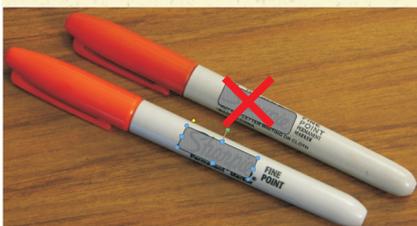
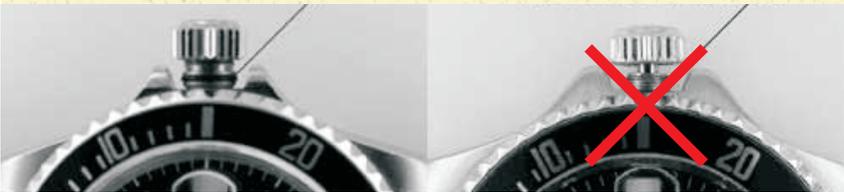


# FAQ

Frequently  
Asked  
Questions



## Anti Counterfeiting Trade Agreement (ACTA)

Centre for WTO Studies  
Indian Institute of Foreign Trade

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# Foreword



In recent years, major U.S. and EU intellectual property rights owners have sought stronger powers to enforce their intellectual property rights across the world to preserve their business models. These efforts have been underway at a number of international platforms, including the World Trade Organization, the World Customs Organization, at the G8 summit, at the World Intellectual Property Organization, at the Intellectual Property Experts' Group at the Asia Pacific Economic Coalition, etc. Since the conclusion of the WTO Agreement on Trade-Related Issues of Intellectual Property in 1994 (TRIPS), the focus of enforcement of intellectual property has shifted outside the traditional multilateral venues dealing with IP matters such as the WIPO and the UNESCO. The WTO itself with the Dispute Settlement mechanism, the WCO, the InterPol and even the WHO started discussions on IPR enforcement related issues. Subsequently, IPR Enforcement became a major focus in bilateral and regional free trade agreements entered into by the United States and the European Community with their respective key trading partners.

Today, the Anti-Counterfeiting Trade Agreement (ACTA) is the new frontline in the global IP enforcement agenda. This presents new challenges for developing countries like India. As a growing economy, India has considerable stake in knowledge-based industries which, if correctly utilised, can translate into encouragement to research and innovation. At the same time, it needs to be vigilant that the bar of intellectual property protection is not raised to such levels as to prevent access to new products and forms of knowledge.

The Centre for WTO Studies, in collaboration with the Department of Commerce, has prepared a set of FAQs on the Anti-Counterfeiting

Trade Agreement (ACTA) to make this agreement more easily comprehensible. It is hoped that the information contained in this FAQ will be helpful for lay reader as well as for those who are interested in a deeper understanding of issues related to ACTA. Views and comments of readers are welcome and may be sent at [editor\\_wtcentre@iift.ac.in](mailto:editor_wtcentre@iift.ac.in).

New Delhi  
Dated: 6.06.2011



**K. T. Chacko**  
Director, IIFT

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The FAQs and their answers are intended as a guide on ACTA to lay persons only. For legal, judicial and administrative purposes, the text of the Agreement may please be looked into.

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## A. Overview

### Q1. What is ACTA?

A1. ACTA is an acronym of the Anti Counterfeiting Trade Agreement finalised by few countries with very strong enforcement provisions on intellectual property rights. The Agreement is not within the framework of World Trade Organisation (WTO) or the World Intellectual Property Organisation (WIPO).

### Q2. How did it originate?

A2. The origin of ACTA concept could be traced back to the 2005 summit of G8 countries in Gleneagles, Scotland when a concern was raised about widespread counterfeiting affecting trade. It was Japan which initially proposed an anti-counterfeiting agreement. Later, in 2006, the United States of America also proposed such an agreement. In the 2007 summit of G8, Japan and USA proposed a formal treaty on the issue. Subsequently the European Community and Switzerland supported the proposal for formal negotiations. During the years 2008 to 2010, a number of consultations were held and on 3<sup>rd</sup> December 2010 the final text of ACTA was released to the public.

