the over-negotiated and densely worded mandates would be ambiguous and provide an unstable foundation for continued work.

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As the IGC would spend more and more time on procedural questions, most developed countries seemed to remain unpersuaded as to the need for and benefits of normative outcomes. Bearing a demandeur’s burden of proof, yet lacking meaningful leverage, developing countries seemed to struggle to translate their political ambition into specific textual proposals, engage those with whom they disagreed and convince them of the need for change.

On methodology, the IGC would wrangle over the design of an adequately transparent and inclusive yet efficient and results-oriented working methodology. In addition to Intersessional Working Groups (“IWGs”), “high-level segments”, “thematic” and “cross-cutting” sessions, “expert drafting groups” and “informal informals” would be experimented with. The challenge was to strike a balance between inclusiveness and efficiency. Often, honouring the insistence of delegations for “transparency” and “inclusiveness” would in effect frustrate efforts to design a more efficient and results-oriented process.

To this day, the IGC has not settled on a methodology that facilitates the process of reaching widely acceptable outcomes that are flexible and pragmatic yet consequential.

The crises that frequently accompanied the annual renewals of the IGC mandate and/or meeting schedules demonstrated the mismatch of expectations of the delegations. Unnerved by what appeared to be a lack of commitment on the part of many developed countries, developing countries would revisit the mandate question every year. The often bitter disputes that ensued only further deepened distrust between delegations. In several sessions, substance would be all but forgotten as only the IGC’s mandate would be discussed, and the yearly obligation of the GA to evaluate progress made and decide whether to convene a Diplomatic Conference was too frequent and placed an artificial strain on the process.

Which outstanding issues are “technical” and which “political” would not always be clear, and within country delegations differences in approaches between capital-based technocrats and diplomatic representatives in Geneva would appear.

Questions around the relationship between the three themes also arose regularly: should they be dealt with separately but given equal attention, or should a theme that showed particular progress be “fast-tracked”? Should two or more themes be merged? Over time, the IGC has moved from treating the themes separately (but equally and in parallel) to in 2014, discussing “cross-cutting issues”. Most recently, in 2018 and 2019, the IGC is, for the first time, jointly addressing TK and TCEs but without at this stage merging them. The relative priority accorded by countries to the issues has also shifted over time.

Working so far on a package-deal concept — in which all three themes of the IGC are treated separately but together — and in line with the consensus principle, in which a single delegation can potentially block any decision, the IGC battles to this day to narrow the gaps between the delegations. After 15 years, and amid mounting fatigue with the process, many consider that some re-thinking is needed as to the objectives, expected outcomes and working methodologies of the IGC.

Despite these difficulties, however, the IGC’s mandate has been renewed eight times since 2000. Its current mandate
runs through to 2019. This supports the view that countries agree on the need for a body such as the IGC. Additionally, despite the complexity of the IGC's agenda, the process has produced some high-quality substantive materials. It has launched and guided policy and legislative developments at the national and regional levels and enabled new stakeholders, such as Indigenous peoples, to participate in international IP policy-making for the first time. Moreover, IGC participants have collectively developed draft texts on GRs, TK and TCEs that, while still in-progress, are perhaps the bases for what could eventually become broadly acceptable international legal instruments.

**Key moments in the life of the IGC from 2001 to 2018**

The first real crisis came at IGC 5 in July 2003, when the Committee had to decide for the first time on the renewal of its mandate. After four sessions, the enormous scope of the IGC’s task was now clearer. It was embarking on nothing less than a profound re-imagining of the entire IP system, in the absence of solid legislative experience at the national or regional levels and within a complex web of other international instruments. **Demandeur** countries with diverse objectives and agendas were at the helm and some non-**demandeur** countries were not yet fully convinced as to the need for the IGC.

The excitement and optimism that had infused the IGC in its early years began to dissipate as **demandeurs’** expectations of quick normative outcomes soured. Other countries, recalling that the IGC was merely a “forum for discussion” as per its initial mandate, believed further conceptual understandings were needed before embarking on any “normative” work. In what would become a pattern in subsequent years, IGC 5 couldn't agree on renewal of its own mandate and the GA had to step in and set a mandate for 2004 and 2005.

For the first time, a reference to “international instrument or instruments” appeared in the IGC mandate, as did the concept “the international dimension”. Further, the mandate required the IGC to “accelerate” its work and established the unfortunate precedent that the GA would be required to take stock of progress made after just one year.

The explicit shift to normative work had now begun and expectations were very high. The “practical” tasks of the IGC, which had borne some tangible benefits in the early years and had not been fully completed (as mentioned above) were by now all but forgotten.

The challenge then was how to give effect to the GA's direction to “accelerate” the IGC’s work, amidst growing scepticism among developing countries as to the IGC’s effectiveness as a norm-setting mechanism. The IGC risked becoming irrelevant in their eyes, and the IGC was, therefore, at a critical point.

In response, in 2004, the Secretariat published the next drafts of the working documents on TK and TCEs in the form “draft articles”. The thinking within the Secretariat at that time was that draft “texts” would respond to the required “acceleration” and help sharpen the focus of the discussions: draft texts in the form of concise articles, rather than longer discussion documents, might shed light on both the possible elements of an international consensus and the precise points of difference.

Non-**demandeurs** were displeased, however, and work on these “texts” was effectively frozen for almost five years. Further, little progress was being made on GRs.

In September 2008, WIPO elected a new Director General, Francis Gurry (Australia), who, up to that point, had directly overseen the work of the Traditional Knowledge Division.

The stalemate around this time was capped by a breakdown in the IGC in 2009 when it couldn't agree on its own mandate for the next two-year period.

To the surprise of many, however, the GA in late 2009 agreed on a dramatically empowered IGC mandate for the 2010 to 2011 biennium. This mandate, referring for the first time to “text-based negotiations” and to the possible convening of a Diplomatic Conference, would have a far-reaching effect. On the one hand, it re-kindled expectations of **demandeurs**; on the other, it drew non-**demandeurs** into normative work before they believed it was time to do so. The constructive ambiguity of that mandate enabled its adoption, but the continuing mismatch between the expectations of Member States couldn't be disguised.

And so, from 2010, “text-based negotiations” formally became part of the IGC’s mandate. The shift to normative work, which had started many years earlier, was now complete at least in so far as the formal wording of the mandate was concerned.

With the adoption of this 2010-2011 mandate, expectations amongst **demandeur** countries were high that a Diplomatic Conference to adopt a new treaty or treaties would be convened in the near future.

However, there were still important divergences amongst countries as to the exact goals and substance of the IGC’s work. Several countries had doubts about the ambitious and ambiguous new mandate. In their view, work on international instruments was to begin prematurely, in the absence of agreement on certain fundamental questions, cost-benefit analyses (to assess the costs and benefits of new norms) and effective national systems that international instruments could be modelled on.

From 2010, as the optimism that had characterised the first years evaporated and the IGC battled to initiate genuine “text-based negotiations”, attention turned to finding more creative working methodologies. In this context the establishment of the IWGs in 2010 proved a breakthrough.
For the first time, technical work could be undertaken by smaller, less formal expert working groups. Considerable technical progress was made and the three IWG sessions launched what has perhaps been the most productive period in the IGC’s work.

The IWGs were effective because the participants were experts and small in number and the sessions were less formal. They enabled frank and technical exchanges and were constructive, dynamic and participatory. Importantly, the IWGs uncorked work on the draft texts that had been blocked since 2005.

By 2012, however, the IGC plenary had re-asserted itself at the expense of the nimbler and efficient working groups. Progress slowed and the IGC struggled to undertake genuine “text-based negotiations”. There was much back and forth, with, at times, more “back” than “forth”. Many perceived a significant chasm between the ambition reflected in the mandate and the actual maturity of the substantive texts.

The tireless efforts of IGC Chair Ambassador Wayne McCook (Jamaica) from 2012 to 2014 marked another defining phase in the IGC’s life. He instilled procedural rigour and would repeatedly implore demandeurs and non-demandeurs to engage with each other and focus on what they had in common rather than what separated them. He urged all participants to truly “negotiate” in a spirit of partnership.

In late 2014 at the GA, and in a development that would shock many, countries could not agree on a schedule of IGC sessions for 2015.

The African Group stuck to its position that it would not agree to a 2015 schedule unless the GA also agreed to “convene a diplomatic conference in 2016 to adopt a legally binding instrument or instruments …”. This position did not receive support from other regional groups. As a result, there was no consensus and a schedule could not be agreed on.

After 13 years, 28 sessions and three IWGs, the IGC process came to a halt. The suspension of the IGC’s work during the “gap year” by organising two Seminars, two of which Australia contributed funding to. The Seminars were very well received, so much so that the Secretariat was requested to continue to organise such Seminars in 2016 and 2017.

Had there not been agreement at the 2015 GA on renewal of the mandate, the IGC process may well have been over, at least in its present form.

To try to maintain a focus on the issues, and create spaces for delegates to see each other and interact, the WIPO Secretariat had filled the IGC’s “gap year” by organising two Seminars, two of which Australia contributed funding to. The Seminars were very well received, so much so that the Secretariat was requested to continue to organise such Seminars in 2016 and 2017.

However, as before, the new mandate for 2016 and 2017 was a delicately-constructed compromise. Its development was facilitated by Australia’s Ian Goss, who drew on three formal proposals and a raft of other informal suggestions. Goss would subsequently be elected as IGC Chair for 2016 and 2017, and again for 2018 and 2019.

However, the first session under the new mandate in early 2016 (which addressed GRs) would disappoint many, and it failed to make any progress on the GRs text.

Sessions on GRs, TK and TCEs followed in the remainder of 2016 and 2017, but real, break-through progress would remain elusive. Delegations would continue to restate well-known positions, and not negotiate with each other. There was still no sign that gaps were being narrowed.

At the same time, numerous countries in developing country regions would continue to establish domestic policies, action plans, legislation and/or practical protection mechanisms, in doing so often seeking the technical assistance of WIPO’s Traditional Knowledge Division. This continuing trend illustrates not only frustration with the pace of progress in the IGC but also the sometimes different approaches between capital-based officials and their representatives in Geneva.

At IGC 34 in mid-2017, the IGC would not be able to reach agreement on the terms of a new mandate for 2018 and 2019. Again, the GA in September 2017 stepped in and set a new mandate. The mandate for 2018 to 2019 would be largely the same as the mandate for 2016 and 2017, but with some novelties, such as the introduction of “ad hoc expert groups”, the joint treatment of both TK and TCEs, and requests to the Secretariat to issue updates of gap analyses that the Secretariat had written in 2008 (but which had never been properly studied or used by the IGC at the time) and reports on databases and existing disclosure regimes related to GRs and associated TK.

The IGC would meet four times in 2018, twice on GRs (IGCs 35 and 36) and twice of TK and TCEs (IGCs 37 and 38).

Pressure for an outcome on GRs in the form of agreement on a mandatory disclosure requirement would mount over
this period, as the gaps in the text would narrow and many countries would appear to be in favour, in principle at least, of international harmonisation on this question, recalling that some 30 or 40 countries already have some form of a GRs and TK-related disclosure requirement in their national laws39 and several patent landscape reports have shown examples of the erroneous grant of patents related to GRs and associated TK.30 On the other hand, real progress on TK and TCEs would remain elusive and an outcome would not seem likely in the near future.

During this phase, the Traditional Knowledge Division launched a suite of new practical guides31 as well as a scholarship for Indigenous persons,32 in addition to the existing WIPO Indigenous Fellowship.

The 2019 GA will “… take stock of progress made, and based on the maturity of the texts, including levels of agreement on objectives, scope and nature of the instrument(s), decide on whether to convene a diplomatic conference and/or continue negotiations.”

Concluding thoughts
As at the time of writing, difficulties continue to stem from over-negotiated and ambiguous mandates, persisting divergences among countries on objectives and core policy issues and the absence, so far, of an effective working methodology.

It has become clear that a priority for the IGC should be to devise a methodology that enables the gaps to be narrowed and, eventually, the reaching of a flexible and pragmatic yet sufficiently consequential outcome or outcomes. This outcome would ideally take the form of a relatively succinct and pragmatic framework agreement on one or more themes of the IGC, with an in-built agenda for continued normative work on outstanding issues as needed.

It has been considered that an intergovernmental body such as the IGC cannot narrow the gaps much further. The IGC’s current texts are already a significant achievement, but perhaps alternative routes will be needed to complete the work. Certainly, some change or disruption is needed to propel the IGC forward.

Informal country-led initiatives to develop texts outside the IGC before submitting them to the rest of the IGC membership, such as the Rainbow Group, have not been able to deliver on the promise they once showed. One idea would be for the IGC’s Chair to be mandated to prepare a text for the members to consider, negotiate and finalise, and Chair Ian Goss has recently stated he will produce a “Chair’s text” by mid-2019.

There is still reason to be hopeful. The renewals of the mandates for 2016 to 2017 and 2018 to 2019 indicated that countries still believe, as they did in 2000, that the issues before the IGC require resolution. Further, there has already been a significant technical and political investment by IGC participants, and there is a wealth of substantive materials and draft texts to draw on.

The IGC is now midway through its 2018 to 2019 work program. The mandate will have to be re-negotiated in September 2019 at the GA. As members begin to look ahead to that critical GA, consideration is being given to new pathways for the IGC to enable it to make genuine progress in 2020 and beyond.

While the challenges that lie ahead for the IGC are immense, there are tangible political, policy and practical benefits that could flow from agreed outcomes. Hopefully, lessons learned from the past 17 years will inform countries’ reflections on how best to clarify the IGC’s mandate and strengthen its working methods towards reaching agreement on pragmatic, flexible, balanced and sufficiently consequential outcomes.
International Negotiations at WIPO on Intellectual Property and Genetic Resources, Traditional Knowledge and Traditional Cultural Expressions: Analysis of the Process So Far and Thoughts on Possible Future Directions

1 Director, Traditional Knowledge Division WIPO and Secretary to the WIPO IGC. Any views expressed are those of the author alone and do not necessarily constitute the views of the WIPO Secretariat or any of its Member States. The author thanks Cathy Jewell for her valuable assistance.

2 “Legal protection” is used here to distinguish this notion from that of “safeguarding” and “preservation”, sometimes referred to as “material protection”.

3 See <http://makauk.org/about/> (accessed on 15 October 2018).


5 WIPO, Program 4, WIPO Program and Budget for 2018 and 2019.


7 For the full text of the mandate, see <http://www.wipo.int/tk/en/igc/> (accessed on 14 October 2018).


10 Kim Connolly-Stone and Ema Hao’uli.


12 These include Patricia Adjei, Jane Anderson, Bibi Barba, Megan Davis, Suz Frankel, Terri Janke, Lex Madzer, Anah Mead, Daniel Robinson, Maui Solomon, Valmaine Toki, Joseph Williams and many others.

13 Patricia Adjei (Australia) and Kiri Toki (New Zealand). For information on the WIPO Indigenous Fellowship Program, see <http://www.wipo.int/tk/en/indigenous-fellowships/> (accessed on 15 October 2018).


17 See List and Brief Technical Explanation of Various Forms in Which Traditional Knowledge May Be Found, document WIPO/GRTKF/IC/17/INF/9 (5 November 2010).


19 This and the next section draws from, summarises and updates Wend Wendland, ‘The evolution of the IGC from 2001 to 2016: An Insider’s Account’ in Daniel Robinson, Ahmed Abdel-Latif and Pedro Roffe (eds), Protecting Traditional Knowledge: The WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (Routledge, 2017) 31.


23 Katlin Mara, ‘WIPO sees First Real progress on Text for Protection of Folklore in 10 Years’, IP Watch (26 July 2010).


26 WO/AGA/46/12, para. 173.
The Conflict between Farmers Rights in the Food and Agriculture Organization (“FAO”) Treaty and Corporate Plant Breeder Laws

Gary Lilienthal,1 Nehaluddin Ahmad2 and Paul Hodgkinson3

Introduction

The Consumers Association of Penang in West Malaysia (the “Association”) has urged the Malaysian Government not to accede to and ratify the International Union for the Protection of New Varieties of Plants (“UPOV”)’s International Convention for the Protection of New Varieties of Plants Act of 1991 (“UPOV Act 1991”). The Malaysian Government has been under increasing pressure to so accede, a move that the Association argues would be against the interests and rights of Malaysian small farmers, and also against the protection of local biodiversity. The Association claims that UPOV Act 1991 would favour developed countries’ corporate plant breeders, at the expense of Malaysian biodiversity, as well as various rights and interests of small farmers of Malaysia. Malaysia already has the Protection of New Plant Varieties Act 2004 (“PNPV Act”), meeting its obligations under the World Trade Organization (“WTO”)’s intellectual property agreement, Trade-Related Aspects of Intellectual Property Rights (“TRIPS”). This was explained in the Guidance for the Preparation of Laws Based on the 1991 Act of the UPOV Convention, adopted by the UPOV Council at its 47th Ordinary Session in October 2013, Geneva. The Association claims that sections in the PNPV Act that would have to be deleted, to join UPOV Act 1991, include those that could protect against biopiracy of Malaysia’s agricultural biodiversity, safeguards allowing small farmers to replant any seed they have saved on their own farms without needing to pay royalties, and preserving farmers’ rights to sell and exchange farm-saved seed without external control.4

Therefore, this article’s objective is to examine critically the rights being manipulated within the underlying legal norms of statutory plant breeders’ rights. Hohfeld’s seminal work characterised rights succinctly. He argued that the States of continental Europe stressed the unity of legal order, that the State’s general authority directed it. However, English-speaking States distinguished between the public settlement of law and the consciousness of a right arising in individual people.5 This cannot be ignored by the continental systems. It appears in them too. In English, the rule may be stated as follows.

... law is right taken objectively, from the point of view of society, right is the personal conviction of men as to what is due. Right is commonly understood as what a man considers to be right from his personal point of view, while law is right as laid down by a power which is above the parties, whose task is to arbitrate between the various claims and to harmonise them as a whole.6

From this, rights have three elements. First, the subject must claim something as his or her right.7 The second phase, is the declaration of the right. This constitutes recognition by an organised society that the articulated claim is publicly justified. This justification generally enables the person to bring an action in court, seeking satisfaction.8 The third element of a right is enforcement. Rights could well be declared and recognised, but insufficiently guaranteed, and thus ineffective to ground an action in practice.9

Because farmers’ knowledge is central to this argument about farmers’ rights, as their personal conviction, consideration begins with the relevant Platonic doctrine that knowledge of every object that exists is acquired by three necessary means.10 The knowledge itself comes fourth after these means. Fifth, is the object itself in a true and cognisable form.11 These four are, in turn: the name, the definition, the image, and then the knowledge.12 Thus, changing the name of something affects how it is known, and in consequence, so would be any right to property in it. This is suggestive of fraud.

In the 1847 case of Franks v Weaver,13 Lord Langdale MR stated that nobody could define fraud, because it was so multiform. He stated that, in the present case, it was the crafty14 adaptation of words so that, ordinarily and constantly, they were calculated to make it appear to persons while selling the product that the plaintiff prepared the product.
Craftiness in words meant knowingly arranging a secondary meaning without prior public usage. This would have to be a finding of fact. Thus, the judgment would be essentially unappealable. Following on from this sequence, the question arises as to whether changing the name of a species of plant, after removing the plant from its native habitat, for trade purposes, could effectively extinguish farmers’ rights. Argument will show that plants and seeds have been removed from their natural habitats, then renamed using a foreign system of professional institutional knowledge, thus violating farmers’ rights and craftily misrepresenting them as crops owned by industrial farming interests.

Our argument deploys cumulative synthesis. Although the research is delimited to a legal narrative concerning the rubber trees now growing in Malaysia, because of the huge range of plants and seeds available for investigation, it begins with the case of quina bark, in order to analyse the mindset of Europeans removing plants from overseas lands.

This article’s argument proceeds with a short legal narrative analysis, necessary for context purposes, first of the case of quina bark, then of the various norms underlying the original ownership arrangements for the Malaysia rubber trees. Then there is a section on the critical sophistical context of proposing a law, to show how the plant ownership field has been governed imperially, with an institutional renaming system. This will allow a critical comparison between United Nations Food and Agriculture Organization (“FAO”) farmers’ rights, and the opposing UPOV-based plant breeders’ rights legislation, both in general and in Malaysia. Discussion proceeds to analyse critically the legal role of methods for generating plant names. Our argument is finalised by a critical comparison with the opposing system of folk plant nomenclature.

This article’s research outcomes suggest strongly that Malaysian rubber plants and seeds have been removed by the craft of deception from their natural Indigenous habitats in Brazil, violating both farmers’ articulated and locally enforced customary and FAO rights, and then misrepresenting them, as crops owned by industrial farming interests.

**Indigenous and corporate rights**

**The case of quina-quina bark**

The only district in which ancient Peruvians recognised the value of their quina-quina (cinchona) bark as a cure for fever was that of Loxa in the south of the present Republic of Ecuador. The natives there had told of its febrifuge value.

Quinine derived from the bark has been in use as a prophylactic in the treatment of malaria since its 1841 “discovery” by Thomson, publishing his findings in The Lancet. The British Government, during their expansion into many malaria-affected regions, saw the military potential of quinine. It encouraged the Royal Society to investigate quinine and explore farming it under their direct control. The so-called “cinchona transfer project” began in 1858, undertaken by the British Botanical Gardens, at Kew Gardens London. Their aim was to provide a steady, sufficient, and cost-effective quinine supply to the British Empire colonisers. This was effected by purchase, theft, bribery, and smuggling of cinchona plants and seeds from the Andes to London, and then to colonial gardens in Ceylon and India. The British were successful, and plants were transferred further to Kew Gardens in London, Calcutta, and the Nilgiri Hills of India. Later, plantations in Singapore and Dutch Java extended their production. By 1880, sufficient quinine was produced for a daily dose to 10 million people.

Although a subject of debate, the traditional historiography acknowledged quinine as having facilitated European survival in malaria-ridden regions, during the age of exploration and colonial expansion. Europe’s colonisation of Africa would have been virtually impossible without quinine.

For example, the 1638 legend of the treatment of the Vice-Queen of Peru was of great renown. Dona Francisca Henríquez de Ribera, Countess of Chinchón, was ill with fever at Lima. News of the countess’ illness reached the Governor of Loxa, and he sent her a parcel of the curing bark. In a few days her fever was cured. The Loxa bark was known as “crown bark”, from the species *Cinchona officinalis* L., yielding the febrifuge alkaloid chinchonidine. The countess was likely cured with chinchonidine.

This led to the quina-quina bark being introduced into Europe, where it was called Pulvis Comitissœ. It was advertised for sale in a London newspaper on the very day that the Lord Protector Cromwell died of ague, that it could have treated. Linnaeus gave its genus the name of Chinchona in honour of the Countess.

In his 1862 paper, *Travels in Peru and India while superintending the collection of chinchona plants and seeds in South America, and their introduction into India*, Markham did not consider Indigenous knowledge of cinchona to be scientific, even though Indigenes were his guides, tutors and providers of shelter. Markham declared that the “Indians” had known since ancient times about the medicinal properties of cinchona, and “they attached little importance to them”. However, little evidence for this assertion is extant, even although de la Condamine, Jussieu and Ruiz all stated that the Spanish had learned the use of the bark from the Indigenes. Spruce and von Humboldt both documented elaborate Indigenous systems of healing, and cinchona bark had a significant place in all of them.
In 1737, while exploring the area around Loxa, de la Condamine saw for the first time the tree the Indigenes called quinquina, from which the Jesuits were said to have derived their miraculous bark. As he sat by the roadside, he sketched a branch with its leaves, flowers and seeds. The drawing would accompany his memoir, sent back to the Académie Royale des Sciences in Paris, published in its 1738 journal. It was Europe’s first description of the living tree. Linnaeus read de la Condamine’s observations, and gave the quinquina tree a new name, cinchona, as a tribute to the legendary Countess of Chinchón. Thus, a metamorphosis in knowledge of this plant was complete.

Markham and all of the European explorers before him were satisfied with the fact that native Peruvians who lived in and around the cinchona forests knew the medicinal properties of cinchona bark. Further, whenever Markham sought information or guidance, it was always from a “native”.

Markham said the native merely had knowledge of nature. The quina-quina bark had its place in the Indigenous medical system as one based on degrees of “hot” and “cold” qualities of illnesses and their treatments, and also in foods and oils. This social organisation interpreted the essential characteristics of substances as having a basis in some qualities that Europeans could not measure, rather than by Europeans’ so-called “objective” standards, to be provided by a chemical analysis, or by description of observable surfaces.

Foucault instructed, in his interpretation of natural history, that its sciencity was found in the fact of its classificatory system or language, which provided a unifying structure for the multiplicity of facts about the natural world. Natural history, then, must be a formal language, that enabled the production of scientific knowledge. The structure and continuity assumed to be found in nature now needed to be revealed by the objective description of visible surfaces. These were to be clear, finite, almost mathematical descriptions in the way they represented identities and differences between natural entities. It was only through being placed within these hierarchical orders of science that these entities could truly be “known”.

Therefore, an adjectival form of knowledge of the entire classificatory system was necessary before claiming true scientific knowledge for a particular plant. Also, a formal taxonomic language guaranteed that extraneous “subjective” information could not slip unwanted into a scientific description of nature. This distinguished it from spontaneous and non-scientific language which “leave[s] interstices open” between scientific propositions and designations, which then might be inhabited by “individual experiences, needs or passions, habits, prejudices”. Knowledge could be corrupted by the intrusion of the knower’s position and history. Scientific language, to be kept pure of cultural contamination, could by restricting the “play” or flexibility of everyday language and its variability in everyday experience, have the accuracy of exact description. This would, in theory, give a view without error. For this reason, this Indigenous knowledge, while often displaying empirical accuracy in many ways, could not be considered free of error, as it was irreducible from the social, within European culture.

Indigenous knowledge and a science framed by the language of natural history were different, because of the position of the observer/knower in relation to the object of knowledge in the natural world. According to the ideal of natural history, the human observer should be irrelevant or invisible. Any educated scientific reader, anywhere on the globe, would then by definition “know” a plant, once provided with the precise description of its features and its position in the taxonomic system. Local knowledge was by definition impossible without the experience of living within the entire natural system involved. Therefore, for an Indigenous Peruvian to “know”, for example, the woodlands in France would be inconceivable, within this stated paradigm.

Bado recorded that in 1649 Bollus wrote the first detailed account of the use of cinchona bark in America. Bado affirmed that “the bark was known to the Indians and that they used it upon themselves in disease; but that they always tried with all means in their power to prevent the remedy becoming known to the Spaniards, who of all Europeans particularly aroused their ire”.

Bollus also stated that Indians commonly used the bark for every kind of fever, observing that they employed the bark in no way differently from that of standard European medicinal usage. Cinchona was also one of the most bitter derived from the quina in America. Bado affirmed the product was being introduced into Europe.

This situation had been condensed into the 1638 allegory of Zuma ou la Découverte du Quinquina, apparently for purposes of rhetorical transmission. The allegory was translated into several languages, and even performed on stage, inferring deliberacy of allegorical transmission.

Jaramillo-Arango regarded this tale as admirable literature, but lacking in any historical basis. However, many contemporaries held the legendary story to be authentic. The later documented works of Rompel, Paz-Soldán, and Haggis proved it to be a fiction, used to persuade Europeans to the benefits of cinchona, while the product was being introduced into Europe.

Once Linnaeus had read de la Condamine’s memoir, as his original source of information, he set about researching the plant further. He consulted the 1741 work of Geoffroy, Tractatus de Materia Medica, and the 1663 work of Bado, Anastasis Corticis Peruviae, Seu China Chinae Defensio, which was the first published treatise on quina in Europe. It gave an account of the above “Chinchón legend”. Both of these works
gave the name as “Cinchon”, so Linnaeus must have thought this to be the correct spelling. 49 It is apparent that a European style of institutional professional knowledge, subsisting in human hierarchies, tended to ignore Indigenous knowledge that incidentally was not embedded in the adjectival rules of taxonomical naming systems. The effect of this would be to dissolve Indigenous claims of property rights within the jurisdictions of Europe.

**The Malaysia rubber trees**

Soon after the quinine imperial pharmaceutical, 50 another imperial enterprise, *Hevea brasiliensis* (Willd. ex A. Juss.) Müll.Arg., from the spurge family, altered human behaviour worldwide, 51 generating 98 per cent of natural rubber. 52 Rubber-yielding plants grew in the old world, yet Europe found no use for them. Columbus observed West Indies natives playing with rubber balls made from *Castilla elastica*; a fig family member. 53

Schultes reviewed the taxonomic and nomenclatural history of the genus Hevea. 54 In 1775, botanist Aublet 55 described the genus and its first species, *H. guianensis*, from French Guiana. He also detailed Indigenous production methods for rubber, appending data on their use for food. 56 It is unlikely locals would have known of this overseas report.

In 1801, Willdenow, 57 a German botanist, described a second species, *H. brasiliensis*, from the Amazon River, ignoring the plant’s native name.

A formal change of the rubber plant’s name, from an ancient Indigenous name to that of the Linnean system, occurred in Europe in 1775. French explorers called the plant caoutchouc, from a South American word, probably *cahuchu*, meaning “weeping wood”, in Indigenous use for three centuries or more. This was likely the rubber plant’s folk name. The same root appears in other European languages, such as: in German, *kautschuk*; in Spanish, *caucho*; in Italian, *caucho*. 58 Four years later, Richard proposed the new name *Siphonia*. Two years later, Gmelin published a third generic name for this botanical concept: *Caoutchoua* and made the binomial *C. elastica* to replace Aublet’s *H. guianensis*. Cook argued that *Siphonia* should be taken up because *Hevea* was a Latinised form of an Ecuadorian Indian name, *here*, of the moraceous rubber tree *Castilla elastica* Cerv. This vernacular name was never used for the euphorbiaceous Pará rubber genus. 59 The International Code of Botanical Nomenclature settled legislatively that *Hevea* was the correct name. 60

In 1876, the Royal Botanic Gardens of King George II, administered by Queen Victoria, germinated rubber seeds from Brazil. Cook, of the United States Bureau of Plant Industry, in 1941 described this transfer as “Wickham’s rape” of the Brazilian rubber tree, 61 suggesting the transfer might not have been lawful. Indigenous already discovered and made selections for improvement over countless generations, implying their farmers’ right. 62

Collins’ attempts in 1873 and 1875 to transfer *Hevea* from Brazil, on behalf of Markham, were unsuccessful. The embryo of *Hevea* seed was killed off by rapid fermentation in the tropical heat. When success eventually came to Wickham, it was because he realised the problem was slow transport. In 1876, the *Amazonas* steamboat steamed up the Amazon River without return cargo. 63 Wickham chartered it and commissioned Tapiyo Indians to collect the seed and pack it in wicker baskets. 64 Wickham is said to have declared to customs officials in Pará, at the river’s mouth, the “exceedingly delicate botanical specimens specially designated for delivery to Her Britannic Majesty’s own Royal Botanic Gardens of Kew”. 65 Officials dispatched the ship immediately. 66 According to Wickham’s own apparently tendentious account, a British monarch’s name overcame the South American Border Customs officials.

When the Brazilian Government realised that the British plantation efforts were successful, they prohibited further export of rubber plant seeds. Thus, the rubber plantation industry was based on original seeds, collected from an ecoype of *Hevea brasiliensis*. Only 26 original trees are believed to have parented some 1,900 seedlings from Kew Botanical Gardens. The earliest plantation in Ceylon yielded 400-450 pounds of rubber per acre-year. New clones now yield more than 3000 pounds per acre-year. 67

Wickham thanked the Indian Government for backing him. 68 Schultes concluded:

> *If we consider the changes for the good of mankind that ‘white blood’ brought about when the rubber tree was finally domesticated, perhaps we might agree that it was actually blood of the gods.* 69

This quote invokes ancient methodologies for creating new laws, outside the legislature. This set the scene for using the structure of scientific knowledge as a reason to ignore Indigenous rights. Ignoring others’ rights could be accomplished by simply introducing new imperial paramount laws.

**The critical sophistical context of proposing a law**

Introducing, attacking or proposing a law was an oratorical exercise in the sophistical progyrnasmata, graded at the highest level of skill. The word “progyrnasmata” occurred first in *Rhetoric for Alexander*, 70 most probably written during the fourth century BCE. Aristotle preserved the exercise, 71 including in his *On Rhetoric*. 72 The exercise was more of a declamation 73 than other progyrnasmata exercises. It was more of a hypothesis than a thesis. 74 However, it used the thesis procedure of arguing two sides of a central issue, applied to a real or fictional specific law.

Practitioners of declamatory style analysed either an historical or a legal problem, and developed a pragmatic argument to respond to it in terms of its favourability. 75 They fashioned
their argument to a target audience who needed to know the consequences of the argument's elaboration. 76 Declamations were either a suasoria, or deliberative speech, 77 about history or politics, or a controversy or forensic speech on a specific legal matter. An expert pleader, trained in judicial rhetoric, would construct the declamatory argument. 78 Thus, “introduce a law” persuasively described a path of causation in respect of a new law.

Ancient manuscripts suggested that four identified old sophistical masters of this pragmatic skill discussed elaborating appropriately “introduce a law” in their forms of oratorical exercise. They were Hermogenes, Aphthonius, Nicolaus the Sophist and John of Sardis. 79

Quintilian categorised the elaboration of introducing a law as either deliberative or controversial. Few arguments ought to be advanced, and those that were advanced must be near certain. Arguments were divided into those affecting sacred, public, or private rights. 80 The elaborator should commend the law by the three grades, in ascending order of gravity, as follows: because it was a law; because it was public; and because it was made to promote the worship of the gods. 81 Rebuttals might be based on the personal standing of whoever proposed the law, the proposal's procedural probity, or whether it conflicted with any law still current. 82 People would inquire as to whether the law was internally cogent, or whether it should be amended to pay due deference to past times or individuals. The most common inquiry was whether the advocated law was expedient or proper, 83 and it would always be proper if proposed by an august institution. Expediency usually was a question of whether the law could be enforced. 84 The term “proper” means consistency with justice, religion, piety, or similar virtues. Its interpretation would inevitably be constrained to the local jurisdictions. Justice ought to be discussed repeatedly, within more than one point of elaboration. 85

Introducing a law was a public promotion of a deity-related pragmatic proposition about the favourability of rights, in the form of a sacred command ratified either by a deity or a great lawgiver of paramount prestige. This was an old and well-tested procedure, as ancient Egyptian injunctions, represented by officials as having emanated from a god, were nothing more that orders from an appropriately god-named government department. 86 Otherwise the audience would judge the charge as a mere fiction lacking inherent truth. It had to be elaborated pragmatically in the essential favourability contexts of justice, and, enforceability. The exercise's argument must show clear lines of causation of the proposed law's effective future consequences, such as through a popular allegory, and, it should be characterised by an identifiable internal cogency as to the rights with which it dealt. This could be settled through reference to an august professional institution's taxonomical rules, such as those of the Botanists, under the fatherhood of Linnaeus.

The FAO appears to have set about using this process to advance the rights of Indigenous farmers, in its formulation of farmers' rights.