### Q3 Why was a need felt for ACTA?

A3. Initially all intellectual property right matters were with the World Intellectual Property Organisation (WIPO), a specialized agency of the United Nations system of Organisations. With the finalisation of the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS), WTO also became an organisation with decisive say in intellectual property right matters. Both these organisations concluded an agreement to work together

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harmoniously in this important area. The ACTA now represents a third forum. One view is that some of the countries who negotiated ACTA were unhappy with the slow progress in the approach towards stronger Intellectual Property (IP) regimes in the WIPO and WTO forums. It is a general perception that many of the developed countries were for some time emphasizing on the need to go for stronger enforcement provisions than those in the TRIPS Agreement in the interest of trade and commerce. There was a view that the TRIPS did not elaborate on the processes and procedures of enforcement. All these may have contributed to the development of a new treaty.

**Q4 Who were the negotiating parties?**

**A4.** The negotiating parties were Australia, Austria, Belgium, Bulgaria, Canada, Cyprus, the Czech Republic, Denmark, Estonia, the European Union, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Malta, Mexico, Morocco, the Netherlands, New Zealand, Poland, Portugal, Romania, Singapore, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States of America. The participation of EU members in the negotiations was through the European Commission.

**Q5. What is the scope of the obligations under ACTA?**

**A5.** The scope of obligations under ACTA extends to enforcement of intellectual property rights domestically and at the borders. The accessories are required to provide in their laws and administration including judiciary adequate provisions for a strong enforcement including civil and criminal remedies and border enforcement provisions and facilitative infrastructure and procedures

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for the various intellectual property rights provided in the TRIPS Agreement.

**Q6. How is counterfeiting defined in ACTA?**

**A6.** ACTA defines ‘counterfeit trademark goods’ as “any goods, including packaging, bearing without authorization a trademark which is identical to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country in which the procedures ... are invoked.” (Article 5.)

**Q7. When will ACTA enter into force?**

**A7.** ACTA will enter into force one month after six countries accede to the Agreement. (Article 40.)

## B. Intellectual Property Rights in ACTA

**Q8. Does ACTA address issues related to all forms of IPRs?**

**A8.** ACTA addresses issues related to all forms of intellectual property rights since it uses the term ‘intellectual property’ in most of the articles of the Agreement and the term is used to refer to all categories of intellectual property that are the subject of the TRIPS Agreement. (Article 5.)

**Q9. Why are intellectual property rights other than trademarks also included in a treaty on counterfeiting?**

**A9.** This is a moot question. The history of the negotiations reveals that while from the beginning the treaty was

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named as 'Anti Counterfeiting Trade Agreement', in the early stages of negotiations, almost all provisions were relating to intellectual property in general and not specifically with trademarks alone. This also meant a definition of 'counterfeiting' that included all goods which infringed any of the intellectual property rights and not only infringement of trademarks. It is at the final stages of the negotiations that the definition of counterfeiting got restricted to the TRIPS compliant definition of trademark infringing goods only. The early approach could have been because of the influence of industrial and business firms in the negotiating countries.

**Q10. What are the provisions relating to Patents in ACTA?**

**A10.** Many of the Articles such as Articles 7, 8, 9, 10, 11, and 12 regarding civil enforcement pertain to patents too. Even other articles, except to some extent the articles pertaining to border measures (Articles 13 – 22), have within their scope patents because of the general use of the term intellectual property rights. The obligations require countries to provide for civil judicial procedures such as authority for judicial authorities to issue an order against a party to desist from an infringement and, *inter alia*, an order to that party or a third party to prevent goods that involve the infringement of an intellectual property right from entering the channels of commerce. (Article 8) Another obligation requires entrusting judicial authorities with authority to order an infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered as a result of the infringement. The Agreement also requires that the judicial authorities have the authority to call for information from the alleged infringer regarding production, distribution, etc. of the alleged infringing goods.