**FAO farmers' rights**

*The re-emergence of farmers rights*

Since time immemorial, farmers have been the stewards of biodiversity. By 10,000 years ago, farmers were selecting the best seeds and methods of seed propagation, and exchanging them with other farmers, to develop and diversify their varieties. They also found new wild plants for cultivation. In this way, their accumulated knowledge cultivated about 7,000 crop species for food, with their distinct varieties numbering over 100,000. 87

Indigenous farming uses a systematic corpus of Indigenous knowledge, acquired locally through cumulative experience, experimentation, and a deep understanding of the environment and its people's needs, 88 implying local plant naming. Indigenous systems for crop production developed over countless hundreds of years. These systems are expressed as factual formulae, apparently excluding the application of the separate field of positive law. The farmers generate Indigenous crops using their knowledge of the environment’s conditions and its seasonal changes, without use of capital, external inputs, or modern industrial knowledge. 89

In so-called developing countries, most traditional farmers have remained as stewards of this genetic diversity, but with worldwide transformations of agriculture now hindering their work. FAO deliberations conceived farmers' rights to enable farmers to maintain their stewardship of crop genetic diversity, to spread the risk of crop failure from pests, diseases or adverse climates. 90

Farming implies claims of right to land and water rights. It also has input factors like labour, knowledge, and technology. Farmers usually claim and articulate land rights, water access, easy access to seed, and other claims such as information, safety and health. Therefore, farmers' rights likely subsist together as composite bundles of rights. 91

**Rights of Indigenous farmers**

For farmers' rights, the presumption is of rights to “Indigenous farmers”, as those who mainly use “traditional” methods, according to custom, rather than by modern industrial farming methods. This group includes “Indigenous” farmers, predating their territory's invasion by outsiders. 92 The *Convention on Biological Diversity* refers to “Indigenous and local communities embodying traditional lifestyles”, suggesting cropping methods invaders might neither identify nor understand. 93 Folk crop varieties are the key indica for this kind of farming. Indigenous farmers have articulated claims to traditional crop genetic resources, because of their long involvement in the creation and stewardship of these resources. 94
Three facets of being Indigenous bear on farmers' rights in crop genetic resources: Indigenous groupings are dynamic within time and space, suggesting that fenced lands inhibit them by a violation of their land rights; Indigenous knowledge, expertise and experience are unevenly distributed, inferring high levels of local adaptation and therefore enforcement of rights, suggesting newcomers or invaders gain little of this knowledge through their own adaptation; and Indigenous knowledge comes from a complex interaction between a range of differing local epistemologies, suggesting that foreign statutory and common law rules might mitigate against it as serious violations of local customary laws.104

Most Indigenous farmers experiment with modern crop varieties, adopting them when they show local adaptation, cultural value and increased yield.105 This necessitates an understanding that Indigenous peoples have exercised a right to define themselves,97 this claim now having been recognised by the United Nations.98 Indigenous groups maintain their rights to natural resources, while negotiating both these rights and their identity with industrial society, so that it changes both peoples.99

Indigenous farmers’ knowledge may be more ad hoc improvisation than outsiders might imagine.100 However, the farmers do tend to experiment with objective realities and conceive of independent causal variables, suggesting their paramount qualifications to rights to rule their lands.101 In this respect, laws and conventions nevertheless lag far behind in understanding how Indigenous peoples self-define, or how to identify their folk crops.102

The FAO describes farmers’ rights as:

… rights arising from the past, present and future contribution of farmers in conserving, improving and making available plant genetic resources, particularly those in the centres of origin/diversity. These rights are vested in the International Community, as trustees for present and future generations of farmers ….103

There appears to be growing agreement internationally that farmers’ rights are both human rights and intellectual property rights.104 Specifically, the FAO Treaty rights are as follows.

(1) The protection of traditional knowledge relevant to plant genetic resources for food and agriculture;

(2) The right to equitably participate in sharing benefits arising from the utilisation of plant genetic resources for food and agriculture;

(3) The right to participate in making decisions, at the national level, on matters related to the conservation and sustainable use of plant genetic resources for food and agriculture;

(4) The right that farmers have to save, use, exchange and sell farm-saved seed/propagating material, subject to national law and as appropriate.105

Protection of traditional knowledge, as might be relevant to plant genetic resources for food and agriculture, implies from Plato’s seventh letter that a right to naming such plants must also be protected.106 A right to equitably participate in sharing benefits arising from the utilisation of plant genetic resources implies that industrial farmer corporations may not monopolise these resources. A right to participate in making decisions, at the national level suggests that legislative drafters who implement statutes without consultation with Indigenous farmers will violate the FAO right. The terms “national law” and “as appropriate” appear to agree with the requirements of “introduce a law”, as discussed above.

The World Intellectual Property Organization (“WIPO”) has run studies on applying customary laws to the traditional knowledge that generates farmers’ rights.107 On this same topic, FAO studies had concluded, in part, that recognising and protecting customary land rights was a critical component of protecting and defending Indigenous land rights.108

In fact, customary law and rights are not just from Indigenous peoples. They also arise from every other civilisation. For example, the scholarship shows that the Code of Hammurabi was really a written form of newly emerged customary laws, by which the king was obliged to enact recently emerged customs into legislation, to relieve the strictures of positive law.109 Further, in the old City of London, there were encoded written customary laws. A violation of any one of them constituted a criminal offence.110

Noy described custom as a second law, which could be one of two kinds. It could be general customs, used throughout the nation, and called legal or equitable maxims. The second kind was specific customs, only used in some certain counties, cities, towns or lordships. Thus, both kinds were limited to the boundaries of their national jurisdictions. Local customs became so habitual that there were punishments for their violation. He observed that legal and equitable maxims, would function as operative common law, after a finding of fact by a court.111 Although a maxim should be construed strictly, a specific custom should be pleaded and tried by 12 men, unless it was already a record in some court.112 The common law has its own rules for the requirements of a good custom.113 This suggests, mutatis mutandis, a customary character to farmers’ rights.

Rights and obligations

The rights to property, generally and including intellectual property, are negative rights with exclusionary facets of the claim. Following Hohfeld’s view of Austin, the root idea of a property right could be expressed as follows: where someone had a right, there was a state of affairs with one person having a claim on an act of forbearance by another person.114 This
forbearance protected the rights-holders’ interests, inferring a grant of exclusive rights to use, dispose of and transfer property.\textsuperscript{115} Because it was a state of affairs, it must be proved by a bundle of facts and sustaining subsidiary evidence.

**Farmers’ rights constituting customary laws**

As farmers’ rights are vested in the international community, as trustees for the farmers, when the trustees consider these rights, it is essential for them to realise that Indigenous peoples argue a right in international law to define themselves. This must burden the trustees of farmers’ rights. Thus, any trustees’ definitions of beneficiaries would essentially negate the farmers’ rights. Arguably, such farmers’ rights are so contingent because of their trustees’ limited understanding, that they might not benefit the intended beneficiaries, without strong regimes of municipal law. However, as claimed states of affairs, the rights arguably comprise the various constituent facts of customary laws, implying an Indigenous claim, demanding an act of forbearance, by non-Indigenous industrial farmers.

Hohfeld’s correlativity axiom, as applied to FAO farmers’ rights, appears to have been violated by world commercial interests, backed by some Western European states, in a process of introducing new laws, overriding and conflicting with Indigenous farmers’ rights.

**Plant Breeders’ Rights Legislation**

**TRIPS**

The WTO’s TRIPS mandates member states to protect plant varieties either by their patents regime, with a sui generis system, or with a combination of both kinds. Most state parties do this through the UPOV Convention-compliant statutes.\textsuperscript{116}

The original push for forming UPOV came from three European organisations: ASSINSEL, a corporate commercial plant breeders’ trading group, formed for plant varieties protection;\textsuperscript{117} AIPPI, an organisation promoting industrial patents;\textsuperscript{118} and the International Chamber of Commerce. Six Western Europe countries founded UPOV. With the WTO’s TRIPS, there are an increasing number of trade agreements obliging developing states parties to join UPOV and implement its statutes.\textsuperscript{119}

WTO member states must acknowledge the making of new plant varieties, and uphold them as intellectual property rights. UPOV Act 1991 confers such rights upon an individual breeder, identified as someone who either found (or “collected”) or created a new plant variety, someone having legal contractual capacity for the production of the new plant variety, or someone with inherited legal rights to this category of intellectual property.\textsuperscript{120} This sounds like it could facilitate the old discovery/terra nullius formulation for acquiring others’ property by the rhetoric of institutional knowledge overriding Indigenous rights.

**UPOV**

The UPOV system of plant variety protection arose with the International Convention for the Protection of New Varieties of Plants, adopted by a Paris Diplomatic Conference of 2 December 1961.\textsuperscript{121} ‘The United Kingdom, the Netherlands and Germany ratified this UPOV Convention on 10 August 1968, thereby creating the international basis for recognition of plant breeders’ intellectual property rights,\textsuperscript{122} apparently without any consensus from the remaining countries in the world, or assessments of favourability to their farmers’ rights.

**Plant variety**

Although a plant species’ rank is a significant botanical classification, plants within a species can be quite different. Thus, farmers and growers are said to prefer a more accurately defined group of plant nomenclature, from within a species, which they call a “plant variety”. The UPOV Convention defines “plant variety” as a plant grouping within a single botanical taxon of the lowest known rank. This definition provides that a plant variety must be recognisable by its characteristics, visibly different from any other plant variety, and remain unaffected by propagation.\textsuperscript{123}

**Denomination**

Each UPOV member must register a new plant’s denomination of variety when it issues the new variety’s title of protection. The breeder chooses the new variety’s denomination, however it must satisfy all the criteria in the UPOV Act 1991.\textsuperscript{124}

The breeder must submit the new denomination to all members of the Union and, unless unsuitable within any particular jurisdiction, all Union members will register the submitted denomination. A trade mark, trade name, or similar, may be connected with the submitted denomination for selling or marketing, provided the denomination is easily recognisable.\textsuperscript{125}

**UPOV Guidance for the Preparation of Laws**

Chapter VI of the UPOV Guidance for the Preparation of Laws discusses variety denomination. It instructs legislative draftspersons, in States’ legislatures, to model their Plant Breeder Acts’ sections on denomination, under the following headings and descriptions.

(a) Designation of varieties by denominations; use of the denomination;\textsuperscript{126} (b) Characteristics of the denomination;\textsuperscript{127} (c) Registration of the denomination;\textsuperscript{128} (d) Prior rights of third persons;\textsuperscript{129} (e) Same denomination in all members of UPOV;\textsuperscript{130} (f) Information concerning variety denominations;\textsuperscript{131} (g) Obligation to use the denomination;\textsuperscript{132} (h) Indications used in association with denominations.\textsuperscript{133}

This virtually ensures close similarity of the various States’ legislation, violating several of the requirements of elaboration in “introduce a law”, discussed as above. However, note the similarity with the Malaysian legislation, as below.
The Malaysian Protection of New Plant Varieties Act 2004, sets out that country's rules for denomination in a statutory section. In summary, this statutory provision states that the denomination of a plant variety shall be its generic designation. It must allow the plant variety to be identified, being different from any other plant variety denominations identifying an existing plant variety of the same or closely-related plant species. It must be used when the variety is sold on a commercial basis and must remain easily recognisable. If a breeder's right over a plant variety has expired, any person selling commercially any propagating material of a registered plant variety must continue to use its denomination.

Arguably, this Malaysia statutory provision already satisfies Chapter VI of the UPOV Guidance for the Preparation of Laws, being consistent with UPOV guidance, suggesting a violation of Malaysia's own farmers' customs, and therefore, their farmers' rights. Of prime logical importance in protecting farmers' traditional knowledge is maintaining their system of plant nomenclature, because according to the doctrine in Plato's seventh letter, the name ultimately generates the knowledge of the plant.

Plant names

Taxonomic Norms

Botanical nomenclature and taxonomy concern the naming and classification of plants. People needed to identify and differentiate plants, for practical professional purposes. In the 18th and 19th centuries, world trade in plants expanded. Confusion, created by this increasing trade, raised demand for a general science of order, that would make sure when "confronted with the same individual entity, everyone will give the same description, and inversely, given such a description everyone will be able to recognise the individual entities that correspond to it".

With the resultant taxonomy and nomenclature schema, official botanists worldwide willingly adopted its norms and prescribed procedures. The 1867 Paris First International Botanical Congress formally adopted the International Code of Botanical Nomenclature as the global standard for plant classification and naming. The latest version of it is the Melbourne Code, adopted at the 2013 18th International Botanical Congress. These are essentially statutes made by private ordering, and therefore for their legitimisation, they will require famous people of the status of great law-giver.

Thus, plant taxonomy comprises three associated activities: (a) "identification", referencing a plant within a previously named and classified set; (b) "classification", collating plants into sets perceived by differences and similarities; and (c) "nomenclature", naming these sets of plants following rules based on agreed norms. Note the uncanny similarity to claim, articulation and enforcement of rights. The taxonomists' classification scheme is a hierarchy of taxonomic categories, operating like a "box-within-a box". The plant world hierarchy is graded into "Divisions; Classes; Orders; Families, Genera (genus), and Species ... While all of these categories are important, the species plays a special role, as it acts as the empirical or basic unit of classification.

Above the level of species, there is agreement among officials about taxonomic categories, however, there is less agreement about plant sub-species, still the domain of local farmers. Many different names have been given to taxons, below the level of species. These include cultivars, subspecies, forma, sub-forma, varieties, and subvarieties. This disagreement is because cultivated plants have mostly not fitted well within official botanical taxonomy. Thus, naming and classifying cultivated plants has a separate body of rules and procedures, stated in the International Code of Nomenclature for Cultivated Plants. Since Linnaeus's time, taxonomists have used morphological or physical correspondences and dissimilarities to distinguish and classify sub-species. These physical attributes remain the principal criteria for plant classification.

One of the International Code of Botanical Nomenclature precepts is the Rule of Priority, which states, after 1753, that when a plant has two names, the valid name is the first to be published, which was essentially obliteration by publication of names given by Indigenous farmers. De Candolle advocated for the application of the priority principle in the mid-19th century. It was adopted at the 1867 Paris First International Botanical Congress, and has remained in all subsequent botanical codes.

To be published validly, the taxon's name must be published in a recognised scientific publication, with distribution of the printed matter to the general public, or at least to botanical institutions with libraries accessible to botanists. The Code also regulates the name's valid form. Excluding local farmers' participation, it requires the name to be in Latin, complying with the Linnaeus system of the 18th century. Thus, each species is given a binomial name, the first word of which is the its genus (common noun), and the second word a specific (trivial) epithet (adjective or possessive noun).

Before the binomial system, names often had epithets for the species' descriptive features, and whenever a species was inserted into a new genus, its name also changed. This system became unmanageable, with world growth in plant names. Linnaeus' system overcame this problem, because the binomial name designated, rather than described, the plant. The binomial system thus separated official plant naming from local farmers' classification. It separated nomenclature from taxonomy. A name would therefore remain the same, even when a plant's characterisation changed. This successfully stabilised plant names, while ignoring Indigenous farmed local variations. Linnaeus was being set up as a person of the status of great law-giver.

Another important principal in the International Code of Botanical Nomenclature is the "type method", in which a
name is attached permanently to its nomenclatural type. This is the element, which validates the description of the publication of a name. Taxonomists have described the type method "as a legal device to provide the correct name for a taxon". The type is a nomenclature expedient, fixing a botanical name to a specific taxon. It requires taxonomists to attach a new species' name to a single individual representative of that species, the so-called "type specimen". For it to be valid, publication must include the type's name, and, the institution, or herbarium, where the type is held. Thus, botanists replace Indigenous farmers.

Linnaeus wrote, in 1737, that the generic name had the same value on the market of botany, as a coin had in the commonwealth, as long as it became known. So that botanical names could function as descriptions, there must be no restrictions on the name's use, except only to ensure the name was stable. Thus, the name must be universally available for use. This is now reflected in the UPOV rule that after a variety's denomination is registered, no rights accruing from it shall prevent its free use with the variety.

The Director of the Kew Royal Botanic Gardens stated that increasing worldwide trade in cultivated plants, together with stronger legal protection of new cultivars, demanded that names be precise, accurate and stable. One of the preconditions for a grant of protection for plant variety rights was that the application must articulate a denomination, or genus, for the new variety. When a name was registered, United States plant variety rights law, for example, dictated that the name must be applied as the plant's generic name, eliminating any possibility for registration for protection of now value-less local Indigenous farmed species.

Plant names

Plant taxonomy and systematics is the official study of plant family relationships that underlie nomenclature. Closely related plants are grouped together. The basic unit of nomenclatural denomination for classifying organisms is the Latin binomial. By pruning Latin descriptions, in many instances to two words, Bauhin took some first important steps towards the modern binomial system, in his 1623 Pinax Theatri Botanici.

Carolus Linnaeus, who was ennobled Carl von Linné in 1757, developed this scheme further in the early 18th century. It was Linnaeus who proposed the fundamental rules for naming plants, first, in 1737 in his Critica Botanica, and then, in 1751, in his Philosophia Botanica. In his 1753 Species Plantarum, Linnaeus advanced the system by consistently using a one-word 'trivial name' together with a generic name. The trivial name is now known as a specific epithet, or specific name. Linnaeus retained many of Bauhin's genus names, but the description was reduced to a single word. Before the mid-18th century, plant names were usually polynomials, consisting of a string of several words. While not the first to invent binomial nomenclature, Linnaeus was the first to popularise their use, because the botanists afforded him sufficient voice to articulate publicly his claims of a right to make the rules.

In 1700, Tournefort published Institutiones Rei Herbariae, listing about 10,000 plants, including all the plants known to European botanists. Tournefort grouped plants into 698 genera based mostly on flower and fruit parts, and giving his reasons. Swedish-born Linnaeus then enlarged Tournefort's work, and changed the way botanists approached grouping and naming plants, by publishing his landmark book Species Plantarum in 1753.

Linnaeus made two substantial innovations to taxonomy and nomenclature. First, he developed a scheme for grouping plants into a genus, based on flower parts. Second, he alone determined that all plants should be described by two Latin names. Linnaeus established his Systema Naturae based on 24 groups arranged by the number and shape of the plant's male stamens. Linnaeus' 24 groups were subdivided into classes according to the number of female pistils and styles. It introduced a new official system for the classification of plants, the so-called sexual system.

Kuntze changed hundreds of genera and thousands of species names, by picking up dozens of ignored Adansonian names and authenticating these within the Linnean nomenclatural system. Kuntze was followed by a group of North American botanists, who had been working under their own Codes. Eventually, Latin binomials (Genus and species) became the standard for scientific naming of plants.

Personality bases for naming

A need existed for a common code for naming the increasing number of crops selected for their superior characteristics for cultivation. At the 1910 International Botanical Congress, a subcommittee, led by Rendle, drafted the International Code of Nomenclature for Cultivated Plants. Ratified in 1930, it allowed naming for both botanical and cultivated varieties, thus providing an international platform of high enough status for eliminating Indigenous farmers' naming systems.

The majority of scientific plant names are Latinised names of Greek origin. Pliny used common Latin names instead of Greek names where extant, translating botanical texts by Theophrastus. The Renaissance resurgence of learning in Europe was a rediscovery of classical knowledge and included the Greek texts by Theophrastus and Dioscorides. Linnaeus listed many other Latinised Greek names in his Critica Botanica and Philosophia Botanica, taking ancient names in designating new genera. In Critica Botanica, Linnaeus decreed Greek generic names were to be written in Latin character, since "in every age it had been recognised practice among all botanists, by Pliny and others, to write
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Greek names in Roman letters." Thus, classical deified figures appear in many plant names as tributes to Greek Mythology. For examples: Narcissus the youth who fell in love with his own reflection. Aesculapius commemorated Asclepius the Greek god of medicine. This naming system would be too overwhelming for those in Indigenous farming communities trying to exercise traditional farmers' rights.

As a major commemoration, Linnaeus, by now known as the "Father of plant taxonomy", was an individual of complexity, self-conscious and self-important, viewing himself alternately as the great reformer of botanical science, or as an insignificant, disregarded individual resembling the small plant, Linnaea borealis, with which he chose to commemorate himself. In his autobiography, Linnaeus concluded that God had been with him, wherever he had gone, eradicating his enemies and making for him a great name, as great as those of the greatest men on earth.

Plant names that commemorated historical figures in botany were a favoured group. An awareness of personal mortality motivated Linnaeus to honour himself and fellow botanists in some plant names. In Critica Botanica, he wrote that he felt that generic names formed to perpetuate the memory of a botanist of excellent service should be preserved religiously.

Herbals and herbalists
The strong association between deified rule-makers of official botany and official medicine's arguably slippery slope process of "medicalisation" for managing social danger, was demonstrated in the theoretical term, the Doctrine of Signatures. This 15th to 17th Century theory asserted that God created everything in the physical world for human benefit and all had a specific purpose relative to humankind. God imparted a "signature" on plants as pointers to how to use the plant in medicine. Culpepper popularised the notion of the Doctrine of Signatures. In his herbal, still in print today and clearly referring to Plato's seventh letter advice on knowledge, he wrote: "by the icon (or image) of every herb, man first found out their virtues."

The Doctrine of Signatures attributed the plants' form or location as a clue to their medicinal uses. Many common names like bone set, eye-bright, liverwort, and heart's ease reflected their uses. The Doctrine of Signatures "is primarily a symbolic device used to transfer information, especially in preliterate societies," suggesting how Indigenous farmers might have been persuaded to yield to "their betters" in Europe, and accept foreign-made statutes by botanists.

Gerard was the most recognised of these European herbalists. His popular herbal, called the Herball or Generall Historie of Plants, is still in print. He reformulated and plagiarised Dodoens' herbal, published 43 years earlier. de L'Obel was hired as a consultant, correcting more than 1,000 errors in it.

In his herbal of 1597, Gerard is depicted in a portrait holding a potato plant. The first description in English of the Andean or white potato, Solanum tuberosum L., from the new world appears in his herbal, as the "Virginian Potato", erroneously thought to be native to North America. Linnaeus commemorated Gerard with the naming of a genus, Gerardia. Gerard's publication dispersed new names for readers of English, and in this way ignored Indigenous names. Plants and seeds transfers like the potato, contributed to development of Europe and political and economic expansion into the rest of the world in the quest for supplies of food and raw materials. While the transfer of plants and seeds known as the Columbian Exchange did involve exchange, there was exploitation without consent and an absence of benefit-sharing. Thus, in the view of Shiva, Indigenous, who had already described the plant orally and had made selections for improvement over countless generations, were victims of biopiracy.

Plant collectors
Plant collectors and merchant botanists transferred valuable plants across oceans. The most noted plant collector in the 18th century was John Bartram with his son William Bartram. The word "collector" appears to hide its essential meaning of "taking", and doesn't clarify whether or not these collections were lawful activities. Eventually becoming the King of England's official botanist in the Colonies, Bartram, as "Father of American Botany", introduced many plants into Europe and established the first botanic garden in North America. Bartram's work in sending seeds from North America to European gardeners was assisted by his association with English merchant Collinson, a fellow Quaker and a member of the Royal Society of London. "Bartram's Boxes", as they then became known, were sent regularly to Collinson, every autumn, for wide distribution in England. In the boxes were generally 100 or more varieties of seeds, and sometimes dried plant specimens and natural history curiosities. Bartram was thus at the centre of a lucrative business, focused on a transatlantic transfer of plants, in which the boxes, rather than their contents, gained symbolic recognition. In 1764, Bartram sent two boxes of the plant rarities to Collinson, requesting that he present one to King George III.

William Bartram followed in his father's footsteps as a pioneering plant collector, continuing and maintaining his father's Philadelphia botanic garden. The Bartram's Garden is the oldest surviving botanical garden in North America. William was an accomplished naturalist illustrator, and his book Travels through North and South Carolina, Georgia, East & West Florida, gave him a wide celebrity status for his interactions and descriptions of Indigenous culture. It sounds like the so-called "plant collectors" were in fact plant smugglers seeking recognition from the Crown.

Folk plant nomenclature
The various societies differ in how they conceptualise plants. Nevertheless, there are several common and general
are arranged hierarchically. 221 Taxa of the same category usually occur at the same hierarchical level. 222 The taxon of botanists.
effectively removed local knowledge from local plants, and control of the generic taxa. The Linnaean system has to multiply them, have them protected, and take effective structural precepts of folk classification. 217 In all folk fields of law, medicine and religion. Taxa with membership of specific and varietal categories are far less numerous than members of the generic category,225 allowing UPOV statutes to multiply them, have them protected, and take effective control of the generic taxa. The Linnaean system has effectively removed local knowledge from local plants, and transferred it craftily to private legislatures run by merchant botanists.

Conclusion
The story of quinine showed the genesis of ignoring farmers’ rights, by fraudulently super-adding European taxonomical naming systems, with the apparent force of law. A formal change of the name of the Brazilian rubber plant, from an ancient Indigenous naming system to the Linnaean system, apparently occurred in Europe in 1775, by means of a legislative-style debate among botanists. Indigenous farmers were unlikely to have been part of this debate. This is arguably an instance of fraud by craftiness.

In 1876, the Royal Botanic Gardens established by King George II, during the reign of Queen Victoria, successfully germinated rubber seeds transferred to London from Brazil. The United States Bureau of Plant Industry, in 1941, described this transfer event as “Wickham’s rape” of the Brazilian rubber tree, suggesting somehow there was an official suspicion that the transfer might not have been lawful.

It appears the professional institutional botanists began private legislation processes using the progymnasmata exercise of “Introducing a Law”. This oratorical exercise was constituted typically by a public promotion of a deity-related pragmatic proposition about the favourability of rights, in this case European industrial commercial claimed rights, in the form of a sacred command ratified either by a deity or a great lawgiver of paramount prestige, such as Linnaeus. Otherwise the audience would judge the law as a mere fiction lacking inherent truth. It had to be elaborated pragmatically in the essential favourability contexts of justice, and, enforceability. The exercise’s argument must show clear lines of causation of the proposed law’s future consequences, and, it should be characterised by an identifiable internal cogency as to the rights with which it dealt.

In respect of the FAO farmers’ rights, protection of traditional knowledge, as might be relevant to plant genetic resources for food and agriculture, implies that a right to naming such plants must also be protected. A right to participate equitably in sharing benefits arising from the utilisation of plant genetic resources implies that industrial farming corporations may not monopolise these resources. A right to participate in making decisions, at the national level suggests that legislative drafters, who implement statutes, without consultation with Indigenous farmers, will violate the FAO right. The terms “national law” and “as appropriate” appear to agree with the requirements of “introduce a law”, discussed as above. The European botanists appear to have violated all these arguably ancient customary rights.

A customary right, such as a FAO farmers’ right, necessarily implied forbearance by industrial plantationists. Without such forbearance, there would be punishable violation. UPOV laws provide no such punishment, another apparent instance of injustice.

WTO Member States must acknowledge the making of new plant varieties, and uphold them as intellectual property rights. The 1991 UPOV Convention confers such rights upon an individual breeder, identified as someone who either found or created a new plant variety, someone having legal contractual capacity for the production of the new plant variety, or someone with inherited legal rights to this category of intellectual property. This system of enforcing statutory rights rewarded the so-called “collectors”.

UPOV drafters stated, acting to define the farmers and growers for them, that farmers and growers prefer a more accurately defined group of plant nomenclature, from
within a species, which they call a “plant variety”. The UPOV Convention provides that a "plant variety" be registered on the basis of its denomination. This would allow registration of new species, and permit foreign botanists to re-describe the generic forms. The Malaysia Plant Breeders statutory provision satisfies Chapter VI of the UPOV Guidance for the Preparation of Laws, being not inconsistent with UPOV guidance, suggesting a violation of Malaysia’s own farmers’ customs, and therefore, its farmers’ rights.

The Linnaean binomial system of plant nomenclature separated official plant naming from local farmers' classification. It sets up Linnaeus as a person of the status of great law-giver. In his autobiography, Linnaeus himself concluded that God had been with him, wherever he had gone, eradicating his enemies and making for him a great name, as great as those of the greatest men on earth. Linnaeus wrote, in 1737, that the generic name had the same value on the market of botany, as a coin had in the commonwealth, as long as it became known. So that botanical names could function as descriptions, there must be no restrictions on the name's use, except only to ensure the name was stable, where “stable” was arguably a specious term indicating ruled from Europe. Linnaeus made two substantial innovations to taxonomy and nomenclature. First, he developed a scheme for grouping plants into a genus, based on flower parts. Second, he alone determined that all plants should be described by two Latin names. He argued that this radical change from folk naming systems “stabilised” plant nomenclature, where the use of “stabilise” was quite likely the deployment of craft, through speciousness, to avoid the power of varying Indigenous epistemologies.

The Paris Code was the final legislative result of Linnaeus’ trans-national legislation, as the framework for the modern international code for naming plants. It established the Rule of First Priority, stating that the oldest, or first published name was the accepted name. By this crafty but specious deception, it was unlikely that Indigenous farmers would seek to publish their ancient folk plant names.

By contrast, generic names are primary lexemes in local languages, such as the equivalent of oak or pine. They are the most common groupings in nature, and the most psychologically prominent as they are learned from early childhood. By comparison, the Linnaeus system of Latin names cannot have such psychological prominence, as Latin is an effectively dead language, used mainly in the priestly fields of law, medicine and religion. Taxa with membership of specific and varietal categories are far less numerous than members of the generic category, allowing UPOV statutes to multiply them by craft, have the new names protected, and take effective control of the generic taxa.

The story of Gerard, a European herbalist, inferred that Indigenes, who had already described plants orally and had made selections for improvement over countless generations, became victims of biopiracy. John Bartram was at the centre of a lucrative business, focused on a transatlantic transfer of plants, in which the boxes, rather than their contents, craftily gained symbolic recognition. In 1764, Bartram sent two boxes of the plant rarities to Collinson, requesting that he present one to King George III. It sounds like the so-called “plant collectors” were in fact plant smugglers seeking suitable recognition from the Crown.

Malaysian rubber plants and seeds have been removed by crafty deception from their natural habitats, violating both farmers’ claimed customary and FAO rights, and craftily misrepresenting them as crops found, and therefore owned by industrial farming interests. Claiming a new plant breed, after it had been stolen from overseas Indigenous people, who did not communicate with European government departments, is a suspect process. The system setting up the trans-national rules for this industrial ownership emanated from the self-deified ennobled botanist Linnaeus.
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10. See Plato, Laws 895d, where “essence”, “definition”, and “name” are enumerated; also see Plato, Parmenides, 142a.


13. 10 Beavens Reports 297.

14. The word “craft” was explained in the Rhetorica ad Herennium as the topic of an argument considering security. Security is to provide some plan for ensuring the avoidance of a present or imminent danger, the two sub-headings for which are might and craft. Craft is exercised by means of money, promises, dissimulation, accelerated speed, deception and other similar means. Craft is only another name for strategy. Cicero, Rhetorica ad Herennium (Harvard University Press, 2004) 161, 171.

15. 10 Beavens Reports 297.


39. “Man” was believed to be at the centre of non-scientific systems of knowledge, while the presence of “man” was ascertained in scientific systems. Burkitt insists that the displacement of “man” from the centre of knowledge so that the scientific subject can have exact knowledge of the “object-world” of nature, accounts for the universality of botanical knowledge: “[A] system emerged out of the Technology of Healing in a particular part of Europe, was accepted and clath there with a vocabulary of precision, as Sciences must be, and... this system has been spread over the World, India included, without meeting a rival. Its origin was, as it were, by a sublimation in which ‘Man’ was displaced from the focus of thought that “the plant” might be placed there.” I H Burkitt, ‘Chapters on the Natural History of Botany in India 1. From the Beginning to the Middle of Wallich’s Service’ (1852-53) 51 Journal of the Bombay Natural History Society 846, 846.


45. Sebastiano Bado, Anatomia Corticii Pereuvae, Seu Chinae Chiniae De revisio (Genoa, 1663), II, 21-22.

46. Sebastiano Bado, Anatomia Corticii Pereuvae, Seu Chinae Chiniae De revisio (Genoa, 1663), ch. 1, 19.


49. Humboldt, writer and publisher of Humboldt & Bongrand, Planeta Arabicae (1808), according to Jaime Jaramillo-Arango Humboldt “alone questioned its authenticity, perhaps supported by the fact that when he visited Lona he did not encounter there any reminiscence whatsoever, either verbal or written, on the subject.” Jaime Jaramillo-Arango, ‘A Critical Review of the Basic Facts in the History of Cinchona’ (1949) 53(352) Botanical Journal of the Linnean Society London 272, 275.

50. Josef Rempel, Kritische Studien ZUT ältester Geschichte der Chinariude (Feldkirch, 1935). Carlos Enrique Paez-Solｄán, Las Territor del Cas de Cincnba (Segun el Diario de Lima de Juan Antonio Saucedo, 1580); A W Haggis, Fundamental Errors in the Early History of Cinchona, Reprinted from (1941) 10(3), 4 Bulletin of the History of Medicine, and noted in Jaime Jaramillo-
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50 1876-1976. Kew collectors obtained seeds in 1876 after which botanists were able to classify and give new names. By 1976, the rubber industry had utterly altered human lifestyles around the world like no other single species of plant, according to Richard Evans Schultes, ‘The Tree that Changed the World in One Century’ (1984) 44(2) Arnoldia 3, 3.


55 1726-1778.


57 1765-1812.

58 Charles Morrow Wilson, Tree & Test Tubes: The Story of Rubber (Henry Holt, 1943) 29.


61 O F Cook, ‘Naming the cultivated rubber tree Siphonia Rideipena’ (1941) 31 Journal of Washington Academy of Science 46, 46.


68 H A Wickham, On the Plantation, Cultivation, and Curing of Para Indian Rubber (Hevea Brasiliensis), with an Account of its Introduction from the West to the Eastern Tropics (Kegan Paul, Trench, Trübner, 1898) 59.


71 George A Kennedy, Programmatumata: Greek Textbooks of Prose Composition and Rhetoric (Society of Biblical Literature, 2003) xi.


73 See immediately below for discussion of the term “declaration”.

74 The term “hypothesis” refers to declamations on judicial or deliberative topics. These declamatory themes identified specific laws in rhetorical context, or individuals in historical context. Hypothesis differs from the programmatumata exercise of thesis, which deals with one proposition without reference to specific persons. The hypothesis should deal with specific circumstances, such as person, action and cause. George A Kennedy, Programmatumata: Greek Textbooks of Prose Composition and Rhetoric (Society of Biblical Literature, 2003) xvii 121 citing Aphthonius on thesis.

75 “I shall say that an argument is pragmatic when it consists in estimating an action, or any event, or a rule, or whatever it may be, in terms of its favourable or unfavourable consequences; what happens in such cases is that all or part of the value of the consequences is transferred to whatever is regarded as causing or preventing them.” Ch Perelman, ‘Pragmatic Arguments’ (1959) 34 Philosophy 18, 18.


77 In clarifying the process of deliberation, separating virtues from vices, Aristotle stated that the field of deliberation was to discern actions that were within one’s power to perform, in respect of means rather than of ends. Thus, the object of choice and deliberation were the same, only such that the object of choice was a thing within our power, which, after due deliberation, we desired. This must be distinguished from wishes, which were only for ends. In the Nichomachean Ethics, towards the end of Book I, Aristotle stated that the deliberative principle manifested itself in the actions of admonishment, rebuke and exhortation. He added, later in the treatise, that an act conforming with virtue must be done with knowledge, he deliberated for its own sake, and must come from a fixed disposition of character. Aristotle, The Nichomachean Ethics (Harvard University Press, 1999) 67, 85, 141.


80 Quintilian, Institutes of Oratory (Bell, 1982) book 2 para 33.

81 Quintilian, Institutes of Oratory (Bell, 1982) book 2 para 34.

82 Quintilian, Institutes of Oratory (Bell, 1982) book 2 para 35.

83 Quintilian, Institutes of Oratory (Bell, 1982) book 2 para 37.

84 Quintilian, Institutes of Oratory (Bell, 1982) book 2 para 39.

85 Quintilian, Institutes of Oratory (Bell, 1982) book 2 para 38.


93 Convention on Biological Diversity, article 8(j); see also United Nations Environment Program (“UNEP”), Farmers’ rights and rights of similar groups: The rights of Indigenous and local communities embodying traditional lifestyles—Experience and potential for implementation of Article 8(j) of the Convention on Biological Diversity (UNEP/CBD/2014/20 May); Intergovernmental Committee on the Convention on Biological Diversity, second session, Nairobi, 20 June–1 July 1994, Item 4.2.4 of the provisional agenda), Nairobi, 1994.


The Conflict between Farmers Rights in the Food and Agriculture Organization (“FAO”) Treaty and Corporate Plant Breeder Laws


101 Jacqueline A Ashby, Teresa Gracia, Maria Del Pilar Guerrero, Carlos Arturo Quino, Jose Ignacio Roa & Jorge Alonso Beltran, Institutionalising Farmer Participation In Adaptive Technology Testing with the CIAT (Overseas Development Institute, Agricultural Administration (Research And Extension) Network, Paper 57, 1995); Paul Richards, Coping with Hunger (Allen and Unwin, 1986).


103 See FAO Treaty, art. 9.2; Jose Esquinas-Alcazar, Jacqueline A Ashby, Teresa Gracia, Maria Del Pilar Guerrero, Carlos Arturo Quino, Jose Ignacio Roa & Jorge Alonso Beltran, Institutionalising Farmer Participation In Adaptive Technology Testing with the CIAT (Overseas Development Institute, Agricultural Administration (Research And Extension) Network, Paper 57, 1995); Paul Richards, Coping with Hunger (Allen and Unwin, 1986).


105 FAO Treaty, art. 9.2.


107 See World Intellectual Property Organization, Leaflet No. 12: WIPO and Indigenous Peoples (WIPO, 2017) 4; Rodrigo de la Cruz, 1 Regional Study in the Andean Countries: Customary Law in the Protection of Traditional Knowledge (Final Report Revised for WIPO, 2006).


110 Customs of London Otherwise Called Arnold’s Chronicle (Rivington, 2nd ed, 1811).

111 William Noy, The Grounds and Maxims and also an Analysis of the English Laws (Riley, 1808) 39-41.


113 Co. Lit. 110, 113b, 1 Bl. Com. 77, Dav. 31.


115 This statement of Hobfeld’s so-called “correlativity axiom” is nevertheless subject to several exceptions, as argued in Roonen Perry, ‘Correlativity’ (2009) 28(6) Law and Philosophy 537.


117 The denomination must enable the variety to be identified. It may not consist of figures except where this is an established practice.

118 Association Internationale pour la Protection de la Propriété Intellectuelle (“AIPPI”) (Formation to 1927, shortly before the adoption of the 1928 Convention for the Protection of Industrial Property in 1883. Congresses were held annually in the early years, later alternating with “Reunions”, until the outbreak of the First World War forced an interruption in 1914. The revival of the Association took place in 1925. As a consequence of the Second World War, the activities of the Association suffered a second interruption from 1938 to 1946. The development of AIPPI to its present form has been a continual one. From its roots in Western Europe, it now encompasses Eastern European countries, North, South and Central America, virtually all of Asia (including large National Groups in China, Japan and South Korea), Australia, New Zealand and much of Africa. AIPPI has adopted more than 700 Resolutions and Reports. The presentation of these Resolutions and Reports to International Governmental Organisations, in particular WIPO, has contributed to the development, improvement and harmonisation of the international protection of IP. Association Internationale pour la Protection de la Propriété Intellectuelle (“AIPPI”), About AIPPI 2017 <https://aippi.org/about-aippi/>.

119 Association for Plant Breeding for the Benefit of Society, UPOV Convention 2011 <http://www.aphs.org/content/upov-conventions>.


124 It must be different from all other denominations used by other members of the Union for the same, or a closely related, species; it must not be liable to mislead or cause confusion concerning the nature of the variety or identity of the breeder; it must enable the variety to be identified; no rights in the denomination shall hamper its free use as the variety denomination (even after expiry of the breeder’s right); prior rights of third persons must not be affected and such rights can require a change of the variety denomination; it may not consist solely of figures, unless this is an established practice. UPOV Act 1991, art. 20.

125 UPOV Act 1991, art. 20.

126 The variety shall be designated by a denomination, which will be its generic designation. Subject to paragraph [4][3], no rights in the denomination registered as the denomination of the variety shall hamper the free use of the denomination in connection with the variety, even after the expiration of the breeder's right.

127 The denomination must enable the variety to be identified. It may not consist solely of figures except where this is an established practice for designating varieties. It must not be liable to mislead or cause confusion concerning the characteristics, value or identity of the variety or the identity of the breeder. In particular, it must be different from every denomination which designates, in the territory of any member of UPOV, an existing variety of the same plant species or of a closely related species. International Union for the Protection of New Varieties Of Plants, Guidance for the Preparation of Laws Based on the 1991 Act of the UPOV Convention, adopted by the Council at its Forty-Seventh Ordinary Session on 24 October 2013, Geneva, art. 20(2).

128 The denomination of the variety shall be submitted by the breeder to the [name of the authority]. If it is found that the denomination does not satisfy the requirements of paragraph [12], the [name of the authority] shall refuse to register it and shall require the breeder to propose another denomination within a prescribed period. The denomination shall be registered by the [name of the authority] at the same time as the breeder's right is granted. International Union for the Protection of New Varieties Of Plants, Guidance for the Preparation of Laws Based on the 1991 Act of the UPOV Convention, adopted by the Council at its Forty-Seventh Ordinary Session on 24 October 2013, Geneva, art. 20(3).

129 Prior rights of third persons shall not be affected. If, by reason of a prior right, the use of the denomination of a variety is forbidden to a person who, in accordance with the provisions of paragraph [7][5], is obliged to use it, the [name of the authority] shall require the breeder to submit another denomination for the variety. International Union for the Protection of New Varieties Of Plants, Guidance for the Preparation of Laws Based on the 1991 Act of the UPOV Convention, adopted by the Council at its Forty-Seventh Ordinary Session on 24 October 2013, Geneva, art. 20(4).

130 A variety must be submitted to all members of UPOV under the same denomination. If the [name of the authority] has notified the breeder that the designation so submitted, unless it considers the denomination unusable. In the latter case, it shall require the breeder to submit another denomination. International Union for the Protection of New Varieties Of Plants, Guidance for the Preparation of
Treaty and Corporate Plant Breeder Laws

The Conflict between Farmers Rights in the Food and Agriculture Organization (“FAO”) Treaty and Corporate Plant Breeder Laws

131 The (name of the authority) ensures that the authorities of the members of UPOV are informed of matters concerning variety denominations, in particular the submission, registration and cancellation of denominations. Any authority may add its observations, if any, on the registration of a denomination to the (name of the authority). International Union for the Protection of New Varieties Of Plants, Guidance for the Preparation of Laws Based on the 1991 Act of the UPOV Convention, adopted by the Council at its Forty-Seventh Ordinary Session on 24 October 2013, Geneva, art. 20(7).

132 Any person who offers for sale or markets propagating material of a variety protected within the territory of [State/Intergovernmental Organization] is obliged to use the denomination of that variety, even after the expiration of the breeder's right in that variety, except where, in accordance with the provisions of paragraph [45], prior rights prevent such use. International Union for the Protection of New Varieties Of Plants, Guidance for the Preparation of Laws Based on the 1991 Act of the UPOV Convention, adopted by the Council at its Forty-Seventh Ordinary Session on 24 October 2013, Geneva, art. 20(7).

133 When a variety is offered for sale or marketed, it is permitted to associate a trademark, trade name or other similar indication with a registered variety denomination. If such an indication is so associated, the denomination must nevertheless be easily recognizable. International Union for the Protection of New Varieties Of Plants, Guidance for the Preparation of Laws Based on the 1991 Act of the UPOV Convention, adopted by the Council at its Forty-Seventh Ordinary Session on 24 October 2013, Geneva, art. 20(8).


145 C Linnaeus, Systema Naturae, 2, Vegetabilia Facsim de Editio decima 1759 (Laurentius R Kiesewetter, 1751).

146 C Linnaeus, Linnaeus, Species Plantarum (R Kiesewetter, 1751); C Linnaeus, Species Plantarum (Ray Society, 2006); C von Linné, Species Plantarum (Ray Society, 2017).

147 C Linnaeus, Systema Naturae, 2, Vegetabilia Facsim de Editio decima 1759 (Laurentius R Kiesewetter, 1751).

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150 Theophrastus, De Historia Plantarum (Venetii Aldus Manutius, 1497) 253.


152 C Linnaeus, Systema Naturae, 2, Vegetabilia Facsim de Editio decima 1759 (Laurentius R Kiesewetter, 1751).

153 C Linnaeus, Species Plantarum (Ray Society, 2006); C von Linné, Species Plantarum (Ray Society, 2017).


157 International Code of Nomenclature for Cultivated Plants (2004), art. 28.3.


166 C Linnaeus, Systema Naturae, 2, Vegetabilia Facsim de Editio decima 1759 (Laurentius R Kiesewetter, 1751).

167 C Linnaeus, Species Plantarum (R Kiesewetter, 1751); C Linnaeus, Species Plantarum (Ray Society, 2006); C von Linné, Species Plantarum (Ray Society, 2017).


169 J P Tournefort, Institutiones Re Herbariae (E. Typographia Regia, 1700).


171 C Linnaeus, Systema Naturae, 2, Vegetabilia Facsim de Editio decima 1759 (Laurentius R Kiesewetter, 1751).

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173 C Linnaeus, Systema Naturae (Theodot Haak, 1735).


176 C Linnaeus, Species Plantarum (Ray Society, 2006).


178 Robert L Geneve, Plant Names (University of Kentucky Department of Horticulture, 2017) [24].


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This theory suggested that the external form of a plant or mineral indicated its properties. In 1983, Zola defined medicalisation as "a process whereby more and more knowledge or resource without prior consent or benefit-sharing agreement by a third party through intellectual property right claims."

Asclepias, the god of the healing art, was the son of Apollo and the nymph Coronis. He was educated by the noble Centaur Chiron, who instructed him in all knowledge, but more especially in that of the properties of herbs. Asclepias searched out the hidden powers of plants, and discovered cures for the various diseases which afflicted the human body. He brought his art to such perfection, that he not only succeeded in warding off death, but also restored the dead to life. E M Berens, *The Myths and Legends of Ancient Greece and Rome* (1894) (Books on Demand, 2011) 180.

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Territoriality and Intellectual Property Rights – When Does Online Infringement or Misleading and Deceptive Conduct Occur “In Australia”?

Anna Spies

Intellectual property rights are inherently territorial in nature, giving the owner of the intellectual property certain exclusive rights within a territory. Activities online increasingly involve physical elements, actors or actions in multiple jurisdictions. Questions of jurisdiction involving communications that are made in one country and received in another are not new, however, in an era of online communications, those questions are becoming increasingly frequent.

As intellectual property and consumer disputes often arise in an online and multi-jurisdictional context, the location of an infringement or conduct is likely to be increasingly raised as an important threshold question in disputes. The question is relevant to whether the conduct falls within the terms of an Australian statute, which is the question explored by this article. That answer in turn is relevant to a number of private international law questions, including whether Australian courts will exercise jurisdiction over a dispute, or whether the court may decline to exercise jurisdiction on forum non conveniens grounds. It is also relevant to whether a court will grant leave to serve a defendant outside the jurisdiction which, in turn, is necessary for an Australian court to have in personam jurisdiction over the defendant. There are a number of private international law questions that may be of importance to a multi-jurisdictional intellectual property dispute, including the enforceability of Australian judgments overseas, the extra-territorial reach of any injunction that may be granted or the application of foreign laws in an Australian proceeding. Those issues are beyond the scope of this article.

Whether conduct relevantly occurred in Australia, for the purpose of establishing a breach of Australian law, will depend upon the nature of the particular cause of action in question. The test to be applied will not necessarily be the same for each intellectual property right. This article will consider the principles applicable in copyright and trade mark law. While not an intellectual property right, this article will also consider misleading and deceptive conduct, which frequently arises together with intellectual property infringement actions. Although there have been a number of decisions that have considered when an infringement of a trade mark will occur in Australia, and a recent Full Court of the Federal Court decision (Valve Corporation v Australian Competition and Consumer Commission (2017) 351 ALR 584) has considered when misleading and deceptive conduct will occur in Australia, there are surprisingly few copyright decisions on the question. This article aims to outline the current state of the law in each of these areas.

General principles – Voth v Manildra Flour Mills and Dow Jones v Gutnick

While the High Court’s decisions in Voth v Manildra Flour Mills (1990) 171 CLR 538 (“Voth”) and Dow Jones v Gutnick (2002) 210 CLR 575 (“Dow Jones”) are not intellectual property cases, they remain seminal in establishing the common law principles applicable to the determination of the location of the wrong, or the “lex loci delicti”. They demonstrate that the fundamental question is where in substance did the cause of action arise, which requires consideration of the nature of the cause of action itself.

In Voth, a question before the High Court was the place of commission of the tort of professional negligence, arising from a negligent omission by an accountant, which could be characterised as a failure to advise or as a negligent misstatement of fact. The accountant, who was resident and a citizen of the United States of America (“US”), provided advice in relation to a New South Wales (“NSW”) company’s taxation affairs. Mason CJ, Deane, Dawson and Gaudron JJ approved of the principle that whether an action is local or foreign is to be established in ascertaining the place of “the act on the part of the defendant which gives the plaintiff the cause of his complaint”. Their Honours stated that “it is some act of the defendant, not its consequences, that is the focus of the attention”, and that “in some cases an act passes across space or time before it is completed”, referring by way of example to communications by letter or telephone. Their Honours continued (at 568):

If a statement is directed from one place to another place where it is known or even anticipated that it will be received by the plaintiff, there is no difficulty in saying that the statement was, in substance, made at the place to which it was directed, whether or not it is there acted upon. And the same would seem to be true if the statement is directed to a place from which it should reasonably be expected that it will be brought to the attention of the plaintiff, even if it is brought to attention in some third place. But in every case the place to be assigned to a statement initiated in one place and received in another is a matter to be determined by reference to the events and by asking, as laid down in Distillers, where, in substance, the act took place.
However, on the facts of that case, Mason CJ, Deane, Dawson and Gaudron JJ held (at 569) that the substance or cause of the complaint was the act of providing professional accountancy services which was complete in and of itself in one place. It was not comparable to an act which “passes across space and time” to be completed in another place. The majority of the High Court granted a stay on the ground that NSW was a clearly inappropriate forum.

The High Court considered the location of the wrong in the context of online defamation in Dow Jones. The plaintiff in that case alleged he had been defamed in Victoria by the publication of articles available on the Wall Street Journal, a subscription news website. The defendant argued that publication occurred when the articles became available on the website’s servers, which were located in New Jersey. However, the High Court disagreed, finding that the lex loci delicti for the tort of defamation is the location of publication, being the place where it is available, in the sense of being able to be read, seen, heard or otherwise perceived. The majority (Gleeson CJ, McHugh, Gummow and Hayne JJ) stated that the foundation of the cause of action for defamation was damage to reputation, which occurs when a defamatory publication is comprehended by the reader, the listener or the observer. Therefore, in an online context, the tort of defamation is committed in place where a person downloads the allegedly defamatory material, being the place where the damage to reputation occurs.9

In the course of reaching their conclusion in Dow Jones, their Honours considered various policy arguments as to the desirability of there being a single law governing the conduct of persons who made material available on the internet. Dow Jones submitted that the law that governs the conduct of persons who made material available on the internet should be the place where the publisher maintained its web servers, unless that place was merely adventitious or opportunistic.10 The alternative, Dow Jones submitted, was that a publisher would be bound to take account of the law in every country on earth. Gleeson CJ, McHugh, Gummow and Hayne JJ rejected the argument, noting that the plaintiff must have a reputation in the context of online defamation in Australia. Thus, the substance or cause of the complaint was the act of providing professional accountancy services which was complete in and of itself in one place. It was not comparable to an act which “passes across space and time” to be completed in another place. The majority of the High Court granted a stay on the ground that NSW was a clearly inappropriate forum.

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In the course of reaching their conclusion in Dow Jones, their Honours considered various policy arguments as to the desirability of there being a single law governing the conduct of persons who made material available on the internet. Dow Jones submitted that the law that governs the conduct of persons who made material available on the internet should be the place where the publisher maintained its web servers, unless that place was merely adventitious or opportunistic.10 The alternative, Dow Jones submitted, was that a publisher would be bound to take account of the law in every country on earth. Gleeson CJ, McHugh, Gummow and Hayne JJ rejected the argument, noting that the plaintiff must have a reputation in the context of online defamation in Australia. Thus, the substance or cause of the complaint was the act of providing professional accountancy services which was complete in and of itself in one place. It was not comparable to an act which “passes across space and time” to be completed in another place. The majority of the High Court granted a stay on the ground that NSW was a clearly inappropriate forum.

Trade mark infringement: was the use directed or targeted at Australia?

A registered trade mark is infringed pursuant to s.120(1) of the Trade Marks Act 1995 (Cth) (“Trade Marks Act”) when a person uses a sign as a trade mark, that is substantially identical or deceptively similar to the registered trade mark, in relation to the goods or services in relation to which the trade mark is registered.14 Although s.120(1) does not refer expressly to use “in Australia”, standard principles of statutory interpretation require that, prima facie, s.120(1) be interpreted as referring to use in Australia.15 As a general principle, the substantive provisions of an Australian statute are intended only to regulate conduct in Australia, subject to contrary provisions.16 Justice Nicholas has recently stated that there is no basis for thinking that a construction that confines the operation of s.20(1) or s.120(1) to acts occurring within Australia is contrary to the purposes or policy of the Trade Marks Act.17

Prior to a court’s consideration of the use of trade marks in an online context, a number of Australian cases considered when a trade mark was used by a supplier of goods located overseas in the context of considering questions of ownership or non-use of the relevant mark by the trade mark owner. Where goods were not physically in Australia, but the goods were offered for sale in Australia, this has been found to be sufficient to establish that the trade mark is used in connection with the goods.

In Re Trade Mark “Yamx” (1951) 82 CLR 199,18 Williams J found that a trade mark had been used in Australia in circumstances where, following negotiations, an order had been received by a foreign company from an Australian company, although the goods had not arrived in Australia. A mark is used as a trade mark in Australia if it used to designate goods of a particular trader which are offered for sale in Australia, regardless of whether or not the goods are actually in Australia.19 Similarly, in Estex Clothing Manufacturers Pty Limited v Ellis and Goldstein Limited (1966) 116 CLR 254,20 “use” occurred where an overseas manufacturer projected, into the course of trade in Australia, goods bearing the trade mark which were offered for sale and sold in Australia. The High Court in E & J Gallo Winery v Lion Nathan Australia Pty Ltd (2010) 241 CLR 144 (“E & J Gallo Winery”) held that the owner of a trade mark used the mark where it sold goods for delivery abroad to Australian retailers, and those retailers imported and sold the goods in Australia.21 Similar principles in relation to the use of a trade mark on goods have been discussed and applied in the context of infringement more recently (Playgo Pty Ltd v Plagyo Art & Craft Manufactured Ltd (2016) 117 IPR 489 and in Peter Vogel Instruments Pty Ltd [2018] FCA 1587 (“Peter Vogel Instruments”) at [138]).22 In relation to advertising in a foreign publication which is read in Australia, the question is whether the advertisement is intended to solicit custom in Australia and where the advertisement is directed, which depends upon the nature of the material, the content of the advertisement and the location of the vendor.23

These cases establish that depending on the circumstances, it may not be necessary for there to be an actual dealing in trade marked goods in Australia before there can be “use” of the trade mark in relation to goods. Similarly, use of a trade
mark in relation to services does not require that the services be performed in Australia, so long as “crucial integers” in the course of the trade took place in Australia. More recently, in Anchorage Capital Partners Pty Ltd v ACPA Pty Ltd (2018) 351 ALR 436, the Full Court held that there is use of a trade mark where a foreign supplier uses a mark in Australia so as to indicate his or her willingness to supply the relevant services conditionally or on terms to be agreed. In Peter Vogel Instruments, Justice Nicholas found that there can be in Australia for the purposes of the Act when a sale or offer for sale occurs in Australia but the goods are located, or the services will be provided, abroad.

These principles of trade mark use were applied in the online context by Merkel J in Ward Group Pty Ltd v Brodie & Stone PLC (2005) 143 FCR 479 (“Ward Group”). Justice Merkel distinguished Dow Jones on the basis that the focus of a defamation action is where damage to reputation occurred. By contrast, Merkel J said that the focus of the case before him was whether use of the trade mark occurred in Australia. In an oft-cited passage, his Honour described the position under Australian trade mark law at [43]:

In summary, the use of a trade mark on the internet, uploaded on a website outside of Australia, without more, is not a use by the website proprietor of the mark in each jurisdiction where the mark is downloaded. However, as explained above, if there is evidence that the use was specifically intended to be made in, or directed or targeted at, a particular jurisdiction then there is likely to be a use in that jurisdiction when the mark is downloaded. Of course, once the website intends to make and makes a specific use of the mark in relation to a particular person or persons in a jurisdiction there will be little difficulty in concluding that the website proprietor used the mark in that jurisdiction when the mark is downloaded.

Justice Merkel found that there were two instances where the trade mark has been used by overseas website proprietors “in Australia”. First, when the trap purchasers were informed that their order had been accepted, where was an implicit use of the trade mark. Second, when the trap purchases were delivered to Australia.

Following the decision in Ward Group, Australian courts have applied the principle that a trade mark is used “in Australia” in an online context where use was specifically intended to be made in, or directed or targeted at, Australia. This principle incorporates an element of the user’s intention and a conscious act of targeting Australia. However, the High Court in E & J Gallo Winery found that to establish “use” of a trade mark, it was not necessary that the trade mark owner knowingly projects the goods into the Australian market, but rather, it depended on the goods being in the course of trade in Australia. The High Court’s decision arose in the context of use by the trade mark owner, rather than use in infringement. An interesting question arises as to the relevance of intention and knowledge to trade mark use, and whether there is any difference in the test of use by a trade mark owner and use by an infringer.

In Ward Group and in cases applying the principle established in that case, a particular factor may in some cases tend to show targeting or direction at Australia, while in other cases, it is not sufficient. However, each case must depend upon all of the particular facts and circumstances. It is helpful to set out some of the factors that have been taken into account, or disregarded, by the Courts and by the Delegate of the Registrar of Trade Marks (“Delegate”):

- In Ward Group, a quotation in Australian dollars did not lead to the conclusion that the website was not specifically targeted at Australian consumers, as it was directed to the world at large. However, in another case (decision of the Delegate) where one of four currencies was Australian dollars, this indicated that the goods were offered to four specific target markets, one of which was Australia.
- Similarly, in Ward Group, Merkel J did not find that a drop-down menu for shipping options indicated that the use was directed at Australia. However, in International Hair Cosmetics Group Pty Ltd v International Hair Cosmetics Ltd, Logan J in the Federal Court found that a drop-down country box from which visitors could select “Australia” indicated that the trade mark was used in connection with “marketing” in Australia.
- In a decision of the Delegate, it has been found to be insufficient that goods are simply available for order on a website that is accessible to Australians. Similarly, in another decision, the Delegate found that a website that was merely accessible to persons in Australia was found to be incidental to the fact that it was accessible by the “world at large” and was not directed or targeted at Australian consumers.
- In Ward Group, “use” of the trade mark in Australia was found where there was an actual purchase (albeit a trap purpose) by a customer from Australia. In Christian v Société Des Produits Nestlé, where no actual purchase had been made but a person had commenced the process of purchasing goods from Australia, the Full Court of the Federal Court found that there was “use” of a trade mark. However, in that case, an additional factor indicating the targeting of Australian consumers was the listing of Australian contact details on the website. In Nordstrom, the Delegate found that the fact that goods were delivered to Australian addresses did not on its own establish that an order was made from Australia or the trade mark was used in Australia, as the order could have been made by a visitor in the US. In Reid Cycles Pty Ltd, the Delegate found that a website targeted at Australia, together with the sale of at least one bicycle was use of the trade mark.
• In Black-market Co Nz Limited, a “.com.au” website that redirected to a New Zealand website was not used as a trade mark in Australia. It was found by the Delegate to be relevant in that case that where an Australian address was used to place an order on the New Zealand website, the customer would be refunded.

• In Anchorage Capital Partners Pty Ltd v ACPA Pty Ltd, the Full Court of the Federal Court found that the sending of an email from the US to Australia was trade mark use, where the trade mark was used in an attached slide presentation.

In the United Kingdom (“UK”), the courts have similarly required that use of a trade mark be use that is targeted at the relevant territory. In Merck KGaA v Merck Sharp & Dohme Corp & Ors [2017] EWCA Civ 1834, Kitchen LJ in the Court of Appeal summarised the applicable European Union principles in determining whether an advertisement of goods bearing a trade mark on a foreign website constituted use of the trade mark in the UK at [167]-[170]:

• It is first necessary to assess whether the advertisement is targeted at consumers in the UK and in that way constitutes use of the mark in relation to goods in the course of trade in the UK.

• Secondly, the mere fact that a website is accessible from the UK is not a sufficient basis for concluding it is targeted at consumers in the UK.

• Thirdly, the issue of targeting is to be considered objectively from the perspective of average consumers in the UK.

• Fourthly, the court must carry out an evaluation of all the relevant circumstances, which may include the trader’s intention, whether it is possible to buy goods, the nature and size of the trader's business, the characteristics of the goods or services, and the number of visits made to the site by persons in the UK.

The Court of Appeal in Argos Ltd v Argos Systems Inc [2018] EWCA Civ 2211 characterised the “targeting requirement” as a jurisdictional requirement, stating:

… [b]ecause trade marks are territorial in effect, those who are doing business exclusively outside the United Kingdom should not have their dealings subjected to the trade mark law of the United Kingdom. Failure to recognise this principle is a failure to give effect to the territoriality of the underlying right.43

By contrast to the Australian and UK cases, US trade mark decisions appear to have looked more for results or an impact – a substantial effect on commerce.44

An additional question which may be raised in the context of whether a trade mark infringement occurs in Australia is the extent to which damages or profits may be recovered for overseas sales where an act constituting an infringement has occurred in Australia. In Peter Vogel Instruments, while the trade mark was used “in Australia” Justice Nicholas found that it did not follow that profits from overseas sales could be recovered in Australia. In order for those profits to be recovered, it would need to be shown that the sales arose out of offers to sell that were made in Australia.45

Misleading and deceptive conduct: the Full Court decision in Valve v ACCC

The Australian Consumer Law prohibits a person from engaging, in trade or commerce, in conduct that is misleading and deceptive or is likely to mislead or deceive. “Trade or commerce” is defined in s.2 of the Australian Consumer Law to include trade or commerce within Australia or trade or commerce between Australia and places outside Australia. The prohibition on misleading and deceptive conduct is expressly given extra-territorial application by s.5 of the Competition and Consumer Act 2010 (Cth), which provides that the Australian Consumer Law extends to “the engaging of conduct outside Australia by: … (g) bodies corporate incorporated or carrying on business within Australia”. It is the question of whether the “conduct” occurs in Australia that this article is concerned with, rather than the extended application of the Act.46

Historically, there has not been a consistent principle that has been applied by the courts as to when misleading and deceptive conduct will occur “in Australia”. The approaches that had previously been adopted can generally be seen as falling into three categories:

• The first approach was similar to that in trade mark law, being whether the representations made outside Australia “were directed to, or intended to be acted upon, by persons within Australia”. Applying this approach, in Costa Viaca v Bell Regal Pty Ltd, Merkel J found that a statement on seed packets that were supplied to an Australian distributor was conduct engaged in “in Australia”. The statement was intended to be made to users of the seeds, being persons in Australia. This approach was also applied in Howard v National Bank of New Zealand.

• A second approach, analogous to Dow Jones, considered the place of receipt of the communication, or where and when the representations were downloaded by consumers in an online context. In ACCC v Hillside, for the purpose of considering the available penalty under s.224 of the Australian Consumer Law, Beach J considered the High Court’s reasoning in Dow Jones provided a “not unhelpful analogy”. His Honour found that a contravention of s.29 of the Australian Consumer Law occurs each time a false representation is made, which occurs when the website is viewed by a person downloading the relevant page. Justice Beach contrasted website communications with billboards, television or radio broadcasts, in which the information has
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been “irrevocably set forth or disseminated”.54 In Australian Wool Innovation v Newkirk (No 2),55 Hely J found that it was arguable that representations were made in trade and commerce in Australia in circumstances in which the representations were downloaded in Australia, distinguishing the position under trade marks.56 A similar approach was adopted by French J (as he then was) in an offline context in Paper Products v Tomlinson.57

The principles then outlined by the Court emphasised the representations were made for the purposes of ss.18 and 29(1)(m) of the Copyright Act and Australia.61 Despite the fact that many copyright infringement issues involve online copyright infringement, the question of when copyright will be infringed “in Australia” in an online context has been the subject of surprisingly few decisions.

The Full Court in Valence Corporation v ACCC58 engaged in a detailed consideration of the relevant principles and this decision may now provide some consistency between the principles applied by lower courts.

In Valence Corporation v ACCC, Valve distributed online games. It was based in the US and all of its staff and premises were located outside of Australia. Valve had a number of Australian customers, who had made payments in US dollars and to whom it provided support. The representations in question were made in the subscriber agreement, in the refund policy and in online chats with support staff. The subscriber agreement was hosted on a website with servers located in the US. However, three of Valve’s content servers, being caching servers which hosted games and other content, were located outside of Australia. Valve had a number of games. It was based in the US and all of its staff and premises were located outside of Australia. The Full Court distinguished Ward Group,59 which it found was not of assistance in determining the place where a representation on the internet was made for the purposes of ss.18 and 29(1)(m) of the Australian Consumer Law (at [137]). The Court noted Dow Jones and the emphasis on the need to focus on the nature of the cause of action. The Court observed that the passage extracted above from Voth (in relation to statements passing across space or time), although in a different context, was of assistance in considering the place where a representation that passes across space is taken to have been made for the purposes of ss.18 and 29(1)(m) of the Australian Consumer Law (at [130]).

The Full Court distinguished Ward Group, which it found was not of assistance in determining the place where a representation on the internet was made for the purposes of ss.18 and 29(1)(m) of the Australian Consumer Law (at [137]). The Court noted Dow Jones and the emphasis on the need to focus on the nature of the cause of action. The Court observed that the passage extracted above from Voth (in relation to statements passing across space or time), although in a different context, was of assistance in considering the place where a representation that passes across space is taken to have been made for the purposes of ss.18 and 29(1)(m) of the Australian Consumer Law (at [130]).

The Full Court found that it was “necessary to ask where in substance the representations were made” (at [134]). The principles then outlined by the Court emphasised the relationship between the person making the representations and the customers:

If the respondent is based overseas and has a relationship with customers in Australia, it is likely that representations addressed to those customers will be taken to have been made in Australia, being the place where the customer accesses and reads the representations on his or her computer. This is likely to be the case even if the representations are available to be accessed by consumers in other countries around the world. A distinction is to be drawn between the conduct proscribed by ss 18 and 29 and the causation of loss or damage. It is not necessary for the purposes of these provisions, to establish loss or damage. It follows that, for the purposes of determining the place where the representations were made, it is not necessary to determine whether any loss or damage was suffered and, if so, the place of that loss or damage. The approach we have outlined is both consistent with the general principles discussed in the cases and reflective of the consumer protection purpose of the statutory provisions.

The Full Court concluded that the Service Agreement, which was accessible on the website anywhere in the world, made representations in Australia when consumers accessed and read the Service Agreement on their computers (at [155]). This was in circumstances where Valve had 2.2 million subscribers in Australia, consumers were required to establish an account with Valve before downloading a game, and in order to do so, were required to agree to the Service Agreement. Similarly, the refund policy representation was made in Australia when consumers accessed and read that policy on their computers, in circumstances where Valve had a large number of subscribers in Australia (at [156]). The Full Court therefore appears to have applied a combination of the Dow Jones and Voth tests, emphasising both the relationship with customers and the physical act of access.

Copyright infringement: a lack of clarity?
Copyright is infringed by a person who, not being the owner of the copyright and without licence of the copyright owner, “does in Australia, or authorises the doing in Australia of, any act comprised in the copyright” (ss.36 and 101 Copyright Act 1968 (Cth) (“Copyright Act”). The words “in Australia” create a nexus between the infringement of copyright under the Copyright Act and Australia.63 Despite the fact that many copyright infringement issues involve online copyright infringement, the question of when copyright will be infringed “in Australia” in an online context has been the subject of surprisingly few decisions.

The exclusive rights of the copyright owner include the right of reproduction62 and the right to communicate the copyright material to the public.63 “Communicate” is defined in s.10 of the Copyright Act to mean “make available online or electronically transmit”. To the public” is defined to mean “to the public within or outside Australia”.64 Pursuant to s.22(6), the “maker” of a communication is taken to be the person who is responsible for determining the content of the communication.65 According to s.22(4), the “maker” of a
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cinematograph film is the person by whom the arrangements necessary for the making of the film were undertaken.

To illustrate the possible location of an infringing action in an online context, it is helpful to use an example. In a hypothetical scenario, a short story protected by copyright is uploaded on a website without licence. That website was targeted at UK persons, but was accessed by persons in Australia. The main servers were located in the UK, but a caching server was located in Australia. There are a number of possibilities for the location of an infringing action:

- The short story was communicated only to those jurisdictions that were targeted by the website.
- The short story was communicated to the public in each jurisdiction where persons were able to access the short story, by reason that it was “made available” in those jurisdictions.
- The short story was communicated to the public in the place that the communication was made. This could be construed as:
  - the location of the company or person responsible for determining the content of that communication, or the “communicator”; or
  - alternatively, the location of the website servers that make the communication.
- The short story was communicated to the public in the place that the communication was received. This could be construed as:
  - the location of persons who in fact accessed the website; and
  - the location of the server that received the communication.
- If the short story is reproduced on an Australian customer’s computer by reason of accessing the website, the location of the reproduction could be either:
  - the location of reproduction, being the Australian customer’s computer;
  - the location of the website server that directed the reproduction take place, or from which the reproduction was made;
  - the location of the person that directed the reproduction take place, which could be seen either as the customer who has requested the website, or the location of the person in control of the website.
- When short story was reproduced on the Australian caching server for the website, the location of the reproduction could be either:
  - the location of the caching server (although there may be no human actor in the jurisdiction);
  - the location of the person directing that the reproduction take place; or
  - the location of the server from which the reproduction is made.
- Some combination of the above factors, to determine the true locus of the “act”.

Nicholas J of the Full Court in Roadshow Films Pty Limited v iiNet Limited (2011) 194 FCR 285 (“iiNet”) considered in some detail the question of when “communication to the public” occurs in Australia. However, the other members of the Full Court (Emmett and Jagot JJ) did not consider the question in detail in their separate decisions, and on appeal, the High Court66 did not revisit the issue of primary infringement. Justice Nicholas held that the first step in determining whether the right of communication to the public was infringed was to “identify the person who is said to have made the relevant communication. … If the communication was made by that person in Australia, then the next step is to determine whether it was made to the public.” Similarly, Nicholas J went on to say that the “act of communication by making available online does not require that there be any communication in the ordinary sense of that word”; where a film is made available online, it is communicated within the meaning of the act, regardless of whether or not it is transmitted to or accessed by another person (at [661]). In relation to the second limb of the communication right (to electronically transmit) Nicholas J stated that the definition does not require that the electronic transmission be made to another person in the ordinary sense of the word, or that it be received by any person (at [662]). Justice Nicholas then stated (at [663]):

> It is the combined effect of s 101 and s 86(c) which requires that there be an electronic transmission made by a person in Australia to the public. The fact that the public for this purpose includes the public outside Australia makes it clear that the transmission need not begin and end in Australia. Further, while the act of communication must be done in Australia, it need not be done by a person who is physically in Australia. A person who is physically outside Australia who makes a film available online to the public in Australia, does the act referred to in s 86(c) in Australia. And if that person electronically transmits the film to the public in Australia from outside Australia he or she likewise does the act referred to in s 86(c) in Australia.