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**Q11. What are the provisions relating to trademarks in ACTA?**

**A11.** In addition to the provisions concerning all intellectual property rights including patents (see Answer to 10 above) in regard to the trademark, the judicial authorities are to be vested with powers to order the infringer to pay damages adequate to compensate for the injury the right holder has suffered as a result of the infringement. In determining the damages, the lost profits, value of the infringing goods or services measured by market prices or accepted retail prices be considered. The infringer is also required to pay the right holder the infringer's profits that are attributable to the infringement. It also requires establishment or maintenance of a system of

- (a) pre-established damages; or
- (b) presumptions for determining the amount of damages sufficient to compensate the right holder for the harm caused by the infringement; or
- (c) at least for copyright, additional damages.

The presumptions may include a presumption that the amount of damages is: (i) the quantity of the goods infringing the right holder's intellectual property right in question and actually assigned to third persons, multiplied by the amount of profit per unit of goods which would have been sold by the right holder if there had not been the act of infringement; or (ii) a reasonable royalty; or (iii) a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested for authorization to use the intellectual property rights in question.

Further, in the case of counterfeit trademark goods and pirated copyright works the judicial authorities are to have

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the authority to order destruction of the infringing goods without compensation of any sort.

There are also provisions for provisional measures including for preventing the infringing goods entering the channels of commerce and to preserve evidence of the alleged infringement. The judicial authorities are also to have the authority to order the seizure of suspect goods.

Border measures and criminal procedures and penalties have also been proposed for trademark infringements.

**Q12. What are the provisions relating to Industrial Designs in ACTA?**

**A12.** The provisions relating to patents (see 10 above) and border measures are applicable to industrial designs too. It is left to a Party's discretion to introduce criminal procedures and penalties for Industrial Design infringement.

**Q13. What are the provisions relating to copyrights in ACTA?**

**A13.** The provisions relating to trademarks (see 11 above) are applicable, *mutatis mutandis*, to copyrights. In addition, there are special provisions relating to digital works and works on Internet such as use of technological measures of protection and digital management information applied to a work.

**Q14. What are the provisions relating to Geographical Indications in ACTA?**

**A14.** The provisions relating to patents (see 10 above) and border measures are applicable to infringement of geographical indications too. It is left to a Party's discretion to introduce criminal procedures and penalties for infringement of Geographical Indication.

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**Q15. What are the provisions relating to protection of Layout Designs of Integrated Circuits in ACTA?**

**A15.** The provisions relating to patents (see 10 above) and border measures are applicable to layout designs of integrated circuits. It is left to a Party's discretion to introduce criminal procedures and penalties for infringement of Layout Designs of Integrated Circuits.

**Q16. What are the provisions relating to data protection in ACTA?**

**A16.** There are no specific provisions relating to data protection in ACTA. However, in view of the definition of intellectual property data protection also forms part of the scope of the Agreement and the general provisions as elaborated in regard to patents (see 10 above) are applicable to that too.

**Q17. What are the provisions relating to Trade Secrets in ACTA?**

**A17.** There are no specific provisions relating to Trade Secrets in ACTA. However, in view of the definition of intellectual property Trade Secrets also forms part of the scope of the Agreement and the general provisions as elaborated in regard to patents (see 10 above) are applicable to that too.

## **C. Enforcement and Other Legal Provisions in ACTA**

**Q18. What are the general obligations relating to enforcement of IPRs in ACTA?**

**A18.** Availability of speedy enforcement procedures, which are fair and equitable and not unnecessarily complicated or

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costly or entail unreasonable time-limits or unwarranted delays, is the major general obligation. The remedies should be a deterrent to further infringements. No liability for the acts undertaken in the performance of their official duties should lie on the officials. (Article 6.)

**Q19. What are the provisions relating to enforcement practices in the ACTA?**

**A19.** ACTA proposes sharing of best practices in enforcement of intellectual property rights.

**Q20. Does ACTA require any special measures regarding judicial procedures?**

**A20.** ACTA does not require any special measures regarding judicial procedures. However, it requires that the judicial procedures are easy and simple and not costly and also not entail unreasonable time-limits.