Justice Nicholas therefore did not limit the meaning of an act “in Australia” to the location of the maker of a communication. Although there was no requirement for there to be a person receiving the communication, his Honour considered that it was sufficient for the copyright material to be made available to, or transmission made to, the public in Australia.

Other decisions have focused on the location of the receipt of the communication. In TVBO Production Limited v
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Australia Sky Net Pty Limited (2009) 82 IPR 502 (“TVBO”), Foster J found that there was a communication to the public in circumstances where a cinematograph film was electronically transmitted from Taiwan to subscribers within Australia. The fact that the transmission emanated from Taiwan did not absolve the transmitter from liability in circumstances where it was received by television subscribers within Australia.67 In Pokémon Company International, Inc. v Redbubble Ltd (2017) 351 ALR 676 (“Pokémon”), images were uploaded to the Redbubble website, which was stored on servers located outside of Australia. Applying the decision of Nicholas J in iiNet and the decision of Foster J in TVBO, Pagone J simply observed (at [49]) that the “communications may, in the present case, have originated from Redbubble from outside Australia but the infringing communications occurred in Australia”. By contrast to the “making available” limb of the definition of a communication, it has been argued that “transmission” seems more susceptible to the interpretation that the act occurs at the point of receipt by the user.68

An approach that focuses on the actor may be consistent with s.22(6) of the Copyright Act, which provides that the “maker” of a communication is taken to be the person who is responsible for determining the content of the communication.69 In Connect TV Pty Ltd v All Rounder Investments Pty Ltd (No 5) (2016) 338 ALR 96, Justice Tracey in the Federal Court found that All Rounder and its employees determined the content of the relevant communications, and therefore engaged in infringement. In that case, the relevant infringement involved streaming from international servers. However, the issue in that case was who was the “communicator”, rather than where the communication occurred. Whether the question of infringement occurring “in Australia” was put in issue before the Federal Court is not clear.

Similarly, in relation to the reproduction right, it might be argued that the question remains open as to whether the reproduction occurs at the location of the person acting, or the location of the “material form” of the reproduction, such as the server. 70 In Pokémon, it was accepted by Pokémon that since the servers were located outside of Australia, no reproduction had taken place in Australia (at [45]). However, if the location of an infringement is determined on the basis of the location of the server alone, it would not be a primary infringement of the Australian statute for a person in Australia to direct the reproduction of a copyright work on a server located in Australia. Both seem unsatisfactory outcomes.

A further possibility is that there may be multiple locations of an infringing act (for example, both the location of the website operator and the location of receipt of a communication). This approach draws some support from the decision of the Full Court in National Rugby League Investments Pty Ltd v Singtel Optus Pty Ltd (2012) 201 FCR 147. While it was not necessary to decide the point, the Full Court stated that it preferred the view that more than one person, acting together, could be the “maker” of a copy of a cinematograph film (at [78]). Similarly, in iiNet, Jagot J in the Full Court held at [337] that there may be more than one person responsible for determining the content of a communication. Although not binding on Australian courts, the Australian provisions were considered by the Canadian Supreme Court, which was of the view that under the Australian legislation the location could be either the place of upload or download. The Canadian Supreme Court stated that the definition of “to the public” in Australia “seems to permit Australian copyright holders to exact royalties on both communication from Australia of material directed to overseas audiences as well as overseas communications received in Australia.”71

A final matter to bear in mind is that a person located overseas may be liable for an infringement that occurs in Australia if they have authorised that infringement. An overseas actor may not avoid liability if found liable for authorising a primary infringement that is determined to take place in Australia. In Cooper v Universal Music Australia Pty Ltd,72 Branson J held that the infringement provision covered both conduct in Australia and conduct, which although not in Australia, relates to infringement in Australia.73 Similarly, in Universal Music Australia v Sharman License Holdings,74 Wilcox J stated that it was immaterial that many of the users of the Kazaa website were located outside Australia. If the respondents authorised users to infringe copyright, they authorised the doing of acts both in and outside Australia.

There is, unfortunately for practitioners, copyright owners and users of copyright, an absence of clear authority on when an infringement of copyright will occur “in Australia”, particularly with regard to the right of communication to the public. Further, in the Australian decisions discussed above, it is not clear whether the relevant location being considered is the location of the server or the location of the actor, which might be different locations.75 The decision in Pokémon is currently on appeal, which might provide some much-needed clarity.

In the absence of detailed Australian consideration of the location of copyright infringement, international decisions may have some relevance. However, it is important to be aware of the differences between Australian and international law, including differences in the rights of the copyright owner such as “communication to the public” or “public performance”, which may limit the relevance of such authorities:
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- In the UK, if the communication originates outside the UK, the principle applied is whether the communication was targeted at the public in the UK. Mere accessibility is insufficient. Lists of factors that are relevant to determining whether acts of communication were targeted at the UK have been set out in a number of decisions, including EMI Records v BSkyB. These include “the number of users of the relevant websites in the UK, the inclusion on the websites of large numbers of recordings by UK artists which were otherwise in demand in the UK, the fact that the default language of the websites was English, and the presence of advertisements with prices in sterling.”

- In Canada, the majority of the Supreme Court in SOCAN v Canadian Association of Internet Providers held that a communication to the public by telecommunication may occur at the place where the content is uploaded or it is downloaded, and that the right of a copyright owner may be infringed by an internet communication that has a “real and substantial connection” with Canada. Justice LeBel in dissent stated that a communication occurs within Canada when it originates from a host server in Canada, regardless of the location of the person uploading or downloading material.

- In the US, courts have found that the act of “public performance” or “transmission” relevantly occur both in the place from which a communication is sent and the place of receipt. US courts have held that where content was located on international servers, but was streamed or able to be accessed in the US, or satellite transmissions were able to be received in the US, there could be an infringement of the transmission or public performance right. The Second Circuit Court of Appeal stated that “Congress intended the definitions of ‘public’ and ‘performance’ to encompass each step in the process by which a protected work wends its way to the public.”

Finally, in the context of online copyright infringement, it is worth referring briefly to s.115A of the Copyright Act, which provides the Federal Court with power to order an injunction that requires a carriage service provider to disable access to an online location outside Australia, where that online location has the primary purpose of infringing, or facilitating the infringement of copyright. That provision has been the subject of a number of decisions of the Federal Court. While the questions considered by the Court in those decisions are not strictly whether or not there has been infringement of copyright “in Australia”, s.115A is clearly an important remedy available in the context of online infringement. At the time of writing, the Federal Government has introduced the Copyright Amendment (Online Infringement) Bill 2018 (Cth), which proposes to expand the scope of s.115A.

Other types of intellectual property infringement

The question of when a patent is infringed within the “patent area” in circumstances where conduct is multi-jurisdictional is beyond the scope of this article, although it is no doubt of interest to readers and merits a detailed analysis. In respect of method or process patents, the Full Court recently held that a method or process claim may be infringed in circumstances where the product is made using the method outside of Australia, and imported into the patent area. The question of infringement within the patent area is particularly complex in the context of system patents, where some components of the system are located in one jurisdiction and other components of the system are located in Australia. International decisions that may be of interest include Menashe Business Mercantile v William Hill Organization [2003] RPC 31, Research in Motion UK Ltd v Motorola Inc [2010] EWHC 118 (Pat) and NTP Inc v Research in Motion Ltd 418 F.3d 1282 (Fed. Cir. 2005).

Conclusion

An online actor will need to consider whether their actions infringe the laws of multiple jurisdictions. Similarly, a rights holder seeking to protect their intellectual property online may also need to consider the laws of multiple jurisdictions in order to protect their rights. There is a risk for both plaintiff and defendant that there may be multiplicity of proceedings and applicable laws which decide liability arising out of the same conduct or publication. Private international law has a number of tools which can also assist to avoid the multiplicity of proceedings and duplication of issues decided by different courts, such as issue estoppel, a finding that the court is a forum-non-conveniens, and the ability of a local court to apply the law of another jurisdiction under conflicts of laws rules. A key question in the application of those tools is the location of the relevant infringing act.

As has been discussed in this article, the location of online conduct in the context of intellectual property infringement and misleading and deceptive conduct is informed by the nature of the cause of action and the statutory context. As this differs for each intellectual property right and for misleading and deceptive conduct, it is not altogether surprising that different conclusions may be reached as to applicable test for determining the location of the relevant act or conduct. However, this certainly does not make the analysis of online conduct simpler for rights holders and online actors. Whether conduct or acts of infringement is relevantly “in Australia” will no doubt be the subject of further judicial determination, as courts continue to seek to apply territorial laws to a borderless internet. Rights holders and online actors would certainly benefit from further analysis and increased clarity as to the location of infringements in an online context.
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1. Misleading and Deceptive Conduct Occur “In Australia”?

2. Territoriality and Intellectual Property Rights – When Does Online Infringement or Misleading and Deceptive Conduct Occur “In Australia”?

3. One connecting factor is that the proceeding is based on a tort committed in Australia or a contravention of an Act that is committed in Australia. Federal Court Rules 2011, r 42, item 12, and Uniform Civil Procedure Rules 2005 (NSW), Sch 6(10).

4. The scope of any injunction that may be granted, and whether the injunction can be extra-territorial in nature is an area of debate and is beyond the scope of this article. For readers interested in this topic, see the New South Wales Supreme Court’s decisions in X v Twitter Inc (2017) 95 NSWLR 301 and X v Y & Z [2017] NSWSC 1214, and the litigation in US and Canada regarding Equatek: Google Inc v Equatek Solutions Inc, 2017 SCC 34 and Equatek Solutions Inc v Jack, 2018 BCSC 610.

5. Word Group Pty Ltd v Brodie & Stone P/L (2005) 143 FCR 479 and subsequent decisions, discussed below.


9. Dow Jones v Gutsick (2002) 210 CLR 575 at 567-8. The analysis of the High Court in this case referred to with approval by the England and Wales Court of Appeal in King v Lewis [2005] EMLR 4, which similarly held that the tort of libel is committed at the place where text is downloaded (at [2]).


12. Dow Jones v Gutsick (2002) 210 CLR 575 at [92] (Callinan J). Similarly, in the UK, the England and Wales Court of Appeal in Appeal of King v Lewis [2005] EMLR 4 stated that a defendant who publishes on the internet may “at least in theory find himself vulnerable to multiple actions in different jurisdictions” (at [28]). The Court of Appeal considered and rejected an argument that the most appropriate forum for the dispute is the jurisdiction where the publications had been “targeted”. The defendant stated that in truth, the defendant has “targeted” every jurisdiction in which the text may be downloaded and that a subjective investigation of “targeting” would be liable to manipulation and uncertainty (at [34]). See the discussion of this case in Matthew Collins, ‘Approaches towards jurisdiction and choice of law in cases of multi-jurisdictional defamation’ (2006) 11 Media and Arts Law Review 279, 383.


14. S 120(2) and 120(3) then provide for infringement for the use of the sign on the internet’ (2006) 17 OJC 45, fn 27, and the discussion in Peter Vogel Instruments Pty Ltd v F Hoffman-La Roche Ltd (Drummond J) applying [2003] FCA 65 at [51].


18. Re Trade Mark “Vinos”: Ex parte Amalgamated Tobacco Corporation Ltd (1951) 82 CLR 199 at 204-205.


25. Peter Vogel Instruments Pty Ltd v Franch Nicholas at [141]-[142].

Territoriality and Intellectual Property Rights – When Does Online Infringement or Misleading and Deceptive Conduct Occur “In Australia”?

62 Copyright Act 1968 (Cth) s.31(1)(a)(i) (works), s.85(1)(a) (sound recordings – “make a copy”), s.86(1)(a) (cinematograph films – “make a copy”), and s.87(1)(a) and (b) (broadcasts – make a cinematograph film or sound recording of a broadcast).
63 Copyright Act 1968 (Cth) s.31(1)(a)(v) (works), s.85(1)(b) (sound recordings), s.86(1)(b) (cinematograph films), and s.87 broadcasts – communicate to the public otherwise than by way of broadcasting).
64 Copyright Act 1968 (Cth) s.10. In Roadshow Films Pty Limited v iNet Limited (2011) 194 FCR 285, Nicholas J held that the words “inside or outside Australia” did not mean that the act must not be done in Australia. Rather, it means that the act must be done in Australia to the public inside or outside of Australia (at [658]).
65 Copyright Act 1968 (Cth) s.22(6A). However, a person is not responsible for determining the content of the communication merely because the person takes steps for the purpose of gaining access to what is made available online by someone else or receiving the electronic transmission.
68 See Adrian Lawrence, Lexis Nexis, The Law of eCommerce, (Service 26), [30], 678).
69 Copyright Act 1968 (Cth) s.22(6A). However, a person is not responsible for determining the content of the communication merely because the person takes steps for the purpose of gaining access to what is made available online by someone else or receiving the electronic transmission. For an argument in favour of the “uploader”, see Richard Garnett, ‘An Overview of Choice of Law, Jurisdiction and Foreign Judgment Enforcement in IP Disputes’ 2006 11(4) Media and Arts Law Review 341, 350–351.
70 Nicholas Caddick, Gillian Davies, Gwylion Harbottle, Copinger and Shore James on Copyright (Sweet & Maxwell, 17th ed, 2016) 556. The authors prefer the view that it is the location of the server, stating that it will be necessary to examine the technical processes involved to see where the work was copied as a matter of actual physical fact.
74 Universal Music Australia Pty Ltd v Sharman License Holdings (2005) 222 FCR 465.
75 See Adrian Lawrence, Lexis Nexis, The Law of eCommerce, (Service 26), [30],670), arguing that the making available online “element of the communication right occurs at the point of upload, and is therefore located with the server.
77 Wheat v Alphabet Inc v Google LLC & Anor (2018) EWHC 550 (Ch) at [51].
78 EMI Records Ltd v British Sky Broadcasting Ltd [2013] EWHC 379 (Ch).
81 Defined in Copyright Act (R.S.C. 1985, C-42), s.2(4.1) to include “making it available to the public by telecommunication in a way that allows a member of the public to have access to it from a place and at a time individually chosen by that member of the public.”
82 SOMAN v Canadian Assn Internet Providers [2004] 2 SCR 427 at [59]–[60] (Binnie J).
84 National Football League v TV/Radio/Now Corp., 53 USPQ2d 1831 (W.D. Pa, 2000). See also Twentieth Century Fox Film Corporation v iCruzeTV, No 00-121 (W.D. Pa).
Artificial Intelligence and Intellectual Property: An Interview with Francis Gurry

Ahead of the 2018 meetings of WIPO’s Assemblies, WIPO Director General Francis Gurry shares his views on the implications of artificial intelligence (“AI”) for intellectual property (“IP”) law and policy and its use in the administration of IP systems around the world.

**How would you characterise the impact of AI?**

AI is a new digital frontier that will have a profound impact on the world. It will have enormous technological, economic, and social consequences and is going to transform the way we produce and distribute goods and services, as well as the way we work and live.

**What impact will AI-enabled technologies have on innovation and creativity?**

It is too early to say, but it is clear that AI will have an impact on traditional IP concepts. Commercial AI-generated music and AI-created inventions are not far off, and will transform the concepts of the “composer,” “author,” and “inventor” – although precisely how is not yet clear.

The fundamental goals of the IP system have always been to encourage new technologies and creative works, and to create a sustainable economic basis for invention and creation. From a purely economic perspective, if we set aside other aims of the IP system, such as “just reward” and moral rights, there is no reason why we shouldn’t use IP to reward AI-generated inventions or creations. But this still requires some thought. The answers are not yet clear.

The broad use of AI technologies will also transform established IP concepts – patents, designs, literary and artistic works, and so on. This is already happening, but is a consequence of the digital economy, not AI alone. For example, the life sciences generate enormous quantities of data that have significant value but don’t constitute an invention in the classical sense. So we need to work out the rights and obligations that attach to them.

There are strong social views on this already. The “open” movements for science, data, and publication, for example, favour the view that data should not have proprietary categories placed on them. They argue that, as data is a foundation of AI, it should be freely available to enable the development of AI and other applications.

But, of equal importance in the current economic context, we have established property rights for intangibles to provide incentives for investment in the creation of new knowledge and to ensure fair competition.

These two approaches need to be reconciled. Lines will have to be drawn between the need to keep channels of data open and flowing, on the one hand, and the need to close them to ensure the right incentives are in place for the creation of new knowledge, on the other hand.

Data and algorithms raise a number of fundamental IP-related questions. For example, how do you create property rights in an algorithm that is constantly changing, to the extent that your invention is not the same even one year after you have applied for a patent? That’s a new challenge that we shall have to address.

**Does that mean that the existing IP system is becoming irrelevant?**

The statistics tell us otherwise. Demand for IP rights continues to surpass economic growth rates around the world. The IP system as we know it is certainly not going out of fashion. It is being used more than ever before. But new challenges are emerging and the result may be an additional layer of IP, rather than the replacement of the existing system.

It has been notoriously difficult for creators to capture the value of their work in the digital environment. Will the new wave of digitisation compound this problem?

AI may indeed make it difficult for creators to capture the value of their work. But, if you take the example of AI-generated music, somewhere in the process the digital expression of music generated by a composer – whether it be Mozart, Beethoven, or a contemporary musician – will be fed into the AI algorithm. The question is at what stage do we attribute value to the human origin of data? We don’t yet have the answers to that question.

Various policy approaches are emerging for data and AI, including in relation to data security and integrity, the impact of data and AI on market competition, national security, labour, and ownership. We are only now developing the lines of analysis, but these tend to reflect pre-AI approaches. No doubt, new categories will emerge too.
Why has AI become a priority for WIPO and the global IP community?

There are three factors driving the use of AI in the administration of IP systems. The first is volume. In 2016, the last year for which data are available, around 3.1 million patent applications, some 7 million trade mark applications, and 963,000 industrial design applications (covering 1.2 million designs) were filed worldwide. That volume is rapidly exceeding the processing capacity of available human resources. For example, in the area of trade marks and designs, the judgment, whether made by an IP office or a court, as to the registrability of a trade mark or a design – the benchmarks of which are distinctiveness for a trade mark and originality for a design – is made by reference to pre-existing marks and designs. It is simply not possible for a human to sift through the millions of trade mark and design applications received each year to determine whether a given trade mark or design qualifies for registration.

That is why WIPO has developed an AI-empowered image search tool for trade marks. Embedded in the WIPO Global Brand Database, the tool is a world first. It delivers results in a second and is highly accurate.

Volume is a principal driver of the use of AI in IP administration. Quality and cost are also important drivers. Amid increasing global demand for IP rights, AI tools allow us to achieve better quality and reduce administration costs.

What is your vision for the use of AI to improve the administration of IP?

AI systems will play an increasingly important role in IP administration in the future. Given the costs associated with gathering and cleaning large corpuses of data to feed AI systems, we need to encourage the sharing of resources. I would hope that in deploying the AI-based systems of the future, the international IP community can work together to achieve high levels of interoperability in a cost-effective manner.

WIPO’s approach so far has been to explore ways to develop AI applications using training data provided by member states and other institutional partners. In return, we share with those partners any new AI applications developed using those data. For example, WIPO has developed a state-of-the-art neural machine translation tool that is powered by AI, known as WIPO Translate. We are sharing this tool with 14 intergovernmental organisations and various patent offices around the world. Since the system depends on access to and availability of data, all partners can benefit from its use and can supply data to improve it. That is how, in the best of all possible worlds, we might develop these tools most effectively.

WIPO has clearly been a leader in developing AI applications in the IP field. Is the Organization exploring the use of AI applications in other areas?

WIPO is continuing to develop and refine WIPO Translate and our trade mark image search tool. These are major developments in this area. The automatic classification of patents and goods and services for trade mark applications are other promising areas for the application of AI. In May, in collaboration with an AI expert at the University of Geneva, WIPO launched an automatic patent classification tool for the International Patent Classification (“IPC”) system using neural network technology. This new tool, known as IPCCAT-neural, will be retrained annually with updated patent information and will help patent examiners access and search “prior art” more easily. This, of course, is an important basis for determining the patentability of an invention.

AI holds great promise in facilitating patent search and examination. One can foresee its use, for example, in searching and comparing the gene sequences associated with certain patent applications.

We are also exploring the use of AI, in particular, the deployment of intelligent machine answering services, for WIPO’s customer service activities. Over time, these tools will become an integral part of our customer service offering and will enable us to better respond to the expanding number of queries arising from the increasing use of the IP system.

There will be other areas in which AI applications can help make IP administration more efficient and robust.

Is there a role for blockchain in the administration of IP systems?

Despite the widespread excitement about blockchain, I don't see it replacing the basic function of the grant of a property right by a state or a public authority. IP is a creation of the state, and unlike physical property, it has no existence except through the creation of a right by a state. I don't see a private distributed system like blockchain replacing that basic function of patent offices in determining whether or not to grant a property right. I do see it being a potentially superior form of recording transactions in relation to existing IP rights. There are, for example, many potential applications for blockchain in the use and trading (e.g. licensing) of IP rights.

How would you characterise the uptake of AI across the global IP community?

It is early days. There is clearly a lot of interest in AI among IP offices, which see it as an opportunity to deal with volume, quality and cost. This will be a major focus in the coming months and years.
What are some of the barriers to the widespread deployment of AI-powered systems among IP offices?
Building AI capacity is a major challenge for all IP offices. While AI has been around for some time, only recently has it become an obvious technological solution. The number of professionals with the required training and knowledge is very limited. This makes developing in-house AI capacity difficult, particularly in the face of competition from better-resourced, higher-paying private enterprises.

Smaller IP offices face some specific challenges. AI systems depend on data (and algorithms) and smaller offices naturally have access to less data. That means the imperative of volume, which is forcing the development and deployment of AI applications in larger offices, is less strong in smaller offices, where the volume of applications remains manageable. That said, in the IP world, we do have a generally accepted policy of open access to data relating to IP registrations for patents, trade marks and designs. That will help the smaller IP offices, which, in principle, can access these data. Overcoming these challenges will require greater emphasis on collaboration and coordination.

What are some of the specific policy challenges associated with deploying AI for IP administration and how is WIPO addressing them?
This year, WIPO initiated an international discussion on IP questions surrounding, in particular, the application of AI in IP administration. In May, we hosted a meeting with IP offices on that subject. It was a successful start to this important discussion.

The broader question of how AI will change the categories and concepts of IP itself, however, is taking place at a time when the world is putting less energy into multilateral rule-making than at any point over the last 70 years. This is a serious problem that goes beyond IP, but especially needs to be solved in this area, because IP is essentially a global phenomenon; technology is global, as are the patent data associated with it. Patents rarely relate to a single jurisdiction. That is why we need global solutions that ensure at least functional interoperability.

Is there a role for multilateralism in an AI-driven world?
Yes, and for various reasons. First, achieving functional interoperability of IP systems around the world will require multilateral cooperation. Second, one of the functions of the IP system is to ensure fair competition. Multilateral rule-making is a constructive and positive way to achieve this. And, as IP will be one of the main battle grounds for competition in the future, strong multilateral cooperation is essential. The third reason is that technology is constantly evolving, and at great speed. In this context, multilateralism is an extremely important mechanism for supporting capacity building and sharing to ensure that the technological gaps that exist are not exacerbated. That is a real challenge.

What are next steps for WIPO in this area?
We will continue to foster cooperation in the development and deployment of AI applications for IP administration. And we will continue to find ways to initiate international discussion on the evolution of IP law and policy in an increasingly AI-driven world.

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1 This report is an edited version of an interview published in the October 2018 issue of WIPO Magazine. It is reproduced here by kind permission of WIPO.
Frantzeska Papadopoulou has written an expansive exploration regarding how traditional knowledge on genetic resources ("TKGR") is accessed, owned and exploited. Her book, *The Protection of Traditional Knowledge on Genetic Resources*, critically examines the relevant legal institutions in the field, as well as the complex web of divergent principles governing the legal status of TKGR. Hence, TKGR is a challenging area to regulate due to its variety of subject matter and the spectrum of interests it affects. TKGR, according to Papadopoulou, raises an array of issues, "from land rights to human rights, plant genetic resource regulation, environmental laws and IP protection."

However, from the outset, Papadopoulou highlights the important intersection between TKGR and intellectual property rights ("IPRs"). She writes:

> TK-related applications provide valuable leads to researchers in the agricultural and pharmaceutical fields and thus become a necessary intangible asset accompanying genetic resources – for the purpose of this book, named 'traditional knowledge on genetic resources' (TKGR). The net effect to these recent developments is an increasing interest in IPRs and access to TKGR.

The launching pad for Papadopoulou’s book is the fact that internationally, TKGR lacks sui generis or other IP protection. Indeed, TKGR often involves sub-patentable innovation and at present, there is no specific legal entitlement for TKGR at the global level. The book therefore explores a number of variations of possible TKGR protection frameworks. Papadopoulou analyses a variety of relevant international agreements, national and regional initiatives and established principles important in the process of elaboration of a new entitlement, in this case on TKGR.

Chapter 1, “When arrows from the jungle aim at the heart of modern intellectual property rights”, explores the challenges posed to the IPR system concerning the protection of TKGR. Papadopoulou sets the scene by discussing the international instruments regulating the potentially layered legal protection of TKGR. These are the *International Union for the Protection of New Varieties of Plants* 1961; two agreements of the United Nations Food and Agriculture Organization: the *International Undertaking on Plant Genetic Resources* 1983 and the *International Treaty concerning the regulation of access to plant genetic resources* 2001; the *Convention on Biological Diversity* 1992 (“CBD”); and the World Trade Organization’s *Trade-Related Aspects of Intellectual Property Rights* 1994. According to Papadopoulou, these disparate agreements “create the preconditions and lay the ground for the introduction of a new legal entitlement, but do not go as far as to actually establish one.” Similarly, the lack of a legal entitlement regarding TKGR persists at the national level. Papadopoulou notes:

> National legislative and regulatory initiatives of relevance have attempted to embody the general principles provided for under the international regime and address their interaction with the current IP system, but have not demonstrated satisfactory results.

Therefore, in order to respond to the need for a legal entitlement protecting TKGR, the book’s intention is to extract valuable lessons regarding how to do so. The alternative means of protection of TKGR are formulated on the basis of a combination of the Coasean model on economic efficiency and Rawls’ theory of fairness as justice. According to the author, this dualistic approach reflects the need for "sustainable use" of TKGR while ensuring “fair and equitable sharing” of the benefits arising thereof.

Chapter 2, “Towards a horizontal and vertical institutionalisation of TKGR trade”, moves from a previously theoretical analysis to a discussion of TKGR in practice. Papadopoulou covers a lot of ground, discussing, among other matters, bioprospecting and biopiracy; the
institutional framework of the CBD; TKGR in inventions and plant varieties ("commodification the IP way"); and traditional knowledge in other instruments of international law.

Chapter 3, “TKGR protection: major implementation lines”, discusses the implementation of the CBD, which Papadopoulou describes as “a work in progress”. The author also considers at length the protection of TKGR within the patent system. She explores how proclaiming TGKR as prior art is mired by the fact that the term prior art “does not enjoy an internationally harmonised definition”. Papadopoulou then analyses the proposed introduction of a disclosure of origin requirement in the international patent system. Regional and national attempts regarding such a requirement in Brazil, Costa Rica and Switzerland, among other countries, are also canvassed. Finally, Papadopoulou considers the merits of introducing a stand-alone system of protection but acknowledges that the absence of an international agreement providing a sui generis system for TKGR “is a major weakness”.

Chapter 4, “Contractual accommodation of rights to TKGR”, focuses on the protection of TKGR pursuant to bioprospecting agreements. Given the want of an international regime for TKGR and the uncertainties regarding the different national regulations on TKGR trade, attention has turned to bioprospecting agreements and the protection these could give to TKGR.

Chapter 5, “To protect or not to protect”, analyses three different forms of entitlement applicable to TKGR – property rights, liability rules and reward systems. According to Papadopoulou:

*Discussing the theoretical framework as well as the practical impact of different forms of entitlement allows a better evaluation of the alternative forms of protection for TKGR that have been tested in practice, or discussed in theory through the lens of efficiency and fairness.*

Chapter 6, “When traditional knowledge meets modern IPRs”, explores the factors to be considered when deciding how an entitlement to TKGR should be formulated. These include: the requirements and expectations surrounding the protection of TKGR; the contributions of regional and national TKGR entitlements; and the role of Rawls’ and Coase’s specific objectives in the elaboration of an entitlement for TKGR. Papadopoulou writes that her aim in writing this book was not to provide a “new, ready to use TKGR entitlement”. Rather, she states:

*The goal and ambition was to provide for an alternative form of reasoning in the elaboration of a new entitlement and to show that there is great value in resorting to theoretical models in order to find support for justifications, overall objectives and the principles to be fulfilled by a new entitlement.*

Overall, this book presents a multi-faceted view of the diverse and complex issues surrounding TKGR. Papadopoulou presents a range of options in order to provide a different mindset when formulating a new TKGR entitlement, moving away from the usual practice of transplanting other sui generis rights. She offers a thoughtful discussion of what different types of entitlement include and involve. Although the book is very theoretical, it provides considerable detail regarding the relevant international conventions and treaties and regional and national protection initiatives in this area of law. Papadopoulou provides an extremely descriptive account of the different interests and instruments at play. The book is best suited to IP academics and policy makers working and thinking about the protection of traditional knowledge.
The 32nd IPSANZ Annual Conference was held in spectacular Queenstown, New Zealand, over the weekend of 7-9 September 2018. The conference venue was situated on the shores of Lake Wakatipu with panoramic mountain views. Leading intellectual property (“IP”) lawyers converged to discuss emerging trends and topics in IP law.

The conference was a huge success and included an exciting range of speakers, from in-house IP managers to a guest speaker from the United States (“US”) Court of Appeals for the Ninth Circuit, as well as past and present Australian and New Zealand Judges. Conference attendees also heard from New Zealand and Australian barristers and solicitors, providing updates on both IP as well as competition law and damages.

The role of an IP advisor
Conference attendees were provided with a unique opportunity to hear insight into the role of in-house property managers from Andrew Morton (BlueScope Steel Limited, Port Kembla) and Andrew Davey (Fisher & Paykel Healthcare, Auckland). A key message from both speakers was the value each business places on its IP and the important role of the in-house IP lawyer to continually add value to the business. They also discussed the challenges of an in-house role such as the need to be a decision-maker, rather than just a legal advisor as well as meeting demands from the whole business. Both speakers challenged external legal counsel to proactively consider all moving parts of a business, and to be aware of the flow-on effects of decisions and deadlines coming from a client’s IP team.

Copyright in free speech
International guest speaker, the Honourable Judge McKeown, highlighted the limitations on free speech, caused by copyright protection which limits the reproduction of copyright. This topic arises amidst the backdrop of a debate between IP lawyers, whether IP rights smother free speech. While the fair use defence promotes free speech, Judge McKeown pointed out that fair use has been labelled “troublesome” and that applying the doctrine itself can be described as a “mini lawyers’ relief act”. Her Honour referred to Garcia v Google3 to demonstrate that copyright has been used to censor free speech and ideas, but that US courts place importance on the First Amendment, placing a heavy burden on plaintiffs to overcome legal hurdles of demonstrating a strong copyright case to hijack free speech. Judge McKeown concluded that the legal system protects freedom of expression, no matter how important the values of IP rights.

Sufficiency in patent law
The patent session included a detailed analysis of sufficiency in both Australia and New Zealand. Christian Dimitriadis SC (Nigel Bowen Chambers, Sydney) questioned whether the bar has been raised with the recent amendments to the Patents Act 1990 (Cth) and highlighted that the need for prolonged research and experimentation could nonetheless result in a patent being sufficient if such steps are routine.

Andrew Scott (James & Wells, Christchurch) spoke about the corresponding New Zealand law on sufficiency and summarised the three limbs of insufficiency that apply under the current New Zealand law. Firstly, classical insufficiency, where a patentee enables “something” within the claim; second, insufficiency by ambiguity, where the patent specification must make clear what the skilled person makes; and third Biogen4 insufficiency, where the patent provides excessive claim breadth. Mr Scott’s presentation demonstrated the current squeeze between sufficiency and support under the New Zealand Patents Act 2013 following the Court’s adoption of the UK position in Biogen.

Mr Dimitriadis and Mr Scott demonstrated the current challenges for legal practitioners to provide prospects on sufficiency, in light of current case law. They advised practitioners to undertake in-depth questioning of experts to review the problems encountered and whether routine steps can be taken (even if these are in fact cumbersome).

Remuneration in copyright cases
Colin Golvan AM, QC (List G, Melbourne) and Ian Gault (Bell Gully, Auckland) described the challenges of assessing fair remuneration for damages in copyright cases. They described the “user principle”, the principle reconstructing a hypothetical bargain where damages are assessed on the basis
of what would have reasonably been charged at the time of infringement.

In New Zealand, the user principle has been described as a “notional licence fee or royalty”. Following the development of the user principle in New Zealand, Mr Gault referred to the recent Eight Mile case, concerning the National Party’s unauthorised use of a likeness to “Lose Yourself”, a song by rapper Eminem. In this case, Justice Cull held that the user principle should be used to assess a hypothetical bargain, in which damages are assessed based on the amount reasonably charged. Justice Cull awarded damages of NZ$600,000, taking into account that Eminem had rarely licensed the song, the extent of copying, and the inability of the hypothetical licensor to control his work.

In Australia, the user principle has been largely rejected. Instead, the plaintiff is required to demonstrate that it has lost profit that it is entitled to recover. It therefore remains necessary to show a likelihood of licensing and therefore profit. Mr Golvan discussed possible benefits of the user principle, exemplified by the Pokémon v Red Bubble decision, in which Pokémon was awarded compensation of AU$1, as a result of its inability to demonstrate damage.

Does “substantial identity” really exist?

The trade marks session provided attendees a helpful insight into navigating substantial identity, following the Full Court’s decision in Pham. Professor Michael Handler (University of New South Wales) concluded that substantial identity should be re-interpreted using the Shell v Esso test and cautioned that the essential features test needs to be interpreted carefully to ensure that the essential features of a mark are not merely identified on an abstract level. Further, Professor Handler advised against filtering out “descriptive elements” where these result in a completely different total impression.

In a similar vein, Julian Miles QC (Richmond Chambers, Auckland) highlighted the current challenges in New Zealand to provide reliable advice to clients regarding trials, and likened his experience with providing advice to a lottery. Mr Miles emphasised that outcomes of cases are currently completely unpredictable, and discussed that an emerging pattern in trade mark law is that the same mark can have a different outcome depending on the appellate level. By way of illustration, Mr Miles referred to the New Zealand High Court decision which held that the dominant idea of the Lacoste mark was the crocodile, and any differences in the mark did not alter the distinctive character of the mark. This was ultimately overturned by the Supreme Court on appeal.

Professor Handler and Mr Miles both stressed the need for consistency in the courts.

An insight into litigation from the Judges’ bench

The Honourable Justice Middleton (Federal Court of Australia) provided an insightful summary of expert conclaves in trial, discussing advantages and disadvantages. His Honour highlighted common concerns, including overshadowing personalities and the advantages to seasoned experts. Justice Middleton also questioned the requirement of the “joint report”, which has been criticised as essentially consisting of separate reports. His Honour however concluded that concurrent evidence was still “flavour of the month”, as it constitutes an efficient and cost-effective way to distil technical information.

The Honourable Justice Asher (Court of Appeal, New Zealand) provided insight to the rise of the search engine, stating that by 2020, search engine internet advertising is estimated at NZ$897 million in New Zealand alone. This new range of advertising raises an entirely novel set of circumstances, which have not previously been aired. His Honour provided examples, including that confusion through the Search Engine Results Page (“SERP”) can occur, which is actionable in Australia and New Zealand. Justice Asher highlighted the ACCC v TPG Internet decision which established that false advertising that may lead a consumer to click through to a website or leave with a false impression to act later is actionable. Lastly, Justice Asher emphasised that the rise of the search engine raises considerations as to the liability of search engine providers, such as Google.

The Honourable Robert French AC appraised the interaction between IP law and competition law. He highlighted the initial economic purpose of IP statutes, and queried whether IP law has struck a balance too far in favour of the rights holders – rather than protecting the relevant interests of consumers. Mr French demonstrated that competition law is of general application to the use of IP rights, however he referred to the exceptions provided under s.51(3) of the Competition and Consumer Act 2010 (Cth). Further, Mr French probed whether competition policy is adapted to engage with the emergence of technologies conferring new kinds of market power.

Understanding damages and remedies from the outset

Kevin Glover (Shortland Chambers, Auckland) provided a helpful case study into Oraka v Geotel as a cautionary tale of the minimal award of damages compared to the substantial legal costs incurred over the 10 plus years of litigation. Following a long history, in 2016 the High Court of New Zealand case awarded NZ$4.1 million in damages in respect of Oraka’s copyright infringement claim. The New Zealand Court of Appeal set aside the High Court judgment, and the majority remitted the matter back to the High Court for damages to be considered based on a notional licence fee, rather than on a lost profits basis. Mr Glover discussed the importance of considering at an early stage in the litigation
the losses each party is able to claim, and the categories of loss, and to avoid treating remedies as a “backburner”.

Owain Stone (KordaMentha, Melbourne) provided insight into an accountant’s view as an independent expert for a damages claim. Mr Stone cautioned lawyers about the pitfalls of engaging an expert accountant too late and highlighted, by way of example, the important role an accountant can play in identifying the necessary documents to be discovered and to assist with witnesses questioning.

The final session also included a discussion by Angus Lang (Tenth Floor Selborne/Wentworth Chambers, Sydney) on the possibility of quantification at the front end of IP cases. While bifurcation and deferment of quantification is usually left to the back end of litigation, Mr Lang highlighted that such an approach could lack information on quantum and may lead to poorly informed decisions in relation to commence proceedings and the conduct of the proceedings. Mr Lang compared the Australian approach to the approach in Germany, where the value of the dispute is set at the outset to determine recoverable legal costs and court fees. However, Mr Lang queried whether this approach would be desirable in Australia due to the size of the Australian market.

Lastly, a key highlight of the conference was the annual President’s Dinner, featuring New Zealand comedian Michele A’Court. The dinner provided both an opportunity to announce the new members of the IPSANZ Trans National Committee of Management, as well as thank many integral members for their hard work.

We would like to thank the Trans Tasman National Committee of Management for organising another interesting conference and we look forward to seeing everyone at next year’s conference to be held in the popular and always sunny Noosa.
The John McLaren Emmerson QC Essay Prize 2019

The Intellectual Property Society of Australia and New Zealand Inc. is pleased to announce its 2019 competition for an essay on a topic of the author’s choice regarding intellectual property.

1st Prize of the John McLaren Emmerson QC Essay Prize will comprise the sum of $5,000 AUD plus complimentary registration at the IPSANZ 33rd Annual Conference scheduled to be held over the weekend of 6 – 8 September 2019 including 2 nights’ accommodation at the Sofitel Noosa Pacific Resort, Noosa Heads, Queensland and a return economy airfare from within Australia or New Zealand to the conference.

2nd Prize will comprise the sum of $2,000 AUD plus complimentary registration at the IPSANZ 33rd Annual Conference, including 2 nights’ accommodation at the Sofitel Noosa Pacific Resort, Noosa Heads, Queensland.

3rd Prize will comprise the sum of $1,000 AUD plus complimentary registration at the IPSANZ 33rd Annual Conference, including 2 nights’ accommodation at the Sofitel Noosa Pacific Resort, Noosa Heads, Queensland.

It is intended that the Prize winners will be announced and presented at the Conference. The winning entry will be published in Intellectual Property Forum, the official journal of IPSANZ.

COMPETITION RULES

- Entries must be unpublished essays, which are the original work of the author. Entries should be between 5,000 and 10,000 words.

- Entries should be substantive works displaying original thinking in an area of intellectual property of the author’s choice. A maximum of two co-authors is permitted for entries. In the case of co-authors, the prize is to be shared between the authors. A maximum of two entries per author or pair of co-authors is allowed.

- Endnotes must appear at the end of the essay. Entries should include a summary of the essay (50-100 words). Entrants should keep a copy of the entry, as no entries will be returned.

- Each entry should be accompanied by a separate detached page giving the author’s name and contact details and a short biography. No identification of the author should appear on the entry itself.

- The decision of the judging panel will be final and no correspondence will be entered into. The judging panel will retain the discretion not to award the Prize.

- A copy of each entry should be submitted by mail, typed, double-spaced and on A4 paper, and, a copy submitted electronically (in word format).

- Airfares, accommodation and entry to the IPSANZ Conference are non-transferable and not redeemable for cash. In the case of a winning entry from a country other than Australia or New Zealand a monetary contribution representing the cost of a return economy airfare from Melbourne or Sydney to the capital city in which the conference is to be held, will be made.

- Closing date for entries is Friday, 17 May 2019.

Entries should be sent to:
The Intellectual Property Society of Australia and New Zealand Inc.
GPO Box 2491
Melbourne Victoria 3001
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Telephone: (61 3) 9761 2833
Email: ipsanz@ipsanz.com.au
Current Developments – Australia

IP AUSTRALIA

Martin Friedgut and Roseanne Mannion
Spruson & Ferguson

Patents

Exposure Draft of the Intellectual Property Laws Amendment Bill (Productivity Commission Response Part 2 and Other Measures) Bill 2018

From 23 July to 31 August 2018, IP Australia sought public comment on the Exposure Draft of the Intellectual Property Laws Amendment Bill (Productivity Commission Response Part 2 and Other Measures) Bill 2018. The consultation is now closed. Extracts from IP Australia’s response to the public consultation are set out below.1

Schedule 1 – Responses to the Productivity Commission (“PC”)

Part 1 – Amending the inventive step requirements for Australian patents

The Government has decided to postpone changes to inventive step to ensure there is sufficient time to formulate and consult further on options to ensure legislative changes have the intended effect.

Part 2 – Introducing an objects clause into the Patents Act 1990 (Cth) (“Patents Act”)

The current text of the objects clause has been developed and refined over several years of consultation taking into account a wide range of views. IP Australia considers that the current text of the objects clause strikes an appropriate balance between the PC’s recommendations and the feedback from stakeholders, and that the clause should proceed as it is currently drafted.

Part 3 – Abolishing the innovation patent

IP Australia has considered the submissions relating to the transitional provisions. The phasing out of the innovation patent by preventing the filing of new applications after commencement of the legislation will protect existing rights, while ensuring that there will be no innovation patents on the register more than eight years after commencement. Noting the range of views presented, IP Australia considers that the provisions as drafted strike a good balance between all relevant interests without adversely affecting existing rights. IP Australia proposes to proceed with the amendments as currently drafted.

Schedules 2 and 3 – Amending the provisions for Crown use of patents and designs

IP Australia agrees that an express link between these provisions would provide greater clarity and certainty in their operation. IP Australia will seek amendments to the draft legislation to make it explicit that Crown exploitation under ss.163 and 163A is subject to the terms set out in s.165 of the Patents Act.

Schedule 4 – Amending the provisions for compulsory licensing of patents

Subsection 133(5)(b)(iv)

As currently drafted, proposed s.133(5)(b)(iv) requires the court to consider the public interest in the efficient exploitation of the invention in determining the remuneration paid to the patentee. One stakeholder submitted that this provision does not provide sufficient guidance to the court in relation to the nature of public interest that needs to be taken into account when determining the remuneration to be paid. Therefore s.133(5)(b)(iv) should be aligned with the conditions for the grant of a compulsory licence set out in proposed s.133(3)(e).

IP Australia agrees with this submission and will seek amendments to the legislation so that s.133(5)(b)(iv) refers to the public interest objective of ensuring that demand in Australia for the original invention can be met on reasonable terms.

Designs

Schedules 2 and 3 – Amending the provisions for Crown use of patents and designs

The same amendments will be made to the Designs Act 2003 (Cth) (“Designs Act”), to ensure that the Crown use provisions in the Designs Act are consistent with those in the Patents Act.

Trade Marks

A recent decision by the Trade Marks Office, Sumol+Colpal Marcas, S.A. v Sumo IP Holdings Pty Ltd,2 provides further guidance on when trade marks are substantially identical and defending a non-use action by relying on use of the registered trade mark with additions or alternations that do not substantially affect its identity.

Sumol+Colpal Marcas, S.A (“Sumol”) holds a registration for the mark for “coolers and fruit juices” in class 32. Sumo IP Holdings Pty Ltd (“Sumo IP”)
sought to remove the registration on the basis of non-use. Sumo IP argued that the evidence of use filed by Sumol showed use of SUMOL but not use of SUMOL PORTUGAL and as the registered mark was not used in the relevant non-use period, the registration should be removed for non-use. In opposing the removal application, Sumol relied on s.100 of the Trade Marks Act 1995 (Cth) which provides an opponent with an opportunity to rebut an allegation of non-use by establishing that the trade mark, or the trade mark with additions or alterations not substantially affecting its identity, was used in good faith by its registered owner in relation to the goods or services during the relevant non-use period.

Based on the evidence, the Delegate found that Sumol had used two versions of the SUMOL mark in Australia – the stylised version as on the beverage packaging and the word marks SUMOL PINEAPPLE, SUMOL ORANGE and SUMOL PASSIONFRUIT on invoices. In comparing these marks to the registered mark, the Delegate noted that there are noticeable differences between the marks as registered and the marks as used, however, these differences do not necessarily preclude the marks from being substantially identical.

With guidance from the Full Court of the Federal Court decisions Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd and Pham Global, the Delegate held that there is a total impression of resemblance between the registered mark and the marks as used such that they are substantially identical marks. The word SUMOL is the striking and distinctive element in each mark and is likely to be the element by which consumers will recognise and connect the goods offered under these marks with Sumol. The additional elements included in the marks as used and the descriptive nature of the word PORTUGAL in the registered mark does not substantially affect the identity of the marks on a side-by-side comparison.

As a result, Sumol successfully rebutted the allegation of non-use by establishing use of the registered mark, with additions or alterations that do not substantially affect its identity during the relevant non-use period. The registration is to remain on the Register.

CASES

Peter Heerey AM QC, Tom Cordiner QC & Alan Nash
Barristers

In this edition, mud thrown at a repeat patent litigator fails to stick, stiff opposition to a pharmaceutical patent fails to get up, a trade mark owner makes an honest mistake, and a trade mark applicant gets even with the delegate of the Registrar.

Australian Mud Company Pty Ltd v Coretell Pty Ltd (No 2) [2018] FCA 1109
[27 July 2018]

Abuse of process – consecutive actions for infringement of divisional innovation patents
Justice Besanko was asked to determine whether it was an abuse for the applicant patentee, Australian Mud Company, continually to divide out innovation patents and assert infringement of them, having been originally unsuccessful on innovation patents from the same parent. His Honour summarised the complaint as follows (at [81]):

The respondents made a general submission that the applicants had deployed a family of related patents strategically to embark on 10 years of patent litigation, in effect, litigating the same invention (extracted in four patents) in three separate sets of proceedings. They also submitted that the applicants’ ‘patenting and litigation strategy’ has allowed them to tailor their patent portfolio to overcome the non-infringement finding in the WA Proceeding and has resulted in a multiplicity of proceedings which have imposed a significant burden by providing ammunition for almost continuous litigation for the last 10 years. They also submitted that the timing of the filing of the Method Patent and the System Patent reflects a deliberate strategy to wait until a final decision was made on the Device Patent and appeals exhausted and then to reagitate infringement of the Coretell Orishot tool again through more recently filed patents.

His Honour considered that no abuse of process arose for a number of reasons. Of those, first, Besanko J observed that the filing of the first innovation patent (the Device Patent) and suing first on that patent was a course permitted by the Patents Act 1990 (Cth).

Secondly, the applicants were not obliged to wait until the standard parent patent application was granted (and, indeed, its grant was delayed by the opposition to it by the respondents).

Thirdly (at [94]), there “is no reason to think that the applicants did not have a bona fide belief that they would be able to enforce their intellectual property rights by relying on the Device Patent. As it happens, their belief was incorrect,
but that circumstance does not affect the bona fide nature of their belief.” Further, as a result of their failure on the Device Patent, there was (at [95]) “nothing oppressive or even unreasonable” in the applicants then applying for the Method Patent and the System Patent and asserting them when granted against the respondents. There was no evidence to suggest that the applicants had delayed in filing the System Patent and then pursuing it to grant.

For the respondents’ part, his Honour noted that in the other infringement proceedings relied upon by the respondents as founding abuse of process, the matters being raised in the current proceedings could have been raised, or were raised and then abandoned. Nor did the respondents seek to have those proceedings consolidated.

In any event, the only issue in the current proceedings is infringement by one of the respondents who was not a party to those other proceedings. In those circumstances, the applicants’ course of action was sensible.

**Honest Reveira v Registrar of Trade Marks [2018]**

FCA 1122

[7 August 2018]

Trade marks – application for judicial review of decision of the Registrar to extend time for filing notice of intention to oppose application for removal – “circumstances beyond control of the person”

Mr Jitrendakuma Naik and his wife Mrs Parul Naik owned a company called Honest the Snack Shack Pty Ltd, which operated a small Indian restaurant. Mr Naik, who also had other employment, managed all business matters. Mrs Naik, the sole director, worked in the restaurant, prepared the food, and looked after their two children.

Since 2013, the Naiks’ company had been the registered owner of two trade marks consisting of the words INDIAN HONEST – FOR DELICIOUS FOOD in a device comprising a yellow oval in a red triangle. On 27 August 2017, Honest Reveira filed an application for removal of the marks under s.92 of the Trade Marks Act 1995 (Cth).

After publication of the application for removal in the Official Journal, the period for filing a notice of intention to oppose ended on 7 November 2017. Two weeks later, on 22 November, the Naiks’ company filed an application for an extension of time for filing a notice of intention. The application sought an extension of time for one month, i.e. until 7 December 2017. Pending a decision of the Registrar, the company filed a notice of intention to oppose, together with grounds and particulars, on 4 December.

Following opposition by The Honest Reveira to the extension of time, the Naiks responded on 18 January 2018. They relied on a chronic back condition suffered by Mr Naik in his other employment and Mrs Naik having to run the business and look after the children. Medical certificates were supplied.

On 2 February 2018, a delegate of the Registrar of Trade Marks made a decision granting an extension of time of one month, to 7 December 2017. The delegate relied on reg 9.11(4)(b), which provides a ground for extension where there are “circumstances beyond the control of the person, other than an error or omission by the person, the person’s agent, the Registrar or an employee.”

Moshinsky J dismissed an application by The Honest Reveira for judicial review of the delegate’s decision.

His Honour held (at [57]) that health issues affecting a person were capable of constituting “circumstances beyond the person’s control” for the purposes of the regulation. The Honest Reveira had argued that the injury only affected Mr Naik and that did not prevent another officer, Mrs Naik, from attending to the filing of the notice. However, his Honour noted that the delegate had accepted that all of the company’s business matters were managed by Mr Naik. It was open to the delegate to approach the question of circumstances beyond the company’s control by reference to the situation of Mr Naik (at [60]).

**Apotex Pty Ltd v ICOS Corporation (No 3) [2018]**

FCA 1204

[14 August 2018]

Patents – invalidity, threatened infringement, relief

In this case, Besanko J rose to the occasion and found that Apotex that threatened to infringe two of ICOS’s patents, which he also found valid, concerning the manufacture and dosing of an erectile dysfunction (ED) drug, tadalafl.

In an earlier interlocutory dispute, ICOS got up on its application to amend the specification of the patent that concerned dosing (the 946 Patent) and to enlarge the claim set of the other patent that concerned the particle size of the drug (the 666 Patent). It appears that the amendment assisted ICOS at least in respect of defending a lack of utility and false suggestion attack against the 946 Patent. The addition of the claims to the 666 Patent appears to have been otiose, given all the previously existing claims of that patent were held valid and infringed.

As ever, the devil of this case was in the detail, with the reasons for judgment reaching 777 paragraphs and canvassing the evidence of numerous experts from various fields including clinicians, pharmacologists and formulators. Accordingly, we set out below some points that may be of interest.

Infringement effectively was conceded. Accordingly, the gravamen of the dispute concerned validity, which raised the usual phalanx of grounds including priority date, inventive step, novelty, utility and false suggestion.
In the 946 Patent, ICOS asserted that it had discovered that tadalafil, a known ED drug but not part of the common general knowledge, could be administered in a unit dose which was effective and without all the side effects associated with Viagra (sildenafil). Apotex contended that the 946 Patent simply involved the selection of lower dosages of tadalafil which would have been determined by the notional skilled team, in light of knowledge about Viagra, following a conventional Phase II dose ranging study, informed by the usual in vitro preclinical and Phase I work.

On the question of the correct test for inventive step, ICOS submitted that the reformulated Cripps question was appropriate, namely whether the skilled addressee would be led as a matter of routine to the desired result with a reasonable expectation of achieving that result. ICOS submitted that the steps from the prior art document in issue (Duggan) were not routine and, in any event, Apotex had not proven that the skilled addressee would have the relevant expectation of success. His Honour ultimately accepted that argument.

In answer, Apotex contended that references to reformulated Cripps question for inventive step “does not exclude the possibility that routine experiments – whose results can test a hypothesis and advance a process of drug development, but cannot be expected with any certainty – come within the statutory question posed by s7(2).” That is, it submitted that the reformulated Cripps question was not the sole or exclusive test for obviousness, and that the test formulated by Aickin J in Wellcome Foundation v VR Laboratories (Aust) Pty Ltd [1981] HCA 12; (1981) 148 CLR 262 was equally available, namely “whether the hypothetical addressee faced with the same problem would have taken as a matter of routine whatever steps might have led from the prior art to the invention, whether they be the steps of the inventor or not.”

Justice Besanko identified Apotex’s argument as (at [346]) “the proposition that, providing one could characterise a particular trial, test or experiment as routine or conventional, then it satisfied the ‘requirement’ that it be carried out with an expectation of success.” His Honour did not accept that approach, observing (at [347]) that the “step must be one that the development team is directly led to and would carry out as a matter of course. It is at least implicit that that step or series of steps be carried out with an expectation of success.” His Honour ultimately accepted that the team would, as a matter of course, be directly led to try tadalafil with the required expectation of success, he was not satisfied that the team would, as a matter of course, be directly led to the claimed doses with an expectation of success. This was because (at [432]) “the nature of the condition, the nature of measurement tools available and the limits on the information available lead me to conclude that a dose ranging study at the claimed doses would not be undertaken as a matter of course and, even if a decision was made to carry out a study at the claimed doses, it would not be a decision made with the required expectation of success.”

As for the 666 Patent, his Honour likewise concluded that the development team would not be directly led, as a matter of course, to try micronisation with the required expectation of success.

On the question of the law pertaining to whether a broad disclosure is an anticipation, his Honour observed that, even though the alleged anticipation encompassed the device specifically claimed, where it was at least as likely the teaching in the anticipation would be carried out in a way that did not infringe the claims in the patent, there was no anticipation. His Honour there referred to the proposition in General Tire that there is no anticipation where the prior art “would be at least as likely to be carried out in a way which would not” infringe.

As with most novelty cases, the primary issue was one of construction, namely whether the claims were to a “monotherapy” or, because of the use of the word “comprising” encompassed a “combination therapy” as disclosed in the prior art. His Honour concluded that the claimed therapy was a monotherapy so that there was no anticipation. Among other problems with the novelty case, Besanko J observed that the broad disclosure of unit dosages and a daily dose did not anticipate the specific maximum daily doses of tadalafil claimed.

Apotex Pty Ltd v ICOS Corporation (No 4) [2018] FCA 1204
[24 August 2018]
Patents – penal notices and injunction against guarantees of supply for Pharmaceutical Benefits Scheme (“PBS”) listing
Justice Besanko held that it was appropriate, where an injunction was being granted to restrain Apotex from exploiting its erectile dysfunction product, to append the orders with a penal notice.

On a less salacious note, Besanko J considered whether Apotex should be restrained from making or maintaining any commitment or guarantee in connection with any application to list any tadalafil product on the Schedule of Pharmaceutical Benefits, wherein the commitment or
guarantee is to supply the product during the term of the patent in question. As part of making application to list a product on the Schedule of Pharmaceutical Benefits, it is necessary for the sponsor to provide the relevant Minister with a guarantee that it will be able to supply the product to the market.

Apotex contended that the prohibition should not be made because the making or maintaining of such a commitment or guarantee is not an infringement of a patent, in light of the Full Court's decision in Warner Lambert Company LLC v Apotex Pty Ltd [2017] FCAFC 58; (2017) 249 FCR 17 at [18]-[19]. There, the Full Court held (at [18]) that:

… assurance to the Minister that sufficient stock of the product to meet demand will be available to allow for delivery to PBS dispensers (eg pharmacies, hospitals or other dispensers) in time for the PBS listing day is not an offer to the Minister to supply those third parties during the guaranteed period. It is an assurance that the responsible person will be able to supply those third parties during the guaranteed period if requested to do so. The guaranteed supply provisions do not operate on the making of an application. As is apparent from the definition of "guaranteed period" in s 99AEB, which cross-refers to s 99AEC(3) and 99AED(3), it is the coming into force of a determination which starts the guaranteed period. It is during that period that the responsible person guarantees supply under s 99AEB. Until that time, however, there is merely the application accompanied by the required assurance.

Characterising the application as involving a statutory bargain, as the appellants urge, does not advance the matter. If there be a bargain, it is an assurance by the applicant for listing that the applicant will have sufficient stock to meet demand on the listing day (the coming into force of the determination) in exchange for a listing which will enable the product to be part of the PBS. An assurance of this kind is not an offer to the Minister to sell or otherwise dispose of the products to wholesalers and pharmacists. It is nothing more than what it purports to be, an assurance that stock will be available to meet demand. To adopt the appellants' approach of arguing by way of analogy, party A does not offer to supply to party B merely by assuring party C that, when the relevant time comes, party A will be able to supply party B.

ICOS contended that its proposed prohibition was different to the scenario before the Full Court because of the rider "wherein the commitment or guarantee is to supply the product during the term of the patent in question". ICOS submitted that in Warner Lambert the supply was after the term of the patent had expired. ICOS further submitted that making such a guarantee would be a threat of infringement and the order was appropriate as ancillary to the other orders.

Justice Besanko considered (at [6]) that making such a guarantee “could be a threatened infringement” or would be a proper ancillary order but was not satisfied that it was appropriate to make such an order, because Apotex advised that it had not applied for PBS listing and could not fathom why it would do so given it was restrained from selling the drug. His Honour did not explain why he, potentially, agreed with ICOS.

Red Energy Pty Ltd v Registrar of Trade Marks [2018] FCA 1449
[21 September 2018]

Trade marks – appeal from decision of the Registrar to reject application on ground of lack of distinctiveness

Red Energy Pty Ltd, an energy retailer in the National Electricity Market, applied for registration of the trade mark EVENPAY. The delegate of the Registrar rejected the application on the s.41(3) ground that it is "not to any extent inherently adapted to distinguish". Red Energy appealed.

The Registrar did not contest the appeal and, as Beach J noted (at [2]), there is no presumption in favour of the correctness of the Registrar's decision; the application must be accepted unless the Court is satisfied that it has not been made in accordance with the Trade Marks Act 1995 (Cth): Registrar of Trade Marks v Woolworths (1999) 93 FCR 365 at [33] per French J. So perhaps this was not the most troubling matter to come across his Honour's desk.

His Honour accepted the submissions of counsel for Red Energy, Mr Craig Smith, that:

• the word does not appear to directly describe or indicate the kind of goods and services covered by the application;
• the word is formed from a combination of two words in a syntactically unusual way; and
• the word appears to be evocative rather than descriptive.

His Honour made some further observations, including:

• EVENPAY appears to be an invented word;
• it does not have a meaning in the context of the particular services that a consumer would immediately perceive;
• EVEN has multiple meanings, adding to the "ambiguity and richness of meaning from a consumer standpoint" – divisible by two, level, smooth or balanced or used as an adverb, giving emphasis to an action;
• the lack of any ordinary signification is reinforced by the removal of the space between EVEN and PAY; and
And in other news:

Justice Beach has used a discovery fight in a pharmaceutical patent revocation and infringement case as an opportunity to remind litigants that an order for discovery is “not a right but a privilege”, that “intellectual property litigation has no favoured status over other commercial litigation when dealing with discovery, notwithstanding its additional forensic complexity and more numerous legal issues”, and that “the Peruvian Guano paradigm has no relevance to contemporary case management theory and practice”. His Honour refused two particular categories of discovery (one relating to United States of America (“US”) proceedings involving different, albeit related parties and a patent with inventors in common with the patent in suit, and the other to certain clinical trials) sought by the applicant for revocation on the basis that they covered material that was not directly relevant to the issues in the cases. Depending on the evidence filed in the proceeding, his Honour might be minded to allow “targeted” notices to produce or subpoenas. In the meantime, the applicant could always ask the US parties for copies of the documents it sought: *Aptex Pty Ltd v Cipla Limited (No 2) [2018] FCA 1393*.

After five years of unsuccessfully trying to persuade the operators of the “Hairy Little Sista” and “Hairy Canary” bar/restaurants to *Be My Baby* and obtain a licence, Phonographic Performance Company of Australia Limited (“PPCA”) has obtained declarations and injunctions restraining them from playing certain songs, whether on Saturday Night or otherwise. Judge Baird was *Hooked On A Feeling* that the respondents had decided to *Blow off* the case, considering their failure to communicate with PPCA or the Court, or to file any documents. Her Honour adopted a licence fee approach to assessing damages for copyright infringement of AUS$35,529.87, and also considered an award of additional damages to be appropriate, in the amount of AUS$150,000. This reflected six years of unauthorised use by the respondents, and the need for deterrence; an award to be appropriate, in the amount of AU$150,000.

Michelle Cooper and Dr Karl Dittko
Davies Collison Cave, Sydney

**Trident Seafoods Corporation v Trident Foods Pty Limited [2018] FCA 1490**

In this matter, Justice Gleeson of the Federal Court considered two appeals from decisions of the delegate of the Registrar of Trade Marks. The first was an appeal from unsuccessful applications for removal of two trade mark registrations for non-use where non-use had been found, but the Registrar’s discretion to allow the registrations to remain on the Register was applied. The second was an appeal from an unsuccessful opposition in relation to a fresh trade mark application made following the filing of the non-use applications.

The case considered use of a trade mark by a parent company where registration rights are recorded in a wholly owned subsidiary. The implications of this manner of use, including considerations for non-use, prior continuous use, and intention to use were examined, as well as the appropriateness of applying the Registrar’s discretion in such circumstances to non-use actions and acceptances of applications. The scope of claims for “fish” in class 29 was also considered.

**Background facts**

The appellant, Trident Seafoods, is a United States corporation that has used TRIDENT SEAFOODS branding on fresh, tinned and frozen seafood products overseas since 1973. It wished to provide its product in Australia under the same branding, but an application to register its trade mark was obstructed by prior registrations in the name of the respondent, Trident Foods, for the trade mark TRIDENT.

Trident Foods’ registrations dated from 1973 and 1983 and specified “Fish and fish products” and “Meat, fish, poultry and game, including sardines, mackerel, pilchards, crab, oysters, mussels, and prawns; meat extracts, preserved, dried and cooked fruits and vegetables, jellies, jams, eggs, preservatives and pickles” respectively in class 29.

The TRIDENT trade mark has been used on a variety of products, and is closely connected with goods that have Asian flavours and ingredients. The best selling product in this range is sweet chilli sauce. In about 2000, Trident Foods was acquired by Manassen Foods Australia Pty Ltd. Trident Foods is a wholly owned subsidiary of Manassen. Since shortly after the acquisition, sales of TRIDENT branded products were undertaken by Manassen, although Trident Foods remained the recorded owner of the trade mark registrations.

Trident Seafoods applied to have Trident Foods’ registrations removed for non-use, and Trident Foods opposed these applications. Trident Foods subsequently filed an application for a further trade mark for TRIDENT specifying “Coconut oil; Cooked means consisting principally of fish; Edible oils; Fish products; Fish paste; Fish (not live); Food products...”
made of fish; Food made from fish; Pastes containing fish; Tinned fish” in class 29 and “Fish sauce (condiments); Flavourings made from fish” in class 30”. This application was opposed by Trident Seafoods.

Prior decisions

In the non-use action, the delegate of the Registrar was unable to determine that the trade marks had been used for the relevant goods during the relevant non-use period, but applied the Registrar’s discretion pursuant to the Trade Marks Act 1995 (Cth) (the “Act”) s.101(3) to allow the registrations to remain on the Register.

In the opposition, the delegate of the Registrar found that the Trident Seafood application was a prior filing to which the applied for trade mark was deceptively similar and which specified the same goods or goods of the same description, but applied the Registrar’s discretion to allow acceptance of the applicant pursuant to s.44(3)(b) of the Act, “that, because of other circumstances, it is proper to do so”. A lack of intention to use the trade mark was not made out.

Non-use action

Scope of specified goods

The Court first looked at the use to which the TRIDENT trade mark had been put in light of the goods specified in the registrations. Reference to the ordinary meaning of “fish” was made and following a review including dictionary definitions, the Court considered that it encompasses “any animal living exclusively in water”. The specification for “fish and fish products” was held to extend to “seafoods, including mussels and oysters (molluscs) and prawns and crabs (crustaceans) and also foods prepared from seafoods”.

The Court held that the scope of “fish” did not, however, extend to all products containing seafood as an ingredient:

… the application of a trade mark to a particular food product is a use of the trade mark in relation to those goods only, and generally not to the ingredients from which the goods are made.

Factors for consideration are:

a) whether the product is identified by its name as a fish product; and
b) the extent to which the product is comprised of fish.

The greater the fish content in a product, the more likely it will be to answer the description “fish product”. A soup product labelled as “Tom Yum Goong Flavour Thai Noodle Soup” with an ingredient list that included an oil sachet containing fish sauce and dried shrimp did not have sufficient fish content to be considered a “fish product”.

Use of trade mark under control of registered owner

The Court then looked at the use to which the TRIDENT trade mark had been put by the registered owner, Trident Foods, in light of the fact that its parent company, Manassen, had undertaken the sales of TRIDENT branded products since around 2000. The Court held that the use was not authorised use within the meaning of s.8 of the Act as Trident Foods did not control the use made by Manassen. Accordingly, no requisite use had been made of the trade mark during the relevant non-use period.

In matters concerning questions of authorised use, two factors have been considered: connection and control. In the case of a wholly owned subsidiary trade mark owner and a parent company user, connection should not be in issue. In this particular case, Trident Foods and Manassen shared common directors, a common registered address, and a common principal place of business.

However, notwithstanding commercial realities that many organisations structure their affairs such that trade marks are held by a separate entity, including wholly owned subsidiaries, without also being able to show actual control by the subsidiary trade mark owner over a parent user, no authorised use will be found.

The Court also confirmed that control is not evidenced by notices of ownership of the trade mark. Trident Foods sought to formalise a claimed unwritten licence agreement to address concerns regarding control. Without evidence of examples of actual control being exercised during the relevant non-use period, the existence of an unwritten licence agreement in relation to the relevant non-use period was held not to have been established.

It was held that the corporate relationship between Trident Foods and Manassen does not place Trident Foods in a relationship of control over Manassen; rather, the converse is the case.

Registrar’s discretion not to remove registration for non-use

Trident Foods bore the onus of satisfying the Court that the discretion should be exercised, but it was not necessary for it to show that exceptional circumstances existed. The Court stated that in applying the discretion, the Registrar should have reference to both the interests of the consumer, and the interests of the registered owner.

The Court took into account use made of the TRIDENT trade mark before, during, and after the relevant non-use period. There was no evidence of use of the trade mark TRIDENT by Trident Foods (as opposed to Manassen) in respect of any goods during or after the relevant non-use period. Nevertheless, for the following reasons, the Court found that it was appropriate to apply the Registrar’s discretion not to remove the mark from the Register.
1. There had been recent use of the trade mark on fish products, namely tinned tuna products. The Court took the view that this use, although a reaction to the non-use applications, was use in good faith as the sales were not unprofitable.

2. Trident Foods has developed an intention to use the mark on tinned mackerel products as well.

3. Weight was given to the intention for Manassen to use the trade mark TRIDENT as an authorised user. A licence agreement to formalise their relationship with a view to ensuring that Manassen uses the trade mark under the control of Trident Foods was now in place.

4. There had been long-standing use of the trade mark TRIDENT by Manassen with the knowledge and acquiescence of Trident Foods, and in circumstances where they are members of the same group of companies. The public are likely to identify products using the TRIDENT trade mark as emanating from a single source.

5. In light of the longstanding and significant use of the TRIDENT trade mark on a wide range of food products, there was a prospect of confusion in the minds of consumers if the TRIDENT SEAFOODS branding was used in the Australian marketplace. Accordingly, the appeal in relation to the non-use applications was dismissed.

**Opposition**

Questions as to use of and intention to use a trade mark, as well as the exercise of the Registrar's discretion to accept an application for registration, are confined to the circumstances that prevailed as at the priority date of an application. The Court's findings in relation to each of the asserted grounds of opposition are summarised below.

**Honest concurrent use**

No operation of the provision for acceptance on the basis of honest concurrent use was found because of the absence of use of the TRIDENT SEAFOODS branding in Australia.

**Prior continuous use**

No operation of the provision for acceptance on the basis of prior continuous was found because of:

(a) a substantial gap in sales of goods under the TRIDENT trade mark prior to the filing of the Trident Seafoods application; and

(b) the use that was made was not under the control of the registered owner, Trident Foods, but instead its parent user, Manassen.

**Other circumstances**

The Registrar's discretion under s.44(3)(b) of the Act to accept an application because of "other circumstances" was not applied because in the absence of a licence agreement, Trident Foods was not using the TRIDENT trade mark at the priority date and had not authorised any such use. Rather, the mark was being used by Manassen, albeit with the acquiescence of Trident Foods. The Court considered it a precondition for the exercise of the Registrar's discretion that there be use or intended use of the trade mark, or authorisation or intended authorisation of such use, by the applicant as at the priority date.

**Intention to use**

Similarly, although it was not strictly necessary for the Court to decide this ground, as the accepted evidence was that the use of the trade mark TRIDENT as at the priority date was by Manassen rather than Trident Foods, it was concluded that Trident Foods did not intend, as at the priority date, to use, or authorise the use of, the trade mark. Trident Seafoods would have been successful in its opposition on the ground of non-intention to use.

Accordingly, the appeal in relation to the opposition was allowed.

**Outcome**

For the reasons set out above, the Court held there was no authorised use of the trade mark TRIDENT during the relevant non-use period because the registered owner was a wholly owned subsidiary who acquiesced to, rather than controlled, the use of the trade mark by its parent company. The registrations are, however, to remain on the Register by exercise of the Registrar's discretion set out in s.101(3) of the Act.

Similarly, the Court held there was no prior continuous use or intention to use the trade mark TRIDENT by the applicant as at the priority date of the application because the use made was not by, or authorised by, the applicant and instead was use by its parent company. The Court clarified that the Registrar's discretion set out in s.44(3)(b) of the Act is not to be exercised to allow acceptance of an application where the applicant has not, at the time of the application, used or intended to use, or authorised or intended to authorise, use of the applied for trade mark.

Trident Seafoods has sought leave to appeal the decision.