**Q21. What are the provisions relating to availability of civil procedures?**

**A21.** The provisions relating to civil procedures are detailed in Section 2 of the Agreement. They provide for injunctions, damages and other remedies besides provisional measures. The judicial authorities have to have the powers to issue an order against a party to desist from an infringement, and, inter alia, an order to that party or even a third party, to prevent goods that involve the infringement of an intellectual property right from entering into the channels of commerce. In case of remedies against use by governments without the authorization of the right holder they will be limited to the payment of remuneration and in other cases remedies will involve adequate compensation.

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The judicial authorities are also to have the powers to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered as a result of the infringement. In calculating the damages, the lost profits, the value of the infringed goods or services measured by market price, or the suggested retail price may be considered.

In the case of copyright or related rights infringement and trademark counterfeiting the authorities can order the infringer to pay the right holder the infringer's profits that are attributable to the infringement. Further, in these cases, the countries should also establish or maintain a system that provides for one or more of the following:

- (a) Pre-established damages; or
- (b) Presumptions for determining the amount of damages sufficient to compensate the right holder for the harm caused by the infringement; or
- (c) At least for copyright, additional damages.

The presumptions may include a presumption that the amount of damages is: (i) the quantity of the goods infringing the right holder's intellectual property right in question and actually assigned to third persons, multiplied by the amount of profit per unit of goods which would have been sold by the right holder if there had not been the act of infringement; or (ii) a reasonable royalty; or (iii) a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested for authorization to use the intellectual property rights in question.

Further, in the case of counterfeit trademark goods and pirated copyright works the judicial authorities have the

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authority to order destruction of the infringing goods without compensation of any sort.

There are also provisions for provisional measures including for preventing the infringing goods entering the channels of commerce and to preserve evidence of the alleged infringement. The judicial authorities are also to have the authority to order the seizure of suspect goods.

Further, the judicial authorities are to have the authority to adopt provisional measures *inaudita altera parte* (without hearing the other party).

**Q22. What are the provisions relating to injunctions in ACTA?**

**A22.** The judicial authorities are to have to have the powers to issue an order against a party to desist from an infringement, and , *inter alia*, an order to that party or even a third party to prevent goods that involve the infringement of an intellectual property right from entering into the channels of commerce. In case of remedies against use by governments without the authorization of the right holder, they will be limited to the payment of remuneration and in other cases remedies will involve adequate compensation.

There is, however, no provision to give an option to order pecuniary compensation to be paid to the injured party (defendant), namely, a party who finally was not found to be an actual infringer or abettor.

**Q23. What are the provisions relating to damages in ACTA?**

**A23.** The judicial authorities are to have the powers to order the infringer to pay the right holder damages adequate to compensate for the injury the right holder has suffered as a result of the infringement. In calculating the damages, the

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lost profits, the value of the infringed goods or services measured by market price, or the suggested retail price may be considered.

In the case of copyright or related rights infringement and trademark counterfeiting the authorities can order the infringer to pay the right holder the infringer's profits that are attributable to the infringement. Further, in these cases, the countries should also establish or maintain a system that provides for one or more of the following:

- (a) Pre-established damages; or
- (b) Presumptions for determining the amount of damages sufficient to compensate the right holder for the harm caused by the infringement; or
- (c) At least for copyright, additional damages.

The presumptions may include a presumption that the amount of damages is: (i) the quantity of the goods infringing the right holder's intellectual property right in question and actually assigned to third persons, multiplied by the amount of profit per unit of goods which would have been sold by the right holder if there had not been the act of infringement; or (ii) a reasonable royalty; or (iii) a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested for authorization to use the intellectual property rights in question.

This approach may not reflect the actual economic loss that the intellectual property owner would have suffered, but could be a presumptuous one since the suggested retail price is not the price that the manufacturer is getting from the retailer

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**Q24. What are the provisions relating to seizure, forfeiture and destruction in ACTA?**

**A24.** The competent authorities should have the authority to order the seizure of suspected counterfeit trademark goods or pirated copyright goods, any related materials and implements used in the commission of the offence, documentary evidence relevant to the alleged offence, and the assets derived from, or obtained directly or indirectly through, the alleged infringing activity.

The competent authorities are also to have the authority to order the forfeiture or destruction of all counterfeit trademark goods or pirated copyright works, or materials and implements predominantly used in the creation of those goods or works, and, at least for serious offences, of the assets derived from, or obtained directly or indirectly through, the infringing activity, without compensation of any sort to the infringer.

The judicial authorities should have the authority to order the seizure and forfeiture of assets the value of which corresponds to that of the assets derived from, or obtained directly or indirectly through, the infringing activity. The countries also should provide for *suo motu* action to initiate investigation or legal action with respect to the criminal offences. (Articles 23-26.)

**Q25. What are the provisions relating to submission of information in civil procedures?**

**A25.** The judicial authorities are to have the authority to order the infringer to provide to the right holder or to the judicial authorities, relevant information that the infringer possesses or controls. Such information may include information regarding any person involved in any aspect of the infringement and regarding the means of

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production or the channels of distribution of the infringing goods or services, including the identification of third persons involved in the production and distribution of such goods or services and their channels of distribution.

**Q26. What are the provisional measures proposed in the ACTA?**

**A26.** The provisional measures proposed include empowering the judicial authorities to order prompt and effective provisional measures to prevent an infringement of any intellectual property right from occurring and in particular, to prevent goods that involve the infringement of an intellectual property right from entering into the channels of commerce and also to preserve relevant evidence in regard to the infringement.

The authorities also are to have powers to adopt the provisional measures *inaudita altera parte* (*without hearing the other party*). There are, however, no obligations on procedural guarantees ensuring that the persons affected by the *inaudita altera parte* proceedings actually have the opportunity to challenge the measures adopted.

The judicial authorities are also to have the authority, at least in cases of copyright or related rights infringement and trademark counterfeiting, in civil judicial proceedings, to order taking into custody through seizure or otherwise of suspect goods, of materials, implements and documentary evidence, either originals or copies thereof, relevant to the act of infringement.

The authorities are also to have the powers to require the applicant to provide any reasonably available evidence in order to satisfy themselves with a sufficient degree of certainty that the applicant's right is being infringed or that such infringement is imminent and to order the applicant

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to provide a security or equivalent assurance sufficient to protect the defendant and to prevent abuse. However, such security or equivalent assurance should not unreasonably deter recourse to procedures for such provisional measures. (Article 12)

**Q27. What other civil remedies for infringement are proposed in ACTA?**

**A27.** At least in the cases of infringements relating to copyrights and trademarks, in civil proceedings, the right holders can request for destruction of infringing goods, except in exceptional circumstances, without compensation of any sort and the judicial authorities are to have the authority to order that. Further, the judicial authorities should have the authority to order that materials and implements which have been used in the manufacture or creation of infringing goods be destroyed or disposed of outside the channels of commerce and without any compensation. (Article 10)

This a rather strong obligation compared to earlier measures of disposal outside the normal channels of commerce. Further, this may affect the rights of a person who may have acquired the goods *bona fide* or who may have provided his equipments or instruments under the impression that they were being used for a perfectly legal business.

**Q28. What are the provisions relating to criminal enforcement in ACTA?**

**A28.** At least in the cases of trade mark and copyright infringements on a commercial scale, criminal procedures and penalties are to be applied. This includes cases of wilful importation or exportation of infringing goods.

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Further, criminal procedures and penalties are to be provided in cases of wilful importation and domestic use, in the course of trade and on a commercial scale, of labels or packaging

- (a) to which a mark has been applied without authorization which is identical to, or cannot be distinguished from, a trademark registered in its territory; and
- (b) which are intended to be used in the course of trade on goods or in relation to services which are identical to goods or services for which such trademark is registered.

The definition of 'commercial scale' is rather broad to include commercial activities for direct or indirect economic or commercial advantage. Criminal liability in criminal procedures extends to the aiding and abetting also.

Penalties for criminal offences include imprisonment as well as monetary fees sufficiently high to provide a deterrent to future acts of infringement.