**Dinlcel Constructions Systems Pty Ltd v AFS Systems Pty Ltd [2018] FCAFC 157**

The full bench of the Federal Court (Kenny, Besanko and McKerracher JJ) has dismissed an appeal by Dincel Constructions Systems Pty Ltd ("Dincel") against judgments in a patent dispute. In an earlier judgment, the primary judge dismissed Dincel's claim for infringement of its patent and also dismissed a cross-claim for invalidity by AFS Systems Pty Ltd ("AFS").
The primary judgement includes a liability judgment (Dincel Constructions Systems Pty Limited v AFS Systems Pty Ltd (No 2) [2017] FCA 791) and a costs judgment (Dincel Construction System Pty Limited v AFS Systems Pty Ltd (No 3) [2017] FCA 919). Dincel are appealing the finding in the liability judgement that there was no infringement, with the costs appeal to be determined by the outcome.

The primary decision
The patent at issue is Australian patent no. 2002328693 entitled “Hollow interconnecting panels as lost formwork”. The description of the patent is not on appeal. The specification describes hollow building elements that are designed to be snapped together to form a larger structure into which concrete is then poured to form a wall. The method by which the elements are snapped together is the primary issue.

The primary judge identified the “snap engagement process” as the key to the invention. Each element has flanges on one end and grooves on the other. As the elements are pushed together, the flanges and grooves move relative to one another. The elements have “ramp surfaces” to engage the flanges and which move the flanges to achieve the snap engagement of the flanges within grooves.

The term “ramp surface”, as used in claim 1, was considered to have a functional meaning and was not a technical term or a term requiring a defined technical meaning. The dispute was confined to the issue of the construction given to the “ramp surface”, as it was conceded that the AFS product had all other features of claim 1.

The primary judge found that the combination of features defined in claim 1, as it would be understood by a person skilled in the art from a reading of the specification as a whole, describe a sloping surface configured to assist the movement of the flange as it travels to the point at which snap engagement occurs. The term “mechanical advantage” was not in the body of the specification or the claims, but it was found that these words describe the operation of the “ramp surface” in the combination of features of claim 1, where the ramp surface reduces the amount of force required to achieve the desired result.

The appeal
The grounds of appeal challenged fact finding as well issues of law. AFS submitted that Dincel must demonstrate that the facts as found are wrong by “incontrovertible facts or uncontested testimony”, or they are “glaringly improbable” or “contrary to compelling inferences”, according to Robinson Helicopter Company Incorporated v McDermott (2016) 90 ALJR 67 (“Robinson Helicopter”). Australian Investments and Securities Commission v Geary [2018] VSCA 103 (“Geary”) was also considered, as it dealt with the discussion which had followed in a number of cases after Robinson Helicopter. The present decision agrees with the findings regarding Robinson Helicopter as found in Geary. It is also noted that Robinson Helicopter should not be considered to overrule or depart from Warren v Coombes (1979) 142 CLR 531 or Fox v Percy (2003) 214 CLR 118, as found in the recent Full Court decision in Aldi Foods Pty Ltd v Moroccanoil Israel Ltd [2018] FCAFC 93.

At [51], the Court found that the primary judge had the advantage of seeing and hearing the expert witnesses and made findings which are regarded as reasonable. There is considered to be insufficient basis to change the primary judge's conclusion on this matter, and the primary judge therefore reached the right decision on the facts and inferences to be drawn from them. Preferences as to the expert witnesses should not be changed, but a different conclusion could be reached if the construction of the patent is at issue. That is, Robinson Helicopter and the other cases discussed do not prevent the present case from reviewing the primary judge's construction of the specification.

The precise question is whether the primary judge made an error by importing an additional requirement of mechanical advantage into the claims. Alternatively, “mechanical advantage” is simply a term that describes the work performed by the ramp surfaces through the combination defined in claim 1. The primary judge was well aware that neither the body of the specification nor the claims referred to “mechanical advantage”, as was explicitly stated in the primary judgement. The approach taken to the claim construction draws on the principles of purposive patent construction and “ramp” is required to be given a purposive functional meaning. Applying that functional or practical meaning in context has not added any gloss to the words of the claim. As such, it was found that no error was demonstrated on the part of the primary judge and the appeals were dismissed.


The Federal Court has dismissed an interlocutory application brought by the second respondent, Apotex Pty Ltd (“Apotex”), challenging claims for legal professional privilege and patent attorney privilege made by the applicant, Neurim Pharmaceuticals (1991) Ltd (“Neurim”).

Background
The application arose in a proceeding for infringement of Australian patent no. 2002326114 (“the patent”) relating to the manufacture and use of medicaments to treat a patient suffering from insomnia. Neurim filed an interlocutory application seeking an order under s.105(1) of the Patents Act 1990 (Cth) to amend the claims of the patent as well as corresponding amendments to the description.

The amendments were broadly similar to amendments made earlier in corresponding applications in Europe and
the United States. Accordingly, Apotex contended that there was unreasonable delay in making the amendments to the patent, alleging that the patentee would have known at the time those amendments were accepted that corresponding amendments to the patent were required.

**Reasoning**

It was common ground between the parties that the issue of whether the documents in issue were privileged is governed by the common law. This was despite the documents being produced prior to the *Intellectual Property Laws Amendment (Raising the Bar) Act 2012* (Cth) which specifically extended privilege to foreign practitioners.

In considering whether any claims to privilege had been waived, Nicholas J noted that it must be shown that the documents in issue were likely to have affected Neurim’s state of mind in some relevant way. But that even then, there must also be an inconsistency in Neurim putting its state of mind in issue while withholding the documents, thereby causing unfairness.

Nicholas J noted that the patent had already been granted when any relevant communications would have taken place. Additionally, there was no evidence to suggest that the claims needed to be amended as proposed in order to overcome any objection raised by the Commissioner. Finally, it was noted that it is well known that at all relevant times the patent laws in Europe and the United States are materially different from those in Australia. So, even if Neurim had received legal advice that it was necessary to amend the claims of the relevant applications to have them accepted by the European Patent Office or the United States Patent and Trademark Office, such advice would be peripheral to whether Neurim should have taken steps to amend the granted Australian patent.

**Dr Dimitrios Eliades**

Barrister

*Maggie Sottero Designs LLC v Loner* [2018] FCA 1151

[3 August 2018]

Application for default judgment – whether final injunction should be granted – whether indemnity costs should be awarded

**Background**

The reasons of Justice Nicholas in this matter relate to an interlocutory application for injunctive relief. The applicant further raised the question of whether his Honour was disposed to award costs in favour of the applicant on a basis other than on a party-party basis, specifically on a solicitor-client or indemnity basis.

The applicant, Maggie S, applied under rr. 5.23(2)(c) and (d) of the *Federal Court Rules 2011* (Cth) (“FCR”) for default judgment. Maggie S design, manufacture and sell bridal gowns under names, which relevantly include “Maggie Sottero”, “Sottero & Midgley” and “Rebecca Ingram”. The respondent, Loner, operated a business manufacturing, promoting and selling bridal gowns from the website address www.maggiesotterodress.com (“the website”): [1].

Maggie S identified Loner as the operator of the website by:

• prior to commencing this proceeding, filing an application to the Court for preliminary discovery of documents held by PayPal Australia Pty Ltd (“PayPal”);

• ascertaining from the PayPal documents:
  • Loner’s identity as the account holder of an account used by Loner in connection with the business he conducted through the website; and
  • Loner’s name, his street address in the United States of America and his email address.

Leave was sought and obtained to serve the originating application and statement of claim outside the jurisdiction, which included claims for:

• trade mark infringement of the trade marks MAGGIE SOTTERO or SOTTERO & MIDGLEY and any other trade mark that was substantially identical with, or deceptively similar to, either of Australian trade mark registration numbers 933317 or 1109342 (“the Trade Marks”);

• copyright infringement in respect of photographs identified in an annexure to the statement of claim;

• contraventions of Schedule 2 of the *Competition and Consumer Act 2010* (Cth); and

• passing off.

Prayers for interlocutory injunctive relief were also included in the originating application.

Loner failed to file a defence, file an address for service or attend any hearings in the proceeding: [4].

**Decision**

With respect to the copyright works, his Honour granted injunctive relief restraining Loner from:

(a) reproducing in a material form in Australia;

(b) communicating to the public in Australia; or

(c) authorising the doing of (a) or (b) above,

of the whole or a substantial part of each of the Maggie Sottero Photographs (as set out in Annexure B of the Statement of Claim) without the licence of Maggie S.

Similarly, with respect to the trade mark infringement, his Honour made orders restraining use in Australia of any trade mark that contained the words MAGGIE SOTTERO or SOTTERO & MIDGLEY and any other trade mark that
was substantially identical with, or deceptively similar to, either of the Trade Marks in respect of:

(a) Bridal gowns or any of the goods for which the Trade Marks were registered ("the Goods");

(b) goods of the same description as the Goods; or

(c) services that are closely related to the Goods.

Orders were also made:

• restraining use of the website and taking all steps to transfer the domain name maggiesotterodress.com to the Maggie S;

• restraining the making in trade or commerce of false representations that:

• Loner, or any business conducted by the respondent, is conducted by Maggie S;

• Loner, or any business conducted by the respondent, is licensed, sponsored or approved by, or otherwise affiliated with Maggie S; or

• the bridal gowns promoted, offered for sale or sold by Loner are made by or with the licence or approval of Maggie S.

In relation to costs, his Honour declined to make the order for costs on an indemnity basis and ordered costs of Maggie S to be paid by Loner as agreed or failing agreement, as taxed.

Reasons
Nicholas J at [7] considered that once a respondent was in default, an applicant was not required to prove the claim by evidence. Maggie S was only required to establish that on the face of the statement of claim there was a claim for the relief sought and that the claim fell within the jurisdiction of the Court: referring to Yeo v Damos Earthmoving Pty Ltd, in the matter of Beachwood Developments Pty Ltd (in liq) [2011] FCA 1129 at [9].

His Honour had found that service was effected in accordance with the orders of the Court and that Loner had not taken any step in the proceeding, including filing an address for service as required by r. 5.02 of the FCR and filing a defence as required by r. 16.32 of the FCR.

As a defence had not been filed, the allegations of trade mark and copyright infringement, contravention of consumer protection laws and the liability for the tort of passing off were admitted: r. 16.07 FCR Speedo Holdings B.V. v Evans (No 2) [2011] FCA 1227 at [23]; Australian Competition and Consumer Commission v Dataline.net.au Pty Ltd [2007] FCAFC 146 at [42].

In relation to a claim for pecuniary relief, Nicholas J made orders requiring Maggie S to notify his Honour's Associate by a particular date, whether it pressed the pecuniary claims and if so, an order was made for evidence in support of such a claim to be filed and for a case management hearing to be listed.

As to costs, his Honour noted that the principles applicable to an award of indemnity costs were well established: examples being Re Wilcox; Exparte Venture Industries Pty Ltd (No 2) (1996) 72 FCR 151 per Cooper and Merkell JJ at 156-157 and Colgate-Palmolive Company v Cassons Pty Ltd (1993) 46 FCA 536 (“Colgate”) at [24]. The principles may be summarised as follows:

• the ordinary rule is for costs on a party-party basis where the Court orders the costs of one party to be paid by another party;

• this practice settled for centuries in England, was entrenched in Australia;

• by reason of the settled practice, the Court ought not usually make an order for payment of costs on another basis;

• there should be some special or unusual feature in the case to justify the Court departing from the usual procedure;

• accordingly, factors in the case are considered which could be capable of justifying departure from the ordinary principle;

• examples were given such as:

• evidence of particular misconduct causing a waste of time;

• the institution or continuation of proceedings based on an ulterior motive;

• wilful disregard of known facts or existing law; and

• an imprudent refusal of an offer to compromise.

The question must always be whether the particular facts and circumstances of the case in question warranted the making of an order for payment of costs other than on a party-party basis: Colgate [24(5)].

His Honour considered that Loner's failure to defend the proceeding or enter a defence was not a special or unusual feature that would warrant a departure from the general rule that costs be payable on the ordinary basis: [18].


3 Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd [2017] FCAFC 56.

4 Pham Global Pty Ltd v Insight Clinical Imaging Pty Ltd [2017] FCAFC 83.

5 Where any of us was involved in a case reported and the matter is still running, or potentially so, the other correspondents have taken the role of reporting that case.
Current Developments – New Zealand

Andrew Brown QC
Auckland
Correspondent for New Zealand

Case Law Developments

Sky Network Television Limited v My Box NZ Limited & Anor
High Court of New Zealand, Smith A J
5 March – 25 October 2018
[2018] NZHC 2768

Importation and sale of set-top boxes (My Box) in New Zealand – defendant vendor (and its founder) representing to purchasers that My Box is lawful and that users should expect to receive access to content broadcast on Sky’s pay TV channels but would avoid Sky’s subscription charges. Claims as to breaches of the Fair Trading Act – summary judgment and injunction sought – defendants complaining that no proper pleading of underlying copyright claim nor showing of standing under the Copyright Act – whether summary judgment could be obtained under Fair Trading Act – strike-out application – damages and other relief

Facts:
The plaintiff (Sky) is the largest pay-television broadcaster in New Zealand. It provided programme content sourced from New Zealand and overseas through a digital satellite network and an internet-based subscription video-on-demand platform known as NEON. It also offered a service called FAN PASS, being an online, predominantly live sport content streaming service. Some of its content was via exclusive licences.

The first defendant (My Box) imported and sold in New Zealand digital media hub units under the trade mark MY BOX. The second defendant, Mr Reddy, was its founder.

Sky alleged that the My Box service comprised a set top box pre-loaded with software (Kodi) which was capable of searching the internet and locating video streams corresponding to users’ menu selections or search queries. The video streams were then reproduced on a television or computer screen linked to the My Box set top box. This enabled users of My Box to select and stream content over the internet without the authority of Sky (or other copyright holders).

The defendants claimed that the My Box units were imported from China and that the defendants had not created any add-ons or plays, nor had they created the installed Kodi software. The defendants themselves did not host any of the content on the My Box units, nor did they have any control over any of the content streamed or viewed.

Pleadings:
Sky complained that the defendants had been acting in breach of ss.9, 10, 11, 13 of the Fair Trading Act 1986 (“FTA”) in representing to New Zealand consumers that the use of the My Box service was lawful. Sky contended that the defendants’ representations to users were misleading or deceptive because it was not lawful for users of the My Box service to use it to stream copyright works without the consent of the copyright owner.

As an example of a breach of Sky’s exclusive rights, Sky relied on a broadcast of the New Zealand versus South Africa test match (the “Cricket Match”) played on 22 February 2017 in Christchurch. Sky claimed an exclusive right to communicate television coverage of this game to the New Zealand public live via the internet.

Sky alleged that the defendants had enabled users of My Box units in New Zealand to receive coverage of the Cricket Match as broadcast in the United Kingdom (“UK”) by an offshore producer (the UK channel Sky Sports 2). Sky contended that in doing so, the defendants were guilty of copyright infringement [22] in:

(a) communicating the whole or a substantial part of the copyright works to the public in New Zealand in breach of ss.16(f), 29, 33 of the Copyright Act 1994 (the “Copyright Act”); and/or

(b) copying or causing to be copied the whole or a substantial part of the copyright works, in breach of ss.16(a), 29, 30 of the Copyright Act; and

(c) authorising another person to do a restricted act in breach of ss.16(1)(i), 16(1)(a), 29, 30 of the Copyright Act.

Sky also relied [23] on a series of representations by the defendants through the My Box website, through its Facebook page, its Twitter account, a My Box YouTube page and promotional emails and statements to the media and public that My Box was lawful and that users should expect to receive access to content that was broadcast on Sky’s channel but would avoid Sky’s subscription charges.

Sky stated that the defendants’ misrepresentations were intended to enable and has enabled users of the My Box service to avoid paying subscription charges for relevant content including Sky’s copyright works – causing loss or damage to Sky. Sky claimed that 95 percent of My Box customers were ex-Sky subscribers and that, as at 29 June 2017, the defendants had claimed to sell 10,000 My Box units. On this basis, Sky calculated that each My Box user
had thus avoided paying a minimum of NZ$80 per month by way of subscription charges to Sky, and that Sky had therefore suffered damage of at least NZ$1,444,000 as at 14 July 2017 and ongoing loss thereafter of at least NZ$570,000 per month [25].

Sky therefore sought a declaration that the defendants’ representations were misleading or deceptive. It also sought an injunction under s.41 of the FTA restraining the defendants from offering, promoting or supplying the My Box service, My Box units or any equivalent of such service and/or pre-loaded media boxes. Sky sought a further injunction restraining the defendants from representing in any way, directly or indirectly, that the My Box service, the My Box units or any equivalent service or pre-loaded media box was lawful and/or that use of such did not breach the Copyright Act or any other relevant legal obligations [26].

Sky also sought damages, an enquiry into further damages, interest and costs [27].

The defendants’ strike out

The defendants contended that Sky’s cause of action was untenable and that for it to succeed there would first have to be a finding of copyright infringement under the Copyright Act. However, Sky had not pleaded infringement of copyright as a first and separate cause of action against the defendants [32]. The defendants therefore sought a strike out.

Sky itself emphasised that its claim was not for copyright infringement per se but for misleading or deceptive misrepresentations (or representations likely to mislead or deceive) under the FTA. The success of its claim would depend on whether or not the Court was satisfied that the representations by the defendants that it was lawful to use the My Box service to access and view copyright works (whether in the past or in the future) was likely to mislead or deceive [61].

Sky further submitted that there was no reason why a representation directed to a matter of law could not qualify as misleading or deceptive conduct under s.9 of the FTA. Although not pure statements of law, they simply and unequivocally presented the My Box service as being legitimate and legal. The representations were untrue as the use of the My Box service involved unlawful and infringing “communication to the public” by the defendants as vendors and encouraged unlawful and infringing “copying” by purchasers in breach of the Copyright Act [62].

Sky stated that the claim had been brought under the FTA because of the misleading nature of the defendants’ conduct in promoting the My Box units transcended the issues that would arise in respect of any particular copyright work. The defendants’ representations relied on concerned all of the content broadcast by Sky, both to date and into the future, whatever the content might be [63].

Further Sky contended that nothing in the FTA precluded it from suing under the FTA on misrepresentations about the legality of the My Box service. A misrepresentation was actionable under the FTA without the need for a separate claim under the Copyright Act, so long as the claim was consistent with and did not undermine the policies of the Copyright Act [65]. Sky contended it was not reasonably arguable for the defendants that their My Box service was legal [66].

As to the individual defendant, Mr Reddy, Sky submitted that there was no reason why an employee or director could not be liable under s.9 of the FTA for misleading or deceptive conduct.

The defendants’ response to the summary judgment application

The defendants framed the issue as being [74]:

In representing to consumers that My Box is not in breach of copyright laws in enabling users of My Box units to access, receive and view [Sky] “Copyright Works” are the defendants in breach of ss 9, 10, 11 and 13 of the FTA?

The defendants contended that the issue was not clear because (inter alia):

(a) At the time the representations were made there was no New Zealand case that had established that pre-loaded media boxes of the kind marketed were clearly illegal under the Copyright Act. In the absence of such clear authority, there was nothing to render the alleged misrepresentations “untrue” [76].

(b) Sky’s pleadings were not sufficiently clear and cogent. The only particularised claim on misleading or deceptive conduct referred to s.9 of the FTA and claims under ss.10, 11, 13 were not discretely pleaded [77]. Nor had Sky pleaded how the defendants had jointly or severally communicated, copied or authorised the copying of the alleged copyright works [77].

(c) The defendants also pointed to differences in Sky’s evidence – including no proof of any copyright work, no evidence of any date on which any copyright work was created, nor any evidence that the copyright work relied on in respect of the Cricket Match was made in New Zealand. Further, copies of the licence agreements between New Zealand Rugby and New Zealand Cricket were not produced [78].

(d) Insufficient evidence that Mr Reddy was acting in trade had been presented [80].

(e) The defendants also challenged Sky’s standing to sue, noting that Sky could not have been an exclusive licensee [82].

(f) Sky could not be entitled to the injunction and damages claimed. It had provided no evidence supporting its alleged losses [83].
Held:
Conclusions on the summary judgment application

A. Did the defendants represent that their My Box service was lawful and that it was lawful for users in New Zealand to use the My Box service to access, receive and view copyright works?

(i) The Court was satisfied that the defendants had represented that their My Box service was lawful and it was not reasonably arguable that they had not [88], [91], [99]. The defendants’ advertising, read with the defendants’ statement to the effect that the My Box services was 100 percent lawful, was that a significant number of My Box customers would inevitably understand that it was also perfectly lawful for them to access the Sky channels, including the live sports events using their My Box units [100]. It was also clear that Mr Reddy had been the “face” of My Box and was the driving force behind its establishment [102]. The Court accepted that both defendants were responsible for anything in the statements relied on by Sky that were misleading or deceptive [103]–[104].


B. Did ss.910 FTA apply to misleading or deceptive statements about whether an activity is legal?

(ii) A statement of law will amount to a misrepresentation unless in the circumstances, it would reasonably have appeared that the statement was put forward as nothing more than an opinion on which it would not be reasonable to rely [107]. Even a statement of law may be a misrepresentation if it was reasonable, in all the circumstances, for the representee to rely on it [108].

Fonterra Co-Operative Group Limited v McIntyre & Williamson Partnership [2016] NZCA 538 at [175], relied on.

(iii) Here the purchasers of My Box service would be spending a relatively modest sum (NZ$269) and it would not be reasonable to expect many of them would obtain their own legal advice. The advice proffered by My Box was unequivocal and intended to be relied on [109]–[110]. Accordingly, the statements made were such as to render both defendants liable under ss.910 if and to the extent that they were misleading or deceptive or likely to mislead or deceive (s.9) or were liable to mislead (s.10).

C. Were the operations of My Box lawful as claimed?

The users of My Box units

(iv) The Court noted it was not entirely clear whether Sky owned copyright in the broadcast of the Cricket Match or whether that right had been assigned to New Zealand Cricket. But the lack of clarity did not affect Sky's summary judgment application because [121]:

• Sky was not suing for copyright infringement;
• someone (whether Sky or New Zealand Cricket) was owner of copyright;
• on the evidence that someone did not authorise the defendants or anyone other than Sky to communicate the coverage to the New Zealand public [124]; and
• that someone did not authorise users of My Box units to reproduce the broadcast in order to view it.

(v) The fact that offshore producers such as Sky UK held no entitlement to stream the broadcast or re-broadcast it to New Zealand viewers meant that New Zealand users of My Box units had no right to access and view the streamed broadcasts on their My Box units [126]. The accessing and viewing of the live coverage must have involved unlawful “copying” under the Copyright Act [126].

(vi) When a broadcast is streamed to a media hub or set top box such as My Box, the process involves reproducing the video data constituting the broadcast [131]. The defendants had accepted that such copying/reproduction occurred in their statement of defence [133]. Inevitably the copying in most if not all cases would involve the reproduction of a substantial part of the copyright work or works as the whole point of the receipt and accessing of a given stream was to enable the My Box unit user to view a particular broadcast or programme he or she had specifically chosen [134].

Munwha Broadcasting Corp v Young International 2009 Limited HC Auckland, CIV 2010-404-00203, 17 December 2010; Football Association Premier League Limited v British Communications Plc [2017] EWHC 48 (Ch) at [31], referred to.

(vii) The Court accepted that this was an unfair trading claim built on misleading statements made by the defendants about the legality of the use of the My Box units. A business competitor was entitled to take action under the FTA both for its own benefit and in the wider interests of the public [144]. In these circumstances there
was no need for Sky to plead and prove its case based on copyright infringement. The mischief here lay in what the defendants had represented to the New Zealand public about the legality of their use of the My Box units and in particular the implications that if they used their My Box units to stream live sport and other events that would previously have been accessible only through Sky, they would be doing so lawfully and not exposing themselves to liability to the owners of relevant copyrights (whoever those copyright owners might be) [145].

Luxotica Retail New Zealand Limited v SpecSavers New Zealand Limited [2012] NZCA 357 at [39], referred to.

(viii) As to films, the defendants’ representations that a consumer could stream “any film” located through the Kodi software in the My Box must also raise issues of a likelihood of misleading or deception under the FTA. In any situation where the film was not free to air and the copying required to view the film through a My Box unit was accordingly not authorised by the copyright owner, it would seem likely that a My Box user would have to access pirate copies of movies and thus infringe the copyright of the films by unlawful copying [147].

D. No reasonable defence

(ix) Sky had shown that the defendants did not have any reasonably arguable defence on this part of the case. It was and is not lawful for consumers to use My Box units to receive access and view through their My Box units programmes or coverage that Sky broadcasts or otherwise communicates to the public in New Zealand under its exclusive rights in New Zealand without paying the appropriate subscriptions or other fees to Sky [148].

E. Have the defendants’ actions been lawful?

Selling and marketing My Box Units

(x) Electronic retrieval system: The My Box units pre-loaded with Kodi software and any add-ons were an “electronic retrieval system” for the purposes of the definition of “communicate” in the Copyright Act [178].

(xi) Making available: It was clear beyond reasonable argument for the defendants that My Box was making available communication works or other original copyright works without the licence of the copyright owners to relevant public in New Zealand. My Box had deliberately intervened with full knowledge of the consequences of its actions to give its users access to protected copyright works which they would not otherwise be able to readily access [180]. It did not matter that the defendants might not have personally installed the Kodi software or add-ons which had enabled users of My Box units to access Sky broadcasts or programmes that would otherwise not have been available to them. Nor did it matter that the software or those add-ons might be freely available on the internet. There was no doubt that the defendants knew that in selling and marketing the My Box units as they did, they would be providing access for their customers to protect copyright works including Sky broadcasts of live sport or other events in circumstances where, in the absence of that intervention, My Box customers would not be able to easily access and enjoy those works [182].

Stichting Brein v Wullems European Court of Justice C-527/15, EU:C:2017:300, 26 April 2017; Football Association Premier League Limited v British Communications Plc [2017] EWHC 48 (Ch), referred to.

(xii) The requirement of communicating to the public was also clearly met in this case regardless of whether “the public” was required to consist of more than a single person for the purposes of s.16(1)(f) of the Copyright Act. My Box’s activities had made available protected works to a new public (users of My Box units in New Zealand) being a public not taken into account by relevant copyright holders when they authorised the initial communications of their works [184].


(xiii) As to the complaint that there was no pleading of copyright infringement, again, Sky was not suing for copyright infringement so the Court was not immediately concerned with the particular standing requirement. For the same reasons detailed pleadings of the particular copyright works relied on and the precise details of the alleged infringements were not necessary. Sky’s case was that regardless of who might be the owners of the relevant copyright, My Box’s activities must inevitably involve substantial copyright infringement and to the extent that the defendants had led the public to believe otherwise, they had acted in a way which has been misleading or deceptive was likely to mislead or deceive or liable to mislead contrary to the FTA [185].
(xiv) As to the claim that Sky was attempting to achieve under the FTA "through the back door" relief it would not be entitled to under the Copyright Act, the FTA legislation required that it be construed to conform with and not override the legislative copyright code. Both measures must receive due effect [189]. It could not be the case that a company faced with plainly incorrect advertising by a competitor could not avail itself of consumer protection legislation such as the FTA simply because proof of its case under the FTA would also require proof of infringement of the third party's copyright by the competitor and the company did not have standing to sue under the Act because it was neither owner nor exclusive licensee of the relevant copyright. This was a case where it was obvious on the evidence that the competitor statements as to the lawfulness of its activities had been misleading or deceptive without the need for pleadings or proof of the kind that would be required for a copyright infringement action [190]. Sky had sufficiently shown that the defendants had no reasonable argument on this part of the case [192].

F. Had Sky shown that the defendants had no reasonably arguable defence to the claims that their representations relating to lawfulness (whether of their own conduct or of the conduct of My Box unit users using My Box units to receive access and view Sky broadcasts or programmes) were in breach of ss.9, 10, 11, 13 of the FTA?

(xv) As to s.9, the Court had no doubt that the representations as to lawfulness made by the defendants, assessed objectively, did have the capacity to mislead or deceive a hypothetical reasonable person. There was a real risk (more than a mere possibility) that persons reading or hearing the relevant representations would be misled or deceived into believing that their own use of the My Box units to receive, access and view broadcasts or programmes that Sky broadcasts or otherwise communicates to the public of New Zealand under its exclusive rights in New Zealand (access to which would only otherwise be lawfully available to the user of a My Box unit or equivalent pre-loaded media box on payment of a subscription or fee to Sky), was lawful or did not breach the Copyright Act.

G. Remedies

(xvii) Although the Court accepted that jurisdiction to make a declaratory order will exist in an appropriate case under the FTA, the Court did not consider any useful purpose would be served by making a declaration here. The fact of the defendants' breaches of the FTA would be apparent from this judgment, any past losses could be compensated in due course by an appropriate award of damages and future infringers would be prevented by the injunction to be made [207].

(xviii) It was appropriate to grant a final injunction ([213] and Result) in substantially the following terms: restraining the defendants from representing in any way, in any medium, directly or indirectly, that the use of the My Box units (or any equivalent media box that is pre-loaded with Kodi or other equivalent software or add-ons) permits the user to receive, access and view through that My Box unit or other media box programmes or coverage that Sky broadcasts or otherwise communicates to the public of New Zealand under its exclusive rights in New Zealand (access to which would only otherwise be lawfully available to the user of a My Box unit or equivalent pre-loaded media box on payment of a subscription or fee to Sky), was lawful or did not breach the Copyright Act.

(xix) As to damages, the Court would have considered entering judgment on liability under r. 12.3 of the High Court Rules 2016, with a quantum of any damages to go to trial in the usual way, but that rule does not appear to permit that course [226]. Leave was reserved for Sky to make a further interlocutory application for an enquiry into damages (Result 2).
Combatting Bad Faith Trade Mark Piracy in China

Bad faith filings by trade mark registry pirates in China continue to pose enormous challenges to brand owners of all sizes, regardless of the fame of their marks, with People’s Republic of China (“PRC”) domestic companies as readily victimised as foreign entities and individuals.

Chinese trade mark pirates, who are very well informed and well advised about the ins and outs of PRC trade mark law and practice, are becoming increasingly adept at extracting ever higher levels of compensation from victim brand owners. These victim companies often have little choice but to pay off pirates in order to get their PRC business out from under the ever-present risk of being sued for infringement of the pirated mark – a risk that only grows as the business’ notoriety – and profitability – increases.

In 2013, the China’s National People’s Congress amended the PRC Trademark Law (“Trademark Law”) (effective 1 May 2014) introducing several provisions intended to (a) assist victim brand owners in fighting bad faith filings; and (b) reduce the overall number of bad faith registrations and their attendant administrative burdens. In spite of those changes and while some of these tools have proven to be of some modest utility, overall, there has been a sense that the situation has only deteriorated, rather than improved, since 2014. In response to the continuing problem, the PRC Trademark Office (“TMO”), PRC Trademark Review and Adjudication Board (“TRAB”), the appellate body that hears TMO appeals and decides invalidation actions, and the Chinese courts have recently begun implementing new initiatives and policy approaches aimed at more effectively combating bad faith trade mark filings. This is particularly the case where serial pirates and so-called trade mark warehousers are concerned.

This contribution will review some of the more significant recent legal and policy developments relating to bad faith trade mark filings in China, and provide brand owners with an overview of strategies and best practices for tackling this ongoing problem. It will also explore an important recent case involving a classic case of trade mark piracy, Bayer Consumer Care Holdings LLC et al v Li Qing et al.¹ There a serial pirate that had attempted to enforce its stolen trade marks against Bayer was ordered to pay compensation for acts of unfair competition.

Potential legal grounds for combating serial piracy

The current Trademark Law contains a patchwork of provisions that form the basis for possible legal action against serial trade mark pirates and trade mark warehousers. Nevertheless, none of these provisions have ever been applied by PRC authorities in an entirely reliable or consistent manner. To date, there simply does not yet appear to be a clear consensus among the trade mark administrative authorities and intellectual property (“IP”) courts in China courts as to just which provisions of the law apply – and how those provisions apply – in cases of bad faith serial piracy or warehousing.

In that regard, we note the following provisions of the Trademark Law relating to issues of bad faith and serial piracy:

- Article 4: The first paragraph of this article provides that “[a]ny natural person, legal person or other organization that needs to obtain the exclusive right to use a trademark for its goods or services during production and business operations shall apply for trademark registration with the PRC Trademark Office.” This provision arguably imposes an “intent to use” requirement on trade mark applicants. Prior to the 2014 amendment to the Trademark Law, the TMO, TRAB, and courts occasionally relied on this provision to reject applications for trade mark registration filed by large-scale trade mark pirates or warehousers. In recent years, the TMO, TRAB and courts had generally refrained from citing this provision. In the last few months, however, the TMO has begun citing this provision more regularly. It remains to be seen, though, whether this approach will find support at the TRAB and court, should such decisions be appealed.

- Article 7: The first paragraph of this article provides that “[t]he principle of good faith shall be upheld in applications for trademark registration and in the use of trademarks.” This provision was added to the Trademark Law in 2014, and requires applicants to abide by the general principle of good faith when applying for trade marks, thereby implicitly prohibiting the filing of applications in bad faith.

After the initial draft revision of the 2014 Trademark Law was made public, many brand owners hoped that Article 7 would function as a sort of catch-all provision for resolving disputes concerning bad faith filings that would not be actionable under the laws other provisions. But during the draft law’s
consultation period, Chinese authorities unhelpfully clarified that as a general provision of the law, Article 7 could not be solely relied upon as the basis for a registry action. As a result, it was expected that Article 7 would prove useful only in unusual situations – and likely only following costly appeals to the courts. Hopes were initially raised again, however, in late 2015, when the TMO issued a number of opposition decisions refusing applications filed by serial pirates, citing Article 7 in conjunction with Article 30 of the Trademark Law (which provides a basis for refusing applications that do “not conform with relevant provisions of this Law”). Unfortunately, however, this potentially promising approach has not been more widely adopted. We have, however, in the past year or so, seen the TMO cite Article 7 in conjunction with Article 10.1.7 (which prohibits registration and use as trade marks “that are deceptive and likely to mislead the public in terms of the quality, place of production or other characteristics of the goods/services”) as grounds for refusing applications by serial pirates. Again, however, this has not been seen on a consistent basis.

- Article 10.1.8: This article prohibits registration and use as trade marks of signs that are “detrimental to socialist ethics or customs, or that have other adverse effects.” In previous years, the administrative authorities and courts occasionally cited this provision as grounds for rejecting bad faith filings by serial pirates. In March 2016, for example, in the case Beijing Jiahe Xingchan Lubricant Co., Ltd. v Trademark Review and Adjudication Board and Doosan Co., Ltd., Doosan Infineon Co., Ltd. (“Doosan”), the PRC Supreme People’s Court (“SPC”) upheld an opposition decision rejecting a bad faith pirate application on Article 10.1.8 grounds. Despite the SPC’s seal of approval in Doosan, however, the prevailing interpretation of this provision is that it is applicable only in cases where the registration and use of a trade mark would have a negative impact on political, economic, cultural, religious, ethnic, or other public interest or on public order in China, as opposed to cases where the registration and use of a trade mark would affect only the private interests of individual parties.

- Article 32: The first paragraph of Article 32 allows victim brands to take action against bad faith filings based on violations of “prior rights”, a term which in practice is deemed to primarily encompass copyright in logos and other design elements of trade marks, rights in personal names, trade names, and so-called “merchandising rights”.

The second paragraph of Article 32 also offers protection against pre-emptive registration by “improper means,” provided the victim brand has been used and achieved a certain degree of fame prior to the pirate mark’s filing date. In the past, it was generally required that such use and fame occur in China, thus undermining the practical usefulness of this provision in many cases, particularly in the case of smaller brands that have been pirated before they have even turned their attention to the PRC market. Recent decisions by Chinese courts suggest that evidences of parallel sales in China will be deemed to meet the use requirements in this provision, while the level of “fame” for such marks need not be all that widespread. One such decision was issued earlier this year by the SPC and involved the Australian skin care brand AESOP.