The competent authorities should have the authority to order the seizure of suspected counterfeit trademark goods or pirated copyright goods, any related materials and implements used in the commission of the offence, documentary evidence relevant to the alleged offence, and the assets derived from, or obtained directly or indirectly through, the alleged infringing activity. The competent authorities are also to have the authority to order the forfeiture or destruction of all counterfeit trademark goods or pirated copyright works, or materials and implements predominantly used in the creation of those goods or works, and, at least for serious offences, of the assets

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derived from, or obtained directly or indirectly through, the infringing activity, without compensation of any sort to the infringer.

The judicial authorities shall have the authority to order the seizure and forfeiture of assets the value of which corresponds to that of the assets derived from, or obtained directly or indirectly through, the infringing activity. The countries also should provide for *suo motu* action to initiate investigation or legal action with respect to the criminal offences. (Articles 23-26.)

**Q29. What are the specific provisions in ACTA relating to border measures?**

**A29.** The obligations require countries to adopt procedures under which the custom authorities may act on their own initiative or on request of right holder, to suspend the release of, or to detain, suspect goods. Detailed procedures are also to be laid down as to the handling of the requests of right holders including informing the applicant within a reasonable period about the acceptance of their requests. The right holder may be required to provide reasonable security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse. These securities or assurances shall not unreasonably deter recourse to the procedures. Such security may be in the form of a bond. However, customs are not to permit, except in the case of a court order, the defendant to obtain possession of suspect goods by posting a bond or other security.

Such action may be applied to in transit goods or in other situations where the goods are under customs control. While these provisions provide discretion to the authorities, there are no specific provisions to compensate

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the owners of the suspect goods, in case the goods were wrongly detained.

The competent authorities are also to have the powers to order the destruction of goods determined as infringing. If not destroyed, they be disposed of outside the channels of commerce in such a manner as to avoid any harm to the right holder.

It should be competent for the authorities to impose administrative penalties on the infringer.

In a footnote it is stated that the Parties have agreed that the articles pertaining to border measures do not apply to patents and undisclosed information. However, apart from trade marks and copyrights, other intellectual property rights such as geographical indications and industrial designs come under the ambit of border measures.

**Q30. Is there any obligation relating to ex-officio action by the customs?**

**A30.** The custom authorities may be permitted to act on their own initiative to suspend the release of suspected goods and, where appropriate, a right holder may also be permitted to request for the same. Such action may be applied to in transit goods or in other situations where the goods are under customs control. While these provisions provide discretion to the authorities, there are no specific provisions to compensate the owners of the suspect goods, in case the goods were wrongly detained. (Article 16.)

**Q31. What are the provisions relating to anti-competitive practices in ACTA?**

**A31.** There are no specific provisions relating to anti-competitive practices in ACTA.

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**Q32. What are the institutional arrangements proposed in ACTA?**

**A32.** The Parties to the Agreement are to establish an ACTA Committee with their representatives. The Committee may decide to establish ad hoc committees or working groups to assist the Committee in carrying out its responsibilities, seek the advice of non-government persons or groups, and share information and best practices with third parties on reducing intellectual property rights infringements, including techniques for identifying and monitoring piracy and counterfeiting.

The Committee shall

- (a) Review the implementation and operation of the Agreement;
- (b) Consider matters concerning the development of the Agreement;
- (c) Consider any amendments to the Agreement;
- (d) Decide upon the terms of accession ; and
- (e) Consider any other matter that may affect the implementation and operation of the Agreement.

All decisions of the Committee are to be taken by consensus. (Article 36.)

**Q33. Are there any anti-abuse provisions in ACTA?**

**A33.** The Agreement requires that the competent authorities have the authority to require a right holder to provide a reasonable security or equivalent assurance sufficient, *inter alia*, to prevent abuse. (Article 18.)

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**Q34. Does ACTA create any third party liability?**

**A34.** In civil judicial proceedings, the judicial authorities are to have the authority to issue on order, inter alia, to a third party, coming under their jurisdiction, to prevent goods that involve the infringement of an intellectual property right from entering the channels of commerce.

**D. ACTA and Certain Specific Circumstances**

**Q35. Can customs be authorised to seize generic medicines in transit under the ACTA provisions?**

**A35.** Generic medicines cannot be seized in transit on grounds of patent infringement. However, since border measures extend to all intellectual property rights except patents and data protection, infringement of other intellectual property rights could be a ground for seizure of a generic medicine consignment. For example, on the ground of allegations of dilution of a well known mark consignments can be seized. Even in the case of ordinary trademarks, since they are territorial and there could be different owners for same trademark in different jurisdictions, such allegations can lead to seizure of generic medicines.

In the cases of counterfeit goods and pirated works, the law of the country in which the procedures are invoked applies. Therefore, authorities of the countries through which shipped goods pass, but never enter, can seize such goods, even if the goods are not infringing goods under the laws of the countries of export and import.

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**Q36. Are there any special measures related to technological enforcement of IP in the digital environment in the ACTA?**

**A36.** The measures proposed in the ACTA relate to both technological measures of protection and electronic rights management information.

Adequate legal protection and effective legal remedies are to be provided against the circumvention of effective technological measures that are used by authors, performers or producers of phonograms in connection with the exercise of their rights in, and that restrict acts in respect of their works, performances, and phonograms, which are not authorised by the authors, the performers or the producers of phonograms concerned or permitted by law. The protection measures should extend to the offering to the public by marketing of a device or a product including computer programs, or a service, as a means if circumventing an effective technological measure; and the manufacture, importation, or distribution of a device or product including computer programs, or provision of a service that is primarily designed or produced for the purpose of circumventing an effective technological measure; or has only a limited commercially significant purpose other than circumventing an effective technological measures.

So far as electronic rights management information is concerned, adequate legal protection and effective legal remedies are to be provided against any person knowingly performing without authority any of the following acts knowing, or with having reasonable grounds to know, that it will induce, enable, facilitate, or conceal an infringement of any copyright or related rights:

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- (a) To remove or alter any electronic rights management information;
  - (b) To distribute, import for distribution, broadcast, communicate, or make available to the public goods whose electronic rights management information has been removed or altered without authority.

The ACTA obligations require prohibition of both acts of circumvention and preparatory acts, and covers technological measures having dual (both legal and illegal) functions. According to some experts, although Article 27.8 of ACTA allows exceptions and limitations, no mechanisms to ensure their exercise and enforcement are provided in the Agreement.

**Q37. How will ACTA deal with cross-border trademark violation in third countries?**

**A37.** The Agreement encourages international cooperation in protection of intellectual property rights regardless of origin of the goods infringing intellectual property rights or the location of the nationality of the right holder. Such cooperation may include law enforcement cooperation with respect to criminal enforcement and border measurers.

**Q38. What are the provisions relating to online infringement of IPRs in ACTA?**

**A38.** Acts of infringement of intellectual property rights which take place in the digital environment are covered by the ACTA. Further, it specifically states that the enforcement procedures shall apply to infringement of copyright or related rights over digital networks which may include the unlawful use of means of widespread distribution for infringing purposes. The Agreement also provides that the

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competent authorities be provided with authority to order an online service provider to dispose of expeditiously to a right holder information sufficient to identify a subscriber whose account was allegedly used for infringement, where that right holder has filed a legally sufficient claim of trademark or copyright or related rights infringement, and where such information is sought for the purpose of protecting or enforcing those rights. Of course the procedures prescribed for such matters should not create an unnecessary barrier to legitimate trade, including e-commerce. Further, measures are to be taken for protection of technological measures of protection used by a right holder and also against deleting or altering the electronic rights management information.

**Q39. What are the ACTA provisions affecting availability of medicines?**

A39. Except the section relating to border measures, all provisions of the Agreement are applicable to all intellectual property rights. The strong measures against counterfeiting as well as infringement of any intellectual property right proposed in ACTA can sometimes affect the manufacture and distribution of generic medicines.

**Q40. Are there any provisions relating to protection of Traditional Knowledge, and, if so, which are they?**

A40. There are no provisions relating to protection of Traditional Knowledge in the ACTA.

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## E. ACTA and International Trade Law

### **Q41. What are the provisions relating to MFN in ACTA?**

**A41.** There are no specific provisions relating to MFN in ACTA. However, since only WTO members, who are covered by the TRIPS obligation of MFN, can become Party to the Agreement, the principle of MFN applies indirectly to the Parties to the Agreement.