- Article 44.1: This provision provides a basis for invalidating registrations that were “obtained through fraudulent or other improper means.” The Provisions of the Supreme People’s Court on Several Issues Concerning Trial of Administrative Cases Involving the Authorization and Determination of Trademark Rights (effective as of 1 March 2017) clarifies that “other improper means” includes acts that “disrupt the trademark market order, harm the public interest, misappropriate public resources, or seek unjust benefit”. In the past, the TMO sometimes cited this provision as a basis for refusing a bad faith application in opposition proceedings, despite the fact that it is technically applicable only to registered trade marks. Going forward, this provision is likely to be the primary basis for invalidation of registered marks filed by large-scale serial pirates and trade mark warehouse agents, perhaps in conjunction with either Articles 4 or 7.

**Other bad faith initiatives at the TMO, TRAB and courts**

In response to the growing phenomenon of bad faith registration, the TMO, TRAB and Beijing courts have generated a number of pilot programs to experiment with new legal and administrative measures to address the problem. None of these programs have yet been implemented in full, but they clearly indicate a positive trend and demonstrate a commitment by the authorities to dealing with the issue in a practical manner. Examples include:

- establishment of an informal blacklist of egregious pirates;
- rejection of bad faith applications during examination, rather than leaving them to be dealt with through the cut and thrust of oppositions and invalidations;
- judicial initiatives to deter trade mark agents from supporting bad faith registration schemes, for example by “naming and shaming” those agents and
Dealing with piracy in practice

The following scenario unfortunately continues to be all too common:

- A third party applies to register a brand owner’s mark – often an identical copy of the brand owner’s logo, a plain word mark, or a clear imitation thereof.
- The application covers goods or services that are of key interest to the brand owner or perhaps of entirely no interest, and for which the brand owner has not yet obtained registration in China.
- The pirate may also have filed for a number of other (perhaps dozens) famous foreign brands, thereby making him a serial pirate or a warehouser.
- The application is published for opposition and the brand owner is made aware of this through watch services or their local agent seeking to drum up business.

What options does a victim brand owner have in this situation?

Standard strategies

The standard advice in such circumstances is to simply file an opposition against the pirate mark within the three-month deadline to prevent the pirate from obtaining a registration.

Ignoring the application is also an option, particularly where the goods or services covered are entirely unrelated to the brand owner’s business. Refraining from any action at all may just embolden the pirate, however, and lead to a slippery slope of further filings by it or other pirates.

In cases where the true owner of the mark has not filed applications before in China and does not have a history of sales in the country, the likelihood of success in an opposition may be poor, and the pirate may be able to prevent the brand owner from selling its goods in China or even producing goods in China for export elsewhere. Under these circumstances, the brand owner will typically be advised to approach the pirate for a purchase of the mark, not uncommonly for a very large sum, even six figures.

While the factual circumstances in bad faith piracy cases and the potential solutions may vary widely, below are some best practices that brand owners will find useful in dealing with a majority of such cases.

Understanding your enemy

Conducting, at minimum, online research to determine who the applicant is and what it is doing with your mark is very important. If the applicant is a company, obtain a copy of its business records to see who the shareholders and legal representative are, and to confirm whether it is connected with any other companies. Pirates often play shell games with applicant identity, using third parties as a front for the real business behind the pirated application.

This initial background research will often reveal that the pirate or a connected business is advertising the sale of goods bearing the pirated mark on local B2C trade platforms, such as Taobao.com. In such cases, onsite investigations could well be warranted. Through those investigations, competent investigators, accompanied by PRC notaries, are often able to obtain recorded admissions of bad faith on the applicant’s part, and to verify whether the goods offered are real or counterfeit. If the goods are found to be counterfeit, advice should be obtained on enforcement options.

Research may also reveal that the pirate has had business relations with the brand owner or its business partners in the past, such as distributors or factory suppliers, thereby providing grounds for opposing the application under Article 15 of the Trademark Law (which prohibits unauthorised filing of trade mark applications for a brand owner’s mark by an agent, representative, or party with whom the brand owner has had a “business or other relationship”).

Investigations may also disclose that the applicant is a trade mark agent. Fortunately, Article 19 of the revised Trademark Law provides grounds for grounds for opposing or invalidating marks filed by trade mark agents, other than those intended for use in their normal scope of business.

Oppose on time and with robust arguments and evidence

The PRC Trademark Gazette is published on the 6th, 13th, 20th and 27th of each month. The opposition filing deadline is three months after publication. Therefore, a mark published on May 6 would have an August 6 opposition deadline.

Under the current version of the Trademark Law, the right to appeal an adverse Trademark Office opposition decision has been eliminated for the opponent. Given that, it is strongly advised that the evidence and arguments filed in the case of first instance be as robust as possible. If a negative decision is issued, the pirate will obtain a registration certificate and
likely become much more aggressive in dealing with the trade mark owner.

While the core evidence of bad faith should aim to prove that a pirate had awareness of the brand owner's mark prior to the pirate mark's application date, the SPC’s decision in the famous Michael Jordan case in 2016 demonstrates that courts are also willing to consider post-application evidence of bad faith. In that case, the pirate's bad faith was further confirmed by fact that it had subsequently applied to register Chinese transliterations of Michael Jordan's two sons, Jeffrey Jordan and Marcus Jordan and Jordan's jersey number, 23. In light of this and other recent decisions, brand owners would be well-advised to include all available evidence that shows the pirate's pattern of bad faith conduct, even if it was formed after the application date of the disputed mark.

**File new applications**

Consideration should also be given to filing a fresh application for the pirated mark covering the exact goods or services covered by the pirate's application to prevent the pirate or others locking the trade mark owner out by taking advantage of China’s first-to-file policy for trade marks.

**Negotiate or ignore?**

If the mark and goods or services covered are of critical importance to the trade mark owner's business, consideration should of course be given to approaching the pirate to negotiate a purchase of the opposed application. This should be done carefully and creatively (preferably via a strawman to try to avoid raising the pirate's suspicion that a deep-pocketed foreigner is behind the approach) so as to keep price expectations down.

Where the goods or services covered are not of critical concern, consideration can be given to letting the opposition pass without taking action. If a negative decision is issued in a year's time, consideration can be given to monitoring the use of the mark through online searches or on-site visits by investigators, with an eye towards cancelling the future registration for non-use after three years from the date of registration, or perhaps on other grounds, such as the revocation of the pirate's business license (assuming it is a corporate entity).

More often than not, pirates have no plans to use pilfered marks. But it is clearly advisable to verify this through research and investigations, rather than assuming that a pirated mark will not be used.

**Other best practices: prevention**

The TMO offers free online searches of the register, and it is best practice to conduct searches of key marks in all classes every three to six months to identify potential incidents of piracy. This can help ensure access to a wider range of options for stopping pirated applications from even being published. Searches can also help to uncover the identity of parties responsible for counterfeiting and other active infringements in the market.

In parallel with actions against registry pirates, it is generally advisable to conduct an audit of the victim brand owner's registrations in China to ensure that adequate filings have been made to minimise the risk of future incidents of piracy and, at the very least, ensure that all relevant marks – including Chinese-character marks and logos – have been registered for all goods and services of core interest.

Finally, marks that are in stylised fonts and/or that incorporate original design elements can be protected in China under copyright principles. Consideration should therefore be given to filing applications for copyright registration with the Copyright Protection Center in Beijing for use in future trade mark oppositions and other enforcement actions. Another option could be filing for a registration with the United States (“US”) Copyright Office (though US authorities typically refuse applications for works that appear to be primarily intended for use as trade marks).

**The Cutting Edge – Civil Suits against Bad Faith Pirates?**

A recent decision by the Hangzhou Yuhang District People's Court in the case *Bayer Consumer Care Holdings LLC et al v Li Qing et al* suggests that victims of bad faith trade mark registration in China may be able to pursue civil actions for compensation against pirates, at least to the extent that the pirate's behaviour causes direct harm to the brand owner. (Note: The civil action was filed in Hangzhou because this is where Taobao.com, a major Chinese e-commerce platform and a co-defendant in the suit, is based.)

**Facts:**

Bayer has used the marks (“Sun, Rainbow and Wave Device”) and (“Surfing Boy and Wave Device”) on the packaging for its Coppertone Ultra-guard and Coppertone Kids brands of sunscreen since 2011 (“Bayer Designs”).

In May 2015, Mr. Li Qing filed trade mark applications for the marks (Reg. No. 16886091) and (Reg. No. 16890535) for use on sunscreen.

These applications were approved for registration in July 2016 (“Pirate Marks”).

Shortly after registering the Pirate Marks, the pirate began filing trade mark infringement complaints against Bayer's distributors on Taobao.com. As a result, some of Bayer's distributors were prohibited from selling sunscreen...
bearing the Bayer Designs on this site. The pirate later (a) sent warning letters to Bayer's distributors demanding compensation, (b) filed trade mark infringement complaints with administrative authorities against Bayer's distributors, (c) filed a trade mark infringement complaint against Bayer itself with relevant administrative authorities, and (d) arranged for a civil suit to be filed in the name of a consumer against Bayer's distributors on the grounds that this consumer had been misled regarding the origin of the goods.

The pirate offered to withdraw the complaints in exchange for compensation from Bayer's distributors. The pirate also offered to sell the Pirate Marks to Bayer at a price of RMB700,000 (approximately US$110,000 at the time) but Bayer rejected this offer.

In response to the pirate's actions, Bayer's lawyers sent two separate letters to the pirate (a) declaring there was no infringement by Bayer, (b) providing evidence of Bayer's prior use and ownership of copyright in the Bayer Designs, and (c) demanding that the pirate acknowledge that Bayer's use of the Bayer Designs in China did not constitute infringement and that the pirate accordingly agree not to pursue litigation against Bayer or its distributors in relation to such use. The pirate did not respond to these letters.

Bayer then filed two civil actions against Mr. Li, one requesting that the Court issue a declaration of non-infringement, and another seeking compensation for the pirate's acts of unfair competition.

**Issues:**

*Was Bayer legally entitled to file a civil suit to obtain a declaration of non-infringement?*

The Court held that an interested party is normally entitled to file a lawsuit to request a declaration of non-infringement if: (a) the party has received a warning letter from the alleged IP rights owner; and (b) if the alleged IP rights owner fails to initiate legal action within a reasonable period of time to confirm that the party has infringed its rights.

In the present case, although the warning letter was only sent to its distributors, Bayer, as the manufacturer, was obviously affected. The Court thus decided that Bayer had standing as an interested party.

The pirate did not respond to the letters issued by Bayer's lawyer requesting that the pirate confirm that use of Bayer's Designs does not constitute infringement; nor did the pirate commence litigation. Given the uncertainty of the alleged infringement, the Court determined that Bayer was entitled to file a civil action seeking a declaration of non-infringement.

**Did use of the Bayer Designs infringe the pirate's trade mark rights in the Pirate Marks?**

In the non-infringement lawsuit, Bayer argued that there was no trade mark infringement for the following reasons:

- No likelihood of confusion and no damage to the pirate, because: (a) the Bayer Designs are dissimilar to the Pirate Marks; (b) customers are not familiar with the Pirate Marks; and (c) Bayer's goods bear the mark "Coppertone" which indicates the origin of the goods.

- No trade mark use. Bayer's use of the Bayer Designs is not intended to identify the source of the Bayer's goods, and as such, use thereof does not constitute use as a trade mark.

- Prior copyrights defence. Bayer owns copyright in the Bayer Designs, which were created long before the pirate filed its applications to register the Pirate Marks.

- Prior use defence. Bayer began using the Bayer Designs on goods long before the pirate filed its applications to register the Pirate Marks.

The Court supported Bayer's defence based on copyright but did not comment on the other three arguments above.

Bayer filed the following evidence to support its copyright claim:

- PRC copyright registration certificates for the Bayer Designs (filed for and issued after the registration date of the Pirate Marks) (not commented on by the Court).

- A declaration issued by the design firm that Bayer commissioned to create the Bayer Designs (considered by the Court).

- A declaration issued by the design firm that Bayer engaged to design the labels and packaging for the sunscreen products at issue (considered by the Court).

- A declaration issued by Bayer's trade mark counsel concerning Bayer's US trade mark application for the Bayer Design (considered by the Court).

Bayer also submitted to the Court samples of its sunscreen and notarised web search records (notarised in May 2014, prior to the application date of the Pirate Marks) as evidence of its use of the Bayer Designs on sunscreen.

In relation to establishing the Unfair Competition Claim, was the pirate a “competitor” of Bayer's?

The Court answered this question in the affirmative and on the following bases:

- Although the pirate was not directly employed in the cosmetics/skincare industry, he had filed for many other trade marks covering cosmetics. As such, the
Court determined that the pirate was sufficiently involved in the cosmetics business to qualify as a competitor. (NB: Courts in China do not already require the existence of a competitive relationship for a finding of unfair competition.)

- The pirate’s complaints resulted in the removal of ads for Bayer’s product from Taobao. In addition, the pirate had received compensation from some of Bayer’s distributors incidental to settlements with them. As such, the Court determined that the pirate generated profits by hindering Bayer’s ability to compete in the market, which is indicative of direct competition.

**Was there unfair competition?**

Bayer argued for existence of unfair competition because the pirate: filed trade mark applications in bad faith; filed trade mark infringement complaints in bad faith; offered to sell the Pirate Marks in bad faith; and offered to withdraw its complaints in exchange for compensation.

The Court held that the core standard for determining whether the pirate’s actions constitute unfair competition is whether the pirate’s conduct violates the principles of honesty and business morality. The Court ultimately found that the pirate’s conduct violated these principles, and supported all of Bayer’s claims, emphasising the following:

- The Pirate Marks violated Bayer’s copyright in the Bayer Designs, because:
  - the Bayer Designs were created and published earlier than the application date of the Pirate Marks;
  - it is reasonable to assume that the pirate had been exposed to the Bayer Designs; and
  - the Pirate Marks are substantially similar to the Bayer Designs.
- The pirate’s motive and purpose in filing the applications for the Pirate Marks was to provide a means for filing complaints, and eventually obtain illegal profit.
- The pirate is a serial trade mark pirate, thereby harming orderly and fair competition in the market.

**What relief is available?**

The Court did not award compensation in the civil action seeking a declaration of non-infringement, as it is appropriate to award compensation only if the pirate’s conduct constitutes an infringement of Bayer’s rights. This issue was not the subject of these proceeding.

But in the unfair competition case, the Court held that since neither Bayer’s loss nor the pirate’s profits can be calculated, the amount of compensation should be determined by the facts present in the case, including the legal costs incurred by Bayer, the pirate’s bad faith, and other relevant factors.

The Court also decided that an order requiring a public apology is only available in cases concerning personal rights, and that these conditions did not exist in this dispute.

**Might Taobao.com (Alibaba) be subject to civil liability?**

Bayer argued that Taobao.com should be held liable, as it was negligent in its handling of complaints filed by the pirate and wrongfully removed ads for Bayer goods managed by its distributors, and thereby causing financial losses and damaging their credit.

The Court disagreed. The Court held that Taobao.com processed the pirate’s complaint in accordance with established and standard procedures. Because the Pirate Marks are registered trade marks, it was reasonable to conclude that Taobao.com did not know, nor should it reasonably have known, that the pirate’s conduct constituted an act of unfair competition.

Whether the Hangzhou Court’s decision will be followed by courts elsewhere in China remains to be seen. The questions raised are novel and continue to be the subject of debate among senior judges. But the decision clearly provides a basis for optimism for victims of bad faith registration that seek new strategies. Further experimentation will be required by brand owners to test the reaction of Chinese courts under different fact scenarios as well as in different cites — particularly Beijing, where the courts have exclusive jurisdiction over registry appeals.

In particular, victim brand owners may wish to consider filing fresh claims or counterclaims against pirates where conditions permit, if only to create more leverage against pirates to facilitate faster settlements and on more reasonable terms.

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2 It’s common for pirates manufacturing counterfeits of a given brand to try to obtain any rights whatsoever in the ripped-off trade mark, primarily as cover in the event administrative raids against them. Authorities are viewed by counterfeiters as being less likely to take action where there are counterfeiting rights involved, even where those rights don’t actually cover the faked goods.

3 Including investigating the pirate to determine if there is a more nefarious reason behind the application, i.e., as cover for counterfeiting, and the likelihood that if the mark becomes registered, the pirate would be likely to try to actively enforce it, including in relation to exports from China, and retail sales in China.
JAPAN

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Super Mario infringer crashes out at Tokyo District Court

On 27 September 2018, one of Japan’s largest video game developers and manufacturers, Nintendo K.K., announced that it had prevailed against a go-kart service provider for copyright infringement and violating Japan’s Unfair Competition Prevention Law in Nintendo K.K. v Mari Mobility Development K.K., Case No. Heisei 29 (wa) 6293. The Tokyo District Court ruled that Mari Mobility must stop renting the Super Mario costumes and pay 10 million yen (US$89,000) in damages to Nintendo Co., the game maker behind the hit video game, Mario Kart.

In its lawsuit, Nintendo had alleged that Mari Mobility used photos and videos from Nintendo’s iconic video game Mario Kart in its promotional materials and that Mario Kart is commonly referred to as “MariKar” which closely resembles the go-kart company’s name. Mari Mobility had enabled Mario Kart fans to dress up as Mario, Peach, and Luigi and ride around on crowded urban streets of Osaka and Tokyo.

As a result of this Tokyo District Court decision, the popular low-riding go-carts zipping around Osaka and Tokyo will no longer be able to dress up riders as characters from the Super Mario game.

According to media reports, Mari Mobility acknowledged the ruling and said it was considering an appeal. Mari’s website currently states that the service is ongoing as usual, because the service is “fully complied through local governing laws in Japan”.

There is a disclaimer at the bottom of its webpage (see below) that says the service “is in no way a reflection of the game Mario Kart” and urges customers to avoid racing each other or throwing red turtles at each other, like players do in the video game.

Nintendo’s September 2018 unfair competition litigation victory is in stark contrast to its trade mark opposition defeat against the same defendant, then known as MariCar K.K., in Opposition No. 2016-900309. Nintendo filed a trade mark opposition against the (“MariCar” in katakana) trade mark registration No. 5860284 covering goods and services in class 12, 35 and 39 and argued that “MariCar” is an abbreviation of “Mario Kart”, one of its blockbuster game titles. Unfortunately, on 26 January 2017, the Japan Patent Office ruled against Nintendo when it found that the trade mark “MariCar” was neither widely used nor recognised by game users as an abbreviation of Nintendo’s successful video game title “Mario Kart” and because of this lack of similarity, it found no likelihood of confusion and there was also no dilution or free riding on the world famous “Mario Kart” marks.

As a result of these legal developments, Nintendo will have to live with Mari Mobility being able to use the “MariCar” trade mark in Japan but at least Nintendo has stopped Mari Mobility’s use of Nintendo’s trade dress when it rented out costumes to go-kart riders that were identical to Nintendo’s video game characters and photos of its Nintendo’s characters in Mari Mobility’s promotional materials.

1 Any questions about this article should be e-mailed to John A Tessensohn at jessensohn@shupat.gr.jp. This article reflects only the personal views of the author and should not be attributed to the author’s firm or to any of its present or future clients.
SINGAPORE

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Millennium Pharmaceuticals, Inc v Drug Houses of Australia Pte Ltd [2018] SGHC 149

This case discusses the concept of patent linkage in relation to the licensing of pharmaceutical products in Singapore, which is significant in view of the growing market for generic medical products around the world.

Patent linkage can broadly be defined as the connection between patents (usually owned by the maker of the originator medical products) and the licensing process of medical products (submitted usually by generic makers). The regulatory process prohibits the grant of licensing approval to any generic maker prior to the expiration of the patent term, or determination by Court or patent office that the patent will not be infringed by the making or selling of the generics or found to be invalid. In effect, the regulatory authority takes the role of a patent policing agency.

Regulatory framework

In Singapore, Regulation 23 of the Health Products (Therapeutic Products Regulations (“TPR”) requires an applicant, at the time of the application for a medical product licence, to declare to the Health Sciences Authority (“HAS”) whether a patent under the Patents Act 1994 (“Patents Act”) is in force in respect of the medical product. If the applicant declares that there is no patent in force, the HSA will proceed to issue a medical product licence.

Where the applicant is not the proprietor of the patent in respect of the medical product and there is a patent in force, the applicant must state whether:

(a) the proprietor has consented to or acquiesced to the grant of the registration of the product; and

(b) in the opinion of the applicant and to the best of his belief, the patent is invalid or will not be infringed by the doing of the act for which the registration of the product is sought.

The HSA will then require the applicant to serve a notice to the patentee that it is the applicant’s opinion and belief the patent is invalid or will not be infringed by the doing of the act for which the registration is sought. The patentee will then have 45 working days to file proceedings in court to seek an order to restrain the act for which the registration of the medical product is sought and for a period of 30 months thereafter, the HSA will not proceed to grant a licence for the medical product in issue.

The present case

The plaintiff is the owner of two process patents involving the use of a cancer drug known as bortezomib. The defendant obtained a licence for its medical product and circumvented the regulatory requirements outlined above by making a declaration that no patent was in force with respect to the medical product to which the application related. In other words, the defendant did not serve any notice to the plaintiff pursuant to Regulation 23 of the TPR because it had declared that there was no patent in force.

The plaintiff subsequently discovered the defendant’s licence approval and filed an application for an interlocutory injunction to restrain the defendant from performing any of the acts for which the registration was sought. At the time of the application, there was no dispute that no actual acts of infringement, such as making, importing or selling, had actually taken place yet.

Prospective infringement declaration claim

The main point of interest is this case is how the High Court of Singapore interpreted Regulation 24 of the TPR, namely, whether it provided a cause of action to restrain prospective infringement.

Regulation 24 of the TPR provides that the HSA may, upon an application by any interested person, cancel the registration of a medical product, if satisfied that:

- a court or the Patents Office has determined that the doing of an act authorised by the medical product registration infringes a patent under the Patents Act; or

- a court has determined that the declaration made under Regulation 23 contains a statement that is false or misleading in a material particular or omits to disclose any matter that is material to the application.

The plaintiff claimed that it had a cause of action in prospective infringement under Regulation 24 of the TPR.

The Court disagreed and drew a distinction between an action brought pursuant to Regulation 23 of the TPR (where subsequent to a notice being served on the patentee, a patent action can be commenced by the patentee for prospective infringement) and Regulation 24, where acts of actual infringement must be shown.

The plaintiff also argued that the defendant had made a material falsehood by claiming that there was no patent in force at the time of the licence application. The Court agreed that an applicant must make a truthful and accurate declaration as to the existence and validity of any patent in respect of its medical product, and should the applicant fail to do so, an affected patent holder has a cause of action entitling it to seek declaratory relief pursuant to Regulation 24 of the TPR.
**Comment**

This case provides a useful analysis of how Regulations 23 and 24 of the TPR operate and significantly, the possible loophole (out of the mandatory stay of 30 months against the entry of a generic into the market) by simply making a declaration that there is no patent in force. Whilst this may attract a claim for making a false declaration, the consequences under the TPR is the cancellation of the product licence, which may be a commercial risk worth undertaking. Also, where the subject patent is eventually found to be invalid, then the applicant can arguably claim that the declaration is in fact true and accurate.

**Cicada Cube Pte Ltd v National University Hospital (Singapore) Pte Ltd** [2018] SGCA 52

The Singapore Court of Appeal (“CA”) recently clarified the post-grant entitlement proceedings for a patent and how a patent’s inventor/s are determined.

**Background**

A dispute arose between the two parties over the ownership of a patent. The National University Hospital (“NUH”) had appointed Cicada Cube (“Cicada”) to develop a system that facilitates the ordering and collection of specimens from patients and the subsequent laboratory testing of the specimens. Cicada filed a patent application and later successfully obtained grant of the patent. Subsequently, NUH initiated post-grant entitlement proceedings to challenge the ownership of the patent.

In the High Court, the Judge determined that NUH and Cicada were joint owners of the patent in question. Both parties cross appealed the High Court decision to the CA.

There were two key issues in the cross appeals:

1. the procedure to bring about post grant entitlement proceedings; and
2. determination of the inventor/s of the patent, and hence the ownership.

**Post grant entitlement proceedings**

A third party may commence entitlement proceedings for a granted patent before the Registrar or court, if either of the following conditions are met:

(a) the proceedings are initiated within two years of the grant of the patent; or

(b) the third party shows that the patent proprietor knew he was not entitled to the patent at the time of the grant.

Post-grant entitlement proceedings before the Registrar are likely to be of a lower cost than applying directly to a court. However, the Registrar may decline to deal with the matter if it appears that the court will be the more appropriate venue, for example due to the complex issues involved, and such a refusal may only come after the expiry of the two-year period. Subsequently, if the third party wishes to commence entitlement proceedings before the court, it was not clear whether the earlier application to the Registrar will be considered to have invoked the court’s jurisdiction with regards to the entitlement of the patent, or the third party had the more difficult task of showing the patent proprietor’s knowledge of the entitlement of the patent at the time of grant.

In the present case, NUH had applied to the Registrar, for a determination of the true proprietor/s of the patent, a few days short of the two-year period from the grant date. The Registrar declined to make the determination more than two years after the grant of the patent, and NUH commenced proceedings in the High Court shortly thereafter.

The High Court Judge held that the initial referral to the Registrar invoked the Court’s jurisdiction, provided the relief sought in the proceedings before the Registrar and the Court do not differ materially.

However, the CA held that for post grant entitlement proceedings, the Court’s jurisdiction is independent of the Registrar’s jurisdiction. Therefore, post-grant entitlement proceedings before the Court must be initiated within two years of the grant of the patent regardless of whether there is a referral to the Registrar. Consequently, a third party which fails to do so in time needs to show that the patent proprietor has knowledge that he was not entitled to the patent at the time of the grant.

The CA elaborated that third parties can satisfy the additional burden by showing that the registered proprietor knew that he was not entitled at all to the patent or by showing that he knew that some other person/s were also entitled to the patent. However, mere knowledge that there is a dispute over the ownership of the patent is not sufficient if the proprietor still believed that he was entitled to the patent, unless he was wilfully blind.

The CA further held that the evidence showed that Cicada knew they were not solely entitled to the patent and NUH had rights to the invention. Thus, NUH had discharged the additional burden placed onto it even though the proceedings before the Court were not filed within two years from the grant. As a result, the CA was able to proceed with determining who the inventor/s and owner/s of the patent were.

In comparison, it should be noted that the pre-grant entitlement proceedings of a patent need to be initiated before the Registrar (see [50] of Energenics v Musse Singapore 2013 SGHC 21).

**Who is an inventor of the patent?**

This case allowed the CA to consider for the first time who will be considered an inventor of the patent.
The CA affirmed the lower court’s approach in determining the inventor(s) of the patent:

(a) identifying the inventive concept(s) in the patent; and

(b) identifying the person(s) who contributed to these inventive concept(s).

In identifying the inventive concept(s), the CA considers the patent as a whole including the specification and claims. In this aspect, the CA found it useful to identify the problems the invention was intended to solve and the solutions in the form of the inventive concept(s). The inventive concept can thus be different from the scope of protection recited in the claims.

To be considered as an inventor, the contribution to the inventive concept must be to the formulation of the inventive concept but the inventor need not provide the precise details to produce a functional product. A person seeking to be added as an inventor has the burden of proving his contribution, while a person seeking to be substituted as sole inventor needs to additionally show that the named inventors did not contribute to the inventive concept.

On this basis, the CA agreed generally with the High Court’s identification of the inventive concepts and the contributions made by the inventors employed by both parties.

Comment

A third party interested in disputing the ownership of a patent needs to be mindful of the time limitations when choosing the forum to initiate post-grant entitlement proceedings. The Registrar may provide a more cost effective option, but a decline by the Registrar to deal with the matter may put the third party in a bind.

The decision further provides valuable guidance to the Singapore courts’ approach to determining an inventor of a patent. With new inventions increasingly arising from collaborations between different parties or different technical fields, this decision may guide the various parties in determining who is an inventor within the legal framework in Singapore.

GI summary

The Singapore Registry (“IPOS”) conducted a public consultation on geographical indications (“GI”) between 10 September 2018 and 5 October 2018. The purpose of the consultation was to obtain public feedback on the recently proposed Geographical Indications Rules (“GI Rules”), which was drafted as part of Singapore’s obligations under the European Union-Singapore Free Trade Agreement. The inputs and feedback will shed light on the public’s opinion of the feasibility of the proposed GI Rules and also help further refine the proposed GI regime.
UK Court of Appeal confirms global licence approach to FRAND in determining SEP disputes

Introduction

In Unwired Planet International Ltd & Anor v Huawei Technologies Co Ltd & Anor [2018] EWCA Civ 2344, the English Court of Appeal has raised a flag to standard essential patent (“SEP”) owners seeking a global determination of their licensing disputes to bring their cases to the United Kingdom (“UK”) by affirming the first instance decision of April 2017 of Mr Justice Birss. In its lengthy judgment handed down on 23 October 2018, a strong Court of Appeal, led by Lord Kitchin (recently promoted to the Supreme Court) agreed that in situations where the parties would ordinarily negotiate a global licensing settlement, the English Court would set the terms of the licence in default of agreement. Further, the judgment would be backed by a so-called fair, reasonable and non-discriminatory (“FRAND”) injunction, meaning that whilst not compelled to accept the licence terms, if an implementer chose not to do so, it would be injuncted in the UK from infringing the patents in suit. The judgment also gave guidance as to the obligations of licensors and licensees in compliance with the decision of the Court of Justice of the European Union (the “CJEU”).

Background

Unwired Planet (“UP”) is a non-practising entity whose business is patent licensing. In 2013 it acquired more than 2,000 patents from Ericsson, and just over a year later sued Huawei and others in the English High Court for infringing various UK patents. Five of the patents in suit had been declared as essential to European Telecommunications Standards Institute (“ETSI”) telecommunications standards (2G/GSM, 3G/UMTS and 4G/LTE).

As well as raising the usual invalidity and non-infringement defences, the defendants claimed that UP had failed to offer a licence on FRAND terms. Various competition law defences were also raised. Following a series of patent trials, UP and Huawei contested a seven-week FRAND trial at the end of 2016. Birss J’s April 2017 judgment was the first in which FRAND issues were considered in detail by the English High Court, and the first globally in which a full FRAND determination was carried out for a portfolio of ETSI SEPs.

In his remedies judgment of June 2017, Birss J issued an injunction prohibiting Huawei from selling wireless telecommunications products in the UK. The injunction – which was issued because of Huawei’s failure to take a global licence to UP’s SEP portfolio – was stayed pending Huawei’s appeal to the Court of Appeal.

Huawei’s grounds of appeal
Huawei appealed the High Court judgment of Birss J on three main grounds:

1. Global licensing – that the High Court was wrong to hold that there should only be one set of FRAND terms and that those terms should be global. Huawei claimed it should have been able to enter into a national licence set by the Court.

2. Non-discrimination (“ND”) – that the High Court was wrong to decide that the ND limb of FRAND allows a SEP holder to charge similarly situated licensees such as Huawei and Samsung substantially different royalty rates for the same SEPs (provided neither rate is higher than the benchmark fair and reasonable rate).

3. Huawei v ZTE – that the High Court should have found that Huawei had a defence to UP’s injunction claim under article 102 of the Treaty on the Functioning of the European Union 2007 (the “TFEU”), as UP had failed to comply with the steps set out in Huawei v ZTE by the CJEU.

The Court of Appeal’s judgment

Ground 1 – Global licensing
The Court of Appeal rejected Huawei’s first ground of appeal. It held that a global SEP portfolio owner can in principle meet its FRAND obligations by offering a worldwide licence. If the implementer refuses that offer, then it may be subject to an injunction preventing further infringement in the UK.

UP was entitled to offer a global licence on the facts of this case. In reaching this view, the Court of Appeal emphasised the following points:

- The ETSI standards and the ETSI FRAND undertaking are of international effect.
- The ETSI FRAND undertaking applies not just to the declared patents themselves but also to the families of patents to which the declared patents belong.
- Global licensing makes sense in a market involving products with a global circulation.
- A global licence is what reasonable companies in the position of UP and Huawei would have agreed.
The Court agreed with Birss J that UP's portfolio is substantial in size and scope and that Huawei's business is global in nature [105], [115].

- Global licensing conforms to normal industry practice [58], [96].
- Country-by-country licensing is inefficient and would condemn SEP owners with extensive portfolios to “impossibly expensive” litigation in every country in respect of which they seek to recover royalties [55], [96], [110], [115].
- If country-by-country licensing were determined to be FRAND, the implementer would have an incentive to hold out country-by-country until it was compelled to pay [88], [111].

The Court disagreed with Huawei's arguments that Birss J's approach was wrong in principle. Birss J's findings did not involve (i) any alteration of the territorially limited characteristics of SEPs or (ii) any jurisdictional expansionism [58].

- Birss J's decision that a global licence would be FRAND does not prevent the licensee from challenging the validity and essentiality of the SEPs in any country where it may choose to do so. Therefore Birss J did not usurp the right of foreign courts to decide issues of infringement and validity of foreign patents [81], [104].
- While the licence settled by Birss J provides for payment of royalties in respect of UP's whole portfolio of SEPs, the royalty adjustment mechanism can take account of successful validity and/or essentiality challenges in respect of foreign patents. This mechanism was not challenged by Huawei on appeal [89].
- Huawei is not compelled to take the FRAND licence settled by the Court. If it chooses not to, the only relief to which UP will be entitled is the usual relief available to a successful patent owner in the UK (including an injunction) [58], [105], [117], [127].

**Ground 2 – Non-discrimination**

The Court of Appeal rejected Huawei's second ground of appeal.

(a) *Equivalent or comparable transactions* [160]-[176]

- Birss J was right to regard the licences to Samsung and to Huawei as equivalent transactions [172] and to hold that the non-discrimination limb of the FRAND undertaking is engaged in this case [176].
- In deciding whether two transactions are equivalent it is important to focus on the transactions themselves, rather than the circumstances in which the transactions were entered into. A change in market conditions between two otherwise identical transactions would not make the transactions themselves non-equivalent [169].
- However, a change in market conditions could amount to an objective justification for a difference in treatment [169].

(b) *General or “hard-edged” non-discrimination obligation?* [177]-[210]

- Birss J was right to hold that the ND part of FRAND is a “general non-discrimination” obligation [194], [196] and that the licence on offer to Huawei was on non-discriminatory terms [207].
- A SEP owner is required to offer terms which reflect the proper valuation of the portfolio (i.e. the FRAND benchmark rate), and to offer those terms generally (i.e. in a non-discriminatory manner) to all implementers seeking a licence. This approach ensures that the SEP owner is not able to “hold-up” implementation by demanding more than its patent or patent portfolio is worth [196].
- Once the hold-up effect is dealt with by a “general non-discrimination” obligation, there is no purpose in preventing the patentee from charging less than the licence is worth if it chooses to do so. An effects-based approach to non-discrimination is therefore appropriate, particularly as differential pricing is not per se objectionable [197].
- The potential exists for discrimination below the benchmark rate, however, this may be redressed through the application of competition law where it causes competitive harm [200].

**Ground 3 - Huawei v ZTE and FRAND negotiating obligations**

The Court of Appeal rejected Huawei's third ground of appeal.
(a) *Dominant position* [213]-[229]

- Birss J was entitled to find that UP had a dominant position in the market [229].
- The Court acknowledged that the FRAND undertaking and potential for hold-out may constrain an SEP owner’s market power [229].
- There is a presumption that an SEP owner with a 100 percent market share holds a dominant position, but this can be rebutted if the SEP owner presents a positive case supported with specific detailed evidence [226].