### **Q42. What are the provisions relating to international cooperation in ACTA?**

**A42.** The provisions relating to international cooperation extend to information sharing and capacity building and technical assistance programmes in the area of enforcement of intellectual property rights. It clearly states that the Parties shall promote cooperation among their competent authorities responsible for enforcement of intellectual property rights. Such cooperation may include law enforcement cooperation with respect to criminal enforcement and border measures too. Information sharing includes exchange of information relating to enforcement practices, including statistical data, best practices, legislative and regulatory measures related to protection and enforcement of intellectual property rights.

### **Q43. Are there any provisions relating to amendments to the treaty in ACTA?**

**A43.** There are provisions regarding amendment to the ACTA as per which a Party desirous of making any amendment to the treaty should propose the amendment to the ACTA Committee. The Committee shall decide whether to present the proposed amendments to the Parties for ratification, acceptance, or approval. If ratified the

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amendment shall enter into force ninety days after ratification or approval.

**Q44. What are the provisions relating to becoming a party to ACTA?**

**A44.** As per the Agreement, only WTO members can become party to the ACTA. For those who are not negotiating parties to the Agreement, such application can be made after 31 March 2013. The ACTA Committee shall decide the terms of accession of each applicant.

**Q45. What is the relationship between ACTA and TRIPS?**

**A45.** ACTA makes specific references to TRIPS Agreement. While it states clearly that the Agreement recognizes the principle of minimum obligations and the scope and extent of the rights are as per the TRIPS Agreement, the ACTA obligations on enforcement are much stronger than the TRIPS Agreement. The Agreement in its preamble states clearly that it recognizes the principles set forth in the Doha Declaration on the TRIPS Agreement and Public Health also. Again it states that the objectives and principles set forth in Part I of the TRIPS Agreement, in particular in Articles 7 & 8, shall apply, *mutatis mutandis*, to this Agreement. At the same time, there are a number of provisions which go much beyond the TRIPS obligations. They include right of information (voluntary under TRIPS but compulsory under ACTA), scope of border measures (only for trademarks and copyright under TRIPS but for all intellectual property rights with the exceptions of patents and data protection under ACTA), safeguards, exceptions in relations to private use and fair use, copying for non-profit use, infringer's right to be heard, definition of commercial scale, disclosure of subscriber's data, elimination of the exclusion of small consignments from

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the application of border measures, mandatoriness of *suo motu* action by customs authorities, and dilution of the requirement of right holders' supplying evidence to make prima facie cases with the statement that the "shall not unreasonably deter recourse to the procedures."

**Q46. Does ACTA keep the flexibilities provided in the TRIPS?**

**A46.** The flexibilities available under TRIPS Agreement, to the extent they are not in conflict with the provisions of ACTA, can be availed of by the contracting parties. However the strong stress on enforcement considerably reduces the availability of these flexibilities.

**Q47. What is the relationship between ACTA and WTO?**

**A47.** ACTA makes specific references to WTO and TRIPS Agreement. While it states clearly that the Agreement recognizes the principle of minimum obligations and the scope and extent of the rights are as per the TRIPS Agreement, the ACTA obligations on enforcement are much stronger than the TRIPS Agreement. Further, only WTO members can accede to the ACTA. At the same time, it is making a plurilateral enforcement body outside WTO.

**Q48. What is the relationship between ACTA and WIPO?**

**A48.** ACTA does not make any specific reference to WIPO. However, it states that the Agreement shall not derogate from any obligation of a Party in respect to any other Party under existing agreements. This would include various treaties and conventions being administered by WIPO. At the same time, it is making a plurilateral enforcement body outside WIPO.

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**Q49. What are the implications of ACTA for developing countries?**

**A49.** ACTA provisions may affect the movement of generic medicines depending on the way the Parties to the Agreement draw up their domestic regulations. Further, the way infringement of trademarks has been included in the border measures (use of labels or packages that appear similar to those of originator companies) could create problems for import of generic medicines by countries.

**Q50. What are the relationships between ACTA and the FTAs?**

**A50.** While there is no explicit relationship