(b) *Huawei v ZTE framework* [230]-[290]

- A SEP owner must give notice to, or consult with, an alleged infringer before commencing proceedings, and if it fails to do so its conduct will necessarily be abusive. Precisely what notice must be given and the nature and extent of the consultations which must be carried out will depend on all the circumstances of the particular case [271].
- However, the other steps in the *Huawei v ZTE* framework are not mandatory conditions. Compliance with the framework gives the SEP owner “safe harbour” protection against a finding of breach of a dominant position arising from the commencement of proceedings for an injunction. If the SEP owner steps outside the protocol, the question whether its behaviour has been abusive must be assessed in light of all of the circumstances of the particular case [271].
- The Court of Appeal indicated (without expressing a concluded view) that it may have been disproportionate to refuse an injunction in this case after the trial of the infringement, validity and infringement proceedings, when the *Huawei v ZTE* framework is focused on whether the commencement of proceedings amounts to an abuse [283].

Implications of the Court of Appeal’s judgment

Overall, the Court of Appeal’s judgment is more favourable for SEP owners, who will continue to see the UK as a good forum for seeking to close global FRAND licensing deals.

Significantly, the Court has confirmed that an SEP owner can meet its FRAND obligations by offering a worldwide licence in circumstances where the portfolio has broadly global coverage (without requiring patents to be held in every jurisdiction) and the implementer operates globally. The Court’s endorsement of Birss J’s “FRAND injunction” approach gives SEP owners a means of resolving global disputes where the implementer has sufficient sales in the UK not to want to withdraw from the UK market. SEP owners are also likely to welcome the Court of Appeal’s finding that in circumstances where a court or arbitrator decides there is more than one set of FRAND-compliant terms, it is open to the SEP owner to choose which set of FRAND terms it prefers.

However, more generally, it is important to recall that this judgment is specific to the facts between these particular parties. It does not follow that every future court-determined SEP licence will necessarily be global. The Court was careful to emphasise the relevance of recognised commercial practice, which may lead to significantly different decisions in future, depending on the evidence presented. The UP case also turned on the particular geographic spread of patents held by UP and of Huawei’s activities. Other licensors may have a different spread of patents, which may read less well onto a particular implementer’s activities notably, a claimant which does not hold patents in the jurisdiction in which manufacturing takes place, will have a much weaker claim to a global licence.

The Court’s approach to non-discrimination suggests that SEP holders can offer bespoke deals to particular implementers without falling foul of the ND limb of FRAND, and without it becoming inevitable that equivalent deals will need to be offered to all comers. However such licences are still likely to be relevant in any comparator licence analysis under the “fair and reasonable” head of FRAND.

In holding that only the initial notice step of the *Huawei v ZTE* framework is mandatory, the Court’s judgment gives SEP holders flexibility over how to conduct licence negotiations. (The Court does not specify what this notice should comprise, but *Huawei v ZTE* requires the SEP holder to designate the relevant SEPs and to specify the way in which they have been infringed.)

However, the Court also recognises the significance of proper FRAND negotiations, as also recently supported in the Commission Communication (to which the Court refers approvingly). SEP holders do still risk non-compliance with competition law obligations if they seek excessive licence fees, or stray outside the *Huawei v ZTE* safe harbour. Non-compliant conduct may also remain high-risk if litigation occurs in the courts of other EU member states.

Later this year the Court of Appeal is scheduled to hear a further appeal (in *Conversant v Huawei and ZTE*) raising similar issues, in the context of a jurisdiction challenge raised by Huawei and ZTE against a claim by Conversant. The Court in that case will need to look again to consider the proper characterisation of claims involving global FRAND licences, and to consider when the English Court is the appropriate forum for such claims and we will report on that judgment in a future article.

A global battle ahead for the determination of SEP disputes? Finally it remains to be seen how Court’s in other jurisdictions will react to this decision. It is perhaps inevitable that at least
some other courts will also seek to exercise a de facto global jurisdiction by use of the “FRAND injunction” mechanism. Certainly the recently published *Guangdong Guidelines* indicate a willingness of the Chinese courts to make similarly global licensing decisions. At the same time a group led by Judge Randall Rader has recently set up the International Arbitration Center in Tokyo offering an arbitration service involving Judges from around the Pacific Rim and Europe (including the Honourable Dr Annabelle Bennett AO, SC, former Justice of the Federal Court of Australia). Whether parties will choose arbitration through such organisations or prefer a court-based approach remains to be seen, but there can be little doubt that the *Unwired Planet* decision will give all litigants in the SEP field food for thought and that lawyers everywhere will not only be digesting the decision, but perhaps also brushing up on their national anti-suit injunction procedures.

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**3D Printing Technology and EU Legislative Movement**

**3D Printing Technology**

3D printing technology first appeared in the 1960s in the United States and was further developed in the 1980s for industrial application.® 3D printing has become increasingly familiar to the public in recent years. 3D printing is also known as the official industry standard term, “Additive Manufacturing” (“AM”). AM is defined as “the process of joining materials to make objects from 3D model data, usually layer upon layer, as opposed to subtractive manufacturing methodologies.”

3D printers are able to create three-dimensional objects in different shapes and materials for various functions. 3D printing techniques can be used in a wide range of areas, using a wide variety of materials, ranging from plastics to human cells. For example, within the medical field, specialised 3D printers can bio-print human tissue, for use in organ transplants and cancer treatments.

The European Commission has identified 3D printing as one of the key technologies which will have a significant impact on the future economy and industrial transformation in the European Union (“EU”). It is estimated that by 2021, the 3D printing market may be worth Euro€9.6 billion in the EU. According to the European Economic and Social Committee:

> Additive Manufacturing (AM) is one of the key enabling technologies that will shape new approaching to manufacturing and the Products and Factories of the Future. The digital revolution, together with this fabrication revolution, will enable Europe to re-shore production from lower wage regions in order to spur on innovation and create sustainable growth at home.

Different from paper printing, 3D printing creates tangible objects and often involves more variables such as STL files or other 3D printer files (i.e. IGES/IGS files and STEP files), special printers, a wider choice of materials and a number of stakeholders. A STL file stores information about 3D models to be processed by 3D printer software, which communicates with its printer hardware. A STL file may be freely downloaded online or purchased by others. If it is downloaded and used without a right holder's permission, it may potentially infringe others' rights. The European Parliament recognised that the European and national regulatory framework is in need of an update in order to keep up with the fast development of 3D printing technology and remove current legal barriers, in particular in the fields of intellectual property rights and civil liability. It called for the
European Commission to look into potential legal issues.\textsuperscript{10} The European Economic and Social Committee also urged a specific regulation to set up standards and certification for 3D products and services and to protect intellectual property rights and consumer rights.\textsuperscript{11}

Legal Considerations and EU Legislative Movement for 3D Printing

In June 2018, the European Parliament produced an official report on “three-dimensional printing, a challenge in the fields of intellectual property rights and civil liability”.\textsuperscript{12} It affirmed the economic advantages of 3D printing technology for the EU, in particular offering customised products for consumers and creating new jobs that are safer and less physically demanding.\textsuperscript{13} 3D printing technology can be protected by the fundamental principles in intellectual property law. However, potential legal concerns arising from the development and usage of 3D printing technology need further investigation and interpretation of the existing law.\textsuperscript{14} The European Parliament pointed out that:

… the lack of regulation has limited the use of 3D printing in key industrial sectors such as, for instance, the aerospace and medical/dental sectors, and whereas regulating the use of 3D printers will help increase the use of technologies and offer opportunities for research and development.\textsuperscript{15}

Hence, the EU may need to adopt new legislation and revise existing laws in order to remove possible legal obstacles and create a coherent legal framework to provide legal certainty for consumers and businesses and promote technological innovation in the EU.\textsuperscript{16} The European Parliament has reported that potential legal and ethical concerns of 3D printing may fall upon all areas of intellectual property law (including copyright, patents, designs, three-dimensional trade marks and geographical indications) and also civil liability.\textsuperscript{17}

With regard to copyright protection for 3D printing, various questions have been raised as to whether 3D printing files are copyrightable; whether the person who designed the original work and the person who digitally modelled it to 3D copies can be considered as co-authors of a collaborative work;\textsuperscript{18} and whether special rules should be made concerning non-commercial usage of 3D printing technology, such as the limitation of private copies. It is noted that different legal consideration should be given to “printing for private use” and “printing for commercial use”.\textsuperscript{19} There may also be different legal implications for 3D printing in business to business (“B2B”) services and business to consumer (“B2C”) services.\textsuperscript{20} If it is a private copy of a 3D printed object, exemptions for private copies in national copyright laws will apply.\textsuperscript{21} If it is a copy of a 3D printed object for consumers, consumers will also be protected under national and regional consumer laws. The determination of the liability for intermediary service providers may be complicated for both B2B and B2C services, because 3D printing technology involves a number of stakeholders and a complex process which makes it difficult to identify the person responsible.\textsuperscript{22}

The possible responsible person can be:

… the creator or vendor of the 3D file, or the producer of the 3D printer, the producer of the software used in the 3D printer, the supplier of the materials used or even the person who created the object, depending on the cause of the defect discovered.\textsuperscript{23}

In order to tackle illegal usage of 3D files, available technical solutions such as watermark\textsuperscript{24} and encryption of files have been used to fight against counterfeiting products and prevent illegal downloading and reproduction. However, technical solutions are currently underdeveloped. Possible future solutions may include:

… the creation of databases of encrypted and protected files, the design of printers connected to and equipped with a system capable of managing intellectual property rights or the promotion of cooperation between manufacturers and platforms to make reliable files available to professionals and consumers.\textsuperscript{25}

The European Parliament stressed that the main challenge of tackling these problems will be to involve professional copyright intermediaries more closely.\textsuperscript{26}

With regard to patent protection for 3D printing, the most heated debate is about the patentability of 3D bio-printing techniques or devices which are used to create human organs. One argument is that bio-printers should be treated as machines used for a medical purpose, and thus are patentable. The other argument is that 3D bio-printing medical techniques are non-patentable as such techniques involve direct printing onto or into human bodies which may fall under the patent exemption of the “medical treatment exception” under the morality clauses according to Article 53(a) of the European Patent Convention.\textsuperscript{27} Another question is whether the patentability of innovative biological materials for 3D bio-printing should be treated differently from natural biomaterials.\textsuperscript{28}

With regard to trade mark protection for 3D printing, one of the most common issues is whether making a copy of a trade mark using printable 3D design files may infringe a trade mark owner’s rights. For example, in 2013, Nokia released printable 3D design files and instructions online for people to make their own Nokia phone cases for private use only.\textsuperscript{29} It is arguable that if such 3D printed trade mark objects are for private use and that there is no likelihood of confusion of the origin of the objects, then it does not infringe trade mark rights. If such objects are used in trade or commercially, it may infringe trade mark rights.\textsuperscript{30} The Nokia example showed the start of public use of 3D self-printed trade marks, produced by the trade mark owner. The production of 3D self-printed trade marks can also be carried out by a licensed manufacturer entering the public
It was argued that if consumers are allowed to make their own trade marked products, trade marks may lose the function as badges of origin in the conventional sense. It was also noted that 3D printing technology may affect how people relate with brands as such technology divides design from manufacturing and that trade mark law should not hinder technological advancement. With the common use of 3D printable trade marks, the potential risk of losing the traditional function of trade marks may be minimised by adopting appropriate legal and technological measures to prevent illegal sharing of trade marked 3D printable downloadable files.

**Afterthoughts**

3D printing technology may increase efficiency and productivity, reduce costs in business and improve general healthcare. It may also potentially advance other fields in industry and scientific research due to its potential further expansion of 3D materials and techniques. These measures are also necessary to protect public safety and security. Due to the nature and application of 3D printing technology, which is substantially different from other traditional printing technologies, it is necessary to establish a coherent legal framework. Such a framework should take into consideration the specific technological and legal implications of 3D printing technology, so as to remove current legal barriers for harmonised protection and promote technological advancement across all sectors in industry, business, science, education and healthcare in the EU.

**GERMANY**

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**Higher Regional Court of Dusseldorf refuses to follow Federal Court of Justice regarding cease and desist obligations in German patent cases**

Decision of 30 April 2018, I-15 W9/18 – Rasierklingeneinheiten

The Higher Regional Court of Dusseldorf (Patent Senate) handed down a decision on 30 April 2018 that not only surprised but also might have heralded the start of a new understanding of the scope of cease and desist obligations in patent infringement cases in Germany.

**Background**

According to § 139(1) of the [German Patent Act](#), a patent holder can claim for injunctive relief if someone infringes its patent. The [German Patent Act](#) reads as follows:

Section 139 [Right to injunctive relief and damages]

(1) Anyone who uses a patented invention contrary to sections 9 to 13 may be sued by the injured party for an injunction in the event of a risk of repetition. The claim shall also exist if an infringement is imminent for the first time. [Emphasis added].

A claim for injunctive relief in intellectual property law in Germany is peculiar as – unlike in other jurisdictions – a court does not have any discretion on the granting of an injunction. This means that an injunction is the “automatic” result of an infringement of intellectual property rights.

Apart from injunctive relief, the [German Patent Act](#) also handles claims for recall of products and removal of products from the market. The respective rules read as follows:

Section 140a [Destruction and recall claims]

(3) Any person using a patented invention contrary to Sections 9 to 13 may be sued by the infringed party for recall of the products which are the subject of the patent or for their final removal from the distribution channels. The first sentence of Article 2 shall also apply in the case of products which have been manufactured directly by a process which is the subject of the patent.

(4) The claims referred to in paragraphs 1 to 3 shall be excluded if the claim is disproportionate in the individual case. The legitimate interests of third parties shall also be taken into account in the examination of proportionality. [Emphasis added].

Claims for recall of products and removal of products from the market are different from claims for injunctive relief as a court needs to consider whether or not the claim is
proportionate in the particular case. Moreover, these claims cannot be asserted in preliminary injunction proceedings.

The Decision of the Higher Regional Court of Düsseldorf
The Higher Regional Court of Düsseldorf had to decide whether the claim for injunctive relief that the claimant had been granted included the obligation of the defendant to recall products from his marketing channels or at least to request that his customers would stop any sales. The claimant had obtained a preliminary injunction for patent infringement in precedent proceedings. As explained before, the claimant could not request for recall of products or removal of products from the market in these preliminary injunction proceedings. In accordance with the claim for injunctive relief, the infringing company stopped all infringing acts (i.e., offering, putting on the market or importing or possessing for these purposes) and informed its customers (themselves distributors) of the issued injunction.

However, some of these distributors did not stop selling the infringing products. The claimant saw a breach of the cease and desist injunction as the infringing company had not further stopped its customers from selling the products. The claimant argued that the obligation of injunctive relief would also encompass further acts regarding their customers. The claim for injunctive relief would obligate the defendant to act directly in relation to its customers.

The Court decided that the cease and desist injunction does obligate the infringer to stop any infringements caused by himself directly. However, the defendant could not be obligated to stop any further infringements by third parties – i.e., his customers.

How is this interesting?
Now, why is this decision of any interest? As claims for recall of products or removal of products from the market and for cease and desist are clearly separated in the German Patent Act and have different requirements for their grant, it seems obvious to distinguish the two legal consequences. The infringer should only be obligated to recall his products from the market if the claimant substantiated the material and procedural requirements for the claim for recall of products.

However, the decision might be game-changing, at least for patent law (as the case was based in patent law). Here is why:

The Federal Court of Justice issued different decisions over the past three years, blurring the boundaries between claims for injunctive relief and claims for recall of products or removal of products from the market. The main question in all decisions was, how far does the order for injunctive relief go in intellectual property law?

In the decisions Hot-Sox (Federal Court of Justice, decision of 19 November 2015 – 1 ZR 109/14), RESCUE Tropfen (Federal Court of Justice, decision of 29 September 2016 – 1 ZB 34/15) and Luftentfeuchter (Federal Court of Justice, decision of 4 May 2017 – 1 ZR 208/15), the Federal Court of Justice decided that in competition law, an order for injunctive relief – both judicial and contractually agreed – not only includes the discontinuation of further sales but also the recall of products delivered in the past. In this way, the injunction debtor is to ensure that products already delivered are not resold by his customers. Although, the Federal Court of Justice had ruled according to competition law, it had already indicated in its Luftentfeuchter decision that these principles should also apply to intellectual property – i.e., patent rights, trade mark rights and design rights.

With his decision Produkte zur Wundversorgung (Federal Court of Justice, decision of 11 October 2017 – I ZB 96/16), the Federal Court of Justice finally explained in detail that the principles should also apply to intellectual property law. It explained that the injunction debtor is obliged to take active measures to prevent the resale of the products. This obligation is, however, limited to acting on third parties to the extent possible, necessary and reasonable. The first guiding principle of this decision reads as follows:

1. The obligation to refrain from an act by which a continuing fault condition was created, even if it is contained in an preliminary injunction, to be interpreted, in the absence of deviating indications, as meaning that, in addition to refrain from such acts, it also includes the performance of possible and reasonable acts to remedy the fault condition.

The wording of the respective decision granting an injunctive relief does not have to show the positive duty to act explicitly. An order for injunctive relief always obligates the infringer to take actions for eliminating a fault condition caused by himself bringing infringing products to the market.

Also, the special legal claims for removal and recall cannot limit or exclude the obligation. These are independent claims with different goals, which stand next to each other. The principle of proportionality, limiting the right to removal, must ultimately also be observed in the interpretation of the injunction title.

Even the special legal claims regarding recall do not have a blocking effect. According to the obligation of the injunction debtor, he must only take the possible, necessary and reasonable measures. In contrast, the abstract legal claim of recall obligates the recall per se, even if the recall does not serve to prevent further specifically imminent infringing acts. Finally, the Federal Court of Justice states that in a preliminary injunction procedure, the main case can only be anticipated under narrow, special conditions. This is basically against an obligation to recall. However, the injunction debtor must at least request his customers not to resell the goods for the time being in view of the preliminary injunction.

Therefore, the Federal Court of Justice has – with a dogmatically highly debatable explanation – blurred the
boundaries between claims for injunctive relief and claims for recall of products or removal of products from the market. As the claim for recall of products or removal of products from the market has other material and procedural requirements that need to be examined other than the injunctive relief, the Federal Court of Justice reads these obligations into the claim for injunctive relief. Therefore, it circumvents these mandatory requirements so that it makes the claim for recall of products or removal of products from the market superfluous.

**We've come full circle**

Now, the decision of the Higher Regional Court of Dusseldorf appears in a different light. The Higher Regional Court has explicitly decided contrary to the Federal Court of Justice. In its decision the Higher Regional Court gathered many of the infinite arguments the literature has pointed out, criticising the Federal Court of Justice decisions over the past years.

In the beginning of its decision, the Higher Regional Court of Dusseldorf rules in line with the Federal Court of Justice that an infringer could be obligated to undertake acts for eliminating a fault condition caused by himself bringing infringing products to the market if its infringing action is still active.

However, in the decided case, the Higher Regional Court of Dusseldorf rules that the further distribution of infringing goods by customers of the infringer is no longer a continuance of the former action but a new action of the customers. The initial infringer could therefore not be obligated to take action against these third-party acts. The Higher Regional Court explains:

> Even if the unlawful acts of use of the debtors are causal for the further distribution by the customers, because without corresponding deliveries the customers would not be in a position to distribute the challenged form of execution under their own brand name and the debtors would thus have increased the risk of a further infringement, this causality is not synonymous with the continuation of the own infringement caused by the debtors. Rather, this infringement is interrupted by the actions of the independent purchasers; the debtors’ own acts of infringement no longer continue. The subsequent unlawful use of the patent is the sole responsibility of the purchasers who are legally and actually independent of them. [43]

The Higher Regional Court of Dusseldorf further argued that the extension of the injunctive relief to acts which are owed as a recall would lead to a mixture of the two bases of the claim and would in particular disregard the fact that a recall […] is subject to proportionality at the level of the facts, whereas […] an objection of an infringer to this effect is irrelevant. In addition, the cease and desist order and the recall in execution are subject to different regulations. While the former is to be enforced in accordance with § ZPO § 890 ZPO, the enforcement of the recall is governed by §§ ZPO § 887 ff. ZPO. ZPO. The legislator has therefore provided for different conditions of the offence and different enforcement methods for the concurrent claims. [46]

Accordingly, an injunctive relief – in line with the decisions of the Federal Court of Justice – would not be sufficiently defined.

> Furthermore, it is not clear even taking into account the fundamental possibility of a competition between claims which scope of a request for recall of products […] remains at all if an obligation to recall follows the order for injunctive relief […]. [46]

The decision of the Higher Regional Court of Dusseldorf can only be welcomed. It deviates fundamentally from the decisions of the Federal Court of Justice. However, these deviating decisions were made for different areas of intellectual property rights, which do not fall under the competence of the "Patent Senate" at the Federal Court of Justice (10th Senate). It is only a question of time until such a case may reach the 10th Senate. We are looking forward to seeing such a dispute dealt with between the senates of the Federal Court of Justice.
FRANCE

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New measures to be adopted regarding French patents

On 19 June 2018, the French Government proposed a Bill to reform the economy which contains several proposals concerning the filing and prosecution of French patents. These proposals aim at strengthening the validity of French patents by allowing the French Patent Office (Institut National de la Propriété Industrielle) to assess whether inventions filed meet the inventive step requirements and by permitting third parties to file opposition proceedings. A longer duration for utility certificates and the filing of simplified patent applications, in a form similar to the United States of America (“US”) provisional applications, have also been proposed.

Up to now, French patents are only subject to a formal review by the French Patent Office and an assessment of the novelty of the invention. First and foremost the French Patent Office may only reject the patent application, and therefore not grant the patent, should it blatantly appear that the invention is not novel based on the prior art search report. It has been suggested that increasing the powers of the French administration while reviewing patents would make French patents more attractive, while strengthening the validity of such titles. It is indeed commonly considered that French patents are more vulnerable in cases of invalidity claims than, for instance, European patents that are subject to a more thorough examination before the European Patent Office (“EPO”) in Munich.

In addition to this examination, third parties will be granted the right to file oppositions against the granting of French patents, which will make the delivery of French patents more similar to the current proceedings at the EPO.

The Bill nonetheless raises several additional questions such as whether the French Patent Office will have sufficient resources and available means to carry out such extended examinations and oppositions. It can also be pointed out that the increase of the powers of the administration will also imply that more appeals will be filed before the judicial courts to review the validity of the French Patent Office’s decisions.

The last items of the law concern the extended duration of utility certificates (from six to 10 years) together with the creation of simplified patent applications for patents.

In this last respect, the Government would like to make the filing of patents more attractive to companies by allowing them to file less formal documents, while securing a filing date. Such documents would probably not need to include formal claims similar to the current existing system in the US and known as “provisional applications”. Like in the US system, a formal filing will need to be made for such applications within the one-year period provided by the Paris Convention. The interest of such measures can be debated provided that, in any event, patents need to include formal claims so as to determine the scope of the monopoly protected by the granting of the patent.

Last but not least, the Bill also includes the possibility for the Government to take additional measures regarding trade mark rights, inter alia to transpose into national law the new features provided by the latest trade mark directive.

So far, the Bill has been adopted by the French Lower Assembly on 9 October 2018 and still needs to be reviewed by the Senate.

New developments in the EU regarding the grant of SPCs based on a patent covering a new application of a known product: French court refers questions to the CJEU for a preliminary ruling

In the European Union (“EU”), Supplementary Protection Certificates (“SPCs”) are granted nationally by each national patent office but based on EU Regulation No.469/2009 of 6 May 2009 concerning the SPC for medicinal products (“Regulation No. 469/2009”).

While Article 3(d) of the Regulation No. 469/2009 was thought to prevent the grant of a SPC covering a new therapeutic application of a product which had already received a marketing authorisation (“MA”) for a medicinal product, the CJEU ruled in the Neurim decision (C-130/11) of 19 July 2012 that “the mere existence of an earlier MA does not preclude the grant of a SPC for a different application of the same product”.

The meaning of the terms “a different application of the same product” has since been subject to different interpretations by the national offices granting SPCs.

On 9 October 2018, the Court of Appeal of Paris referred two questions to the Court of Justice of the European Union (“CJEU”) intended to clarify the meaning of the term “different application” and the extent to which the basic patent should cover said different application, as addressed in the CJEU Neurim decision.

Background

Santen is the holder of:

- European patent No.1 809 237, entitled “Ophthalmic oil-in-water type emulsion with stable positive zeta potential”, filed on 10 October 2005 and granted on 31 December 2008; and
• a central marketing authorisation No. EU/1/15/990 valid in the entire EU, granted on 19 March 2015 and notified on 23 March 2015, for the medicinal product with the proprietary name “Ikervis”, whose active ingredient is ciclosporin in the formulation, covered by EP 1 809 237, indicated for the treatment of severe keratitis in adult patients with dry eye disease, for which ciclosporin has not been approved before.

By a decision dated 6 October 2017, the Director General of the French Patent Office dismissed the application to grant a SPC for ciclosporin eye drop emulsion, filed by Santen on 3 June 2015.

The Director of the French Patent Office considered that the MA, on which the application is based would not be the first authorisation to place the product on the market as a medicinal product because:

• the sole active ingredient of the specialty object of MA No. EU/1/15/990 for “ciclosporin for use in the treatment of keratitis” is ciclosporin which should be considered as the product object of the requested SPC, within the meaning of Article 1(b);
• the previous MA for ciclosporin had been granted on 23 December 1983 for the medicinal product “Sandimmun”; and
• the CJEU Neurim decision would not apply in the circumstances of the case because:
  • the application for which Ikervis is authorised is not a different application from that of Sandimmun as both relate to inflammatory diseases of the eye; and
  • the basic patent does not protect a new application of ciclosporin, but a new formulation containing no specific use limitation.

Santen lodged an appeal against this decision by declaration of 3 November 2017.

In its written submissions filed before the Court of Appeal of Paris, Santen requested:

• as a main request, that the Court of Appeal hold the decision of the Director General of the French Patent Office void, as it is contrary to the case law of the CJEU as set out in the Neurim judgment of 19 July 2012, C-130/11, be strictly understood, i.e.:
  • be limited to the case of a human application following a veterinary application;
  • or concern an indication in a new therapeutic field, in the sense of a new medical specialty, compared to the previous MA, or a drug in which the active principle exerts an action different from that which it exerts in the drug that was the subject of the first MA;
  • or more generally, in the light of the objectives of Regulation (EC) No 469/2009 aiming at establishing a balanced system taking into account all the interests at stake, including those of public health, be assessed according to more stringent criteria than those used for the assessment of the patentability of the invention;
  • or, on the contrary, should it be understood in an extensive way, i.e. including not only different therapeutic indications and diseases, but also different formulations, dosages and/or modes of administration?

2 Does the notion of application falling within the scope of protection conferred by the basic patent within the meaning of the CJEU Neurim decision of 19 July 2012, C-130/11, imply that the scope of the basic patent should be consistent with that of the MA invoked and, therefore, limit itself to the new medical use corresponding to the therapeutic indication of said MA?

Answering these two questions (as well as the one referred by the United Kingdom High Court of Justice in Abraxis Bioscience (C-443-17)) should enable the CJEU to:

• clarify the criteria laid down in its Neurim decision; and
• determine to what extent new therapeutic indications, formulations, dosages and/or modes of administration (relating to an active substance already used as a medicinal product) can be protected by a SPC.

The impact of these decisions could thus be of major importance for the pharmaceutical industry.
Current Developments – Europe

1 See Unwired Planet International Ltd v Huawei Technologies Co Ltd & Anor (2017) EWHC 711 (Pat).

2 See Huawei Technologies Co Ltd v ZTE Corp., ZTE Deutschland GmbH (Case C170/13).

3 See Unwired Planet International Ltd v Haier Technologies Co Ltd & Anor (2017) EWHC 1304 (Pat).


5 Opinion of the European Economic and Social Committee, ‘Living tomorrow: 3D printing — a tool to empower the European economy’, OJ C 352, 8 October 2015, 37.


8 Opinion of the European Economic and Social Committee on ‘Living tomorrow: 3D printing — a tool to empower the European economy’, Official Journal of the European Union, C 352, 8 October 2015, 36.


21 This report reflects the personal views of the authors and should not be attributed to the authors’ firm or to any of its present and future clients.
The Federal Government announced Canada's Intellectual Property (“IP”) strategy in April 2018 and has now introduced legislative amendments to implement the strategy. The Budget Implementation Act, 2018, No. 2 (Bill C-86) contains proposed amendments which will affect legislation relating to IP, including further amendments to the Canadian Trade-marks Act 1985. These proposed amendments are in addition to those that were included in the Economic Action Plan 2014 Act which was passed in 2014 and is expected to come into force in 2019.

Canada’s IP strategy involves a number of initiatives and an investment of CA$85.3 million over five years to improve awareness of IP by Canadian businesses to encourage creators, entrepreneurs and innovators to participate more actively in the IP system and to actively protect IP through registration in Canada and abroad. The strategy is intended to support commercialisation of Canadian innovation and creativity and to foster the strategic use of IP to allow Canadian businesses to grow and to compete.

Bill C-86 was introduced and received its First Reading in the House of Commons on 29 October 2018, Second Reading in the House of Commons on 6 November 2018 and has been referred to the Standing Committee on Finance for study. As it is an Omnibus Bill affecting many pieces of legislation to implement the Budget introduced earlier this year, the timing of its passage is likely to be expedited.

The key changes to the Trade-marks Act 1985 will be:

1. New grounds of opposition and invalidation
The proposed amendments add the ability to oppose or challenge the validity of a trade mark registration on the basis that the application was filed in bad faith. At this time there is no indication as to what constitutes bad faith but the new grounds would likely be used to address applications filed with no intention to use the mark in Canada but rather an intention to benefit financially by assigning the application or registration to the party with a legitimate entitlement to the mark.

2. Restrictions on trade mark enforcement without use
The proposed amendments would require that if, within three years after registration of a trade mark, the registrant initiates an action for infringement, it is not entitled to relief unless the trade mark was in use in Canada at any time during that three year period. This new requirement appears to address some of the concerns identified in the 2014 amendments to be implemented in 2019 relating to the elimination of the requirement that a trade mark be used, in Canada or elsewhere, in order to obtain registration of a mark in Canada.

3. Changes to trade mark opposition board proceedings
The proposed amendments would mean a significant change in opposition proceedings and section 45 expungement proceedings as they include the use of case management, elimination of the automatic ability to file evidence on appeal of the outcome of a proceeding, as well as granting the Registrar of Trademarks the authority to order costs and to issue confidentiality orders in relation to evidence that a party requests be kept confidential.

4. Changes to the Official Mark regime
In Canada, marks that are adopted and used by public authorities pursuant to section 9 of the Trade-marks Act 1985 are called Official Marks and are provided a broader scope of protection than regular trade marks. Official Marks are not required to be registered in association with specific goods and services and do not have to be renewed. Any mark that so nearly resembles an Official Mark as to be mistaken may be prohibited. The proposed amendments would limit the rights of Official Mark owners in the event that the owner is not a public authority or no longer exists as the Registrar of Trademarks could, on his or her own initiative or at the request of a party who pays the prescribed fee, give public notice that the mark is not a valid Official Mark.

If Bill C-86 is passed without significant changes, it will address some of the concerns raised in relation to the previous amendments. In particular, the new grounds of opposition and invalidation based on bad faith will alleviate some concern about speculative filings by trade mark squatters. Further, the requirement that registrants show use of their marks within the first three years of registration in order to be able to enforce rights in them addresses the concern relating to the elimination of the requirement that trade marks be used in Canada or elsewhere before registration is granted. It appears possible that both the prior amendments and those proposed in Bill C-86 could be proclaimed in force in 2019. Bill C-86 would also implement significant changes in opposition and section 45 expungement procedures and a limit with respect to Official Marks on the Register.
The Court of Appeals for the Federal Circuit, in an unusual en banc decision, Click-To-Call Technologies LP v. Ingenio Inc. ("Click-to-Call"), upended what many accepted as black letter law: that dismissal of a patent infringement complaint without prejudice places the parties in the same position as before the complaint, resetting the one year clock to petition for inter partes review ("IPR"). At issue in the case was the Patent Trial and Appeal Board’s ("PTAB") interpretation of the one year time bar statute, which reads as follows:

**An inter partes review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner...is served with a complaint alleging infringement of the patent...[Emphasis added].**

This decision could help patent owners by barring accused infringers from availing themselves of the just, speedy and inexpensive IPR procedures at the Patent Office.

The specific facts of Click-to-Call are complicated, but suffice it to say that Ingenio, the accused infringer/IPR petitioner, voluntarily dismissed a patent infringement action in 2001 and received a licence to the patent at issue. The patent owner subsequently reasserted the patent in 2012 and the defendants, including Ingenio, petitioned for IPR. The petitioners won a final written decision in the IPR cancelling all instituted claims (the PTAB had declined to institute review of some claims). During the IPR, the patent owner asserted that service of the 2001 complaint barred the IPR. The PTAB disagreed, stating that dismissing the complaint without prejudice placed the parties in the same position as if the complaint was never filed, thus resetting the section 315(b) time bar clock.

The Patent Office cited two cases supporting its position: Graves v Principi, 294 F.3d 1350 (Fed. Cir. 2002) and Bonneville Associates, Ltd. Partnership v Barram, 165 F.3d 1360 (Fed. Cir. 1999). In both, the Federal Circuit held that, basically, appeals that were dismissed were treated as if they never happened. As such, when appellants tried to refile their appeals, they were untimely. In Click-to-Call, the Court declined to extend its prior holdings (i.e., that “[t]he dismissal of an action without prejudice leaves the parties as though the action had never been brought,” because doing so would turn them “on their head.”)

When considering whether to defer to the Patent Office (under Chevron), the Click-to-Call Court found no ambiguity in the statute. The Court took a literal approach to statutory interpretation, similar to how the Supreme Court read 35 USC section 314(a) in SAS Inst. v. Lansu (“Where a statute’s language carries a plain meaning, the duty of an administrative agency is to follow its commands as written, not to supplant those commands with others it may prefer.”) Reading the statute literally, the Federal Circuit held, “A defendant served with a complaint as part of a civil action that is voluntarily dismissed without prejudice remains ‘served’ with the ‘complaint.’ This remains true even if that action becomes a ‘nullity’ for other purposes.” Therefore, service of a complaint irreversibly triggers the one-year time bar under section 315(b), irrespective of what happens afterwards.

The dissent, consisting of Judges Dyk and Laurie, would have gone beyond literal meaning: “[I]nterpretation of [the] word or phrase depends upon reading the whole statutory text, considering the purpose and context of the statute, and consulting any precedents or authorities that inform the analysis.” However, Judge Taranto, in a concurring opinion, argued that the dissent crossed the line from judicial review to judicial overreach, stating, “If there turns out to be a problem in the statute’s application according to its plain meaning, it is up to Congress to address the problem.”

This case could present several problems for accused infringers. First, accused infringers who relied on the Patent Office’s prior interpretation of the statute might not be able to file an IPR petition. Second, service of a complaint may trigger a time bar for filing any IPR petitions in the future, even reasons that cannot be anticipated, such as assertions against future acquired companies or yet-to-be-conceived products. Third, because accused infringers cannot “un-ring” the time bar clock; they must consider filing a pre-emptive IPR petition if they anticipate future litigation. Gone are the days of “kicking the can down the road” in hopes of achieving a long-term settlement. Indeed, if the initial service of a complaint triggers an irreversible deadline to file an IPR, settlement could become more problematic. Of course, no time bar applies to ex parte reexamination, which is available to “any person ... at any time.”
The decision was unusual in that a three-Judge panel heard the appeal, but the en banc Court joined in a footnote to agree with the outcome. Two Judges dissented and one concurred.

35 USC §315(b).

Ingenio, Inc., is a successor-in-interest of the original defendant, Keen, Inc.

A voluntary dismissal without prejudice only leaves the dismissed action without legal effect for some purposes; for many other purposes, the dismissed action continues to have legal effect.


24. 42 C.F.R. § 1.510.
Expressions of Interest
are invited from IP lawyers and writers
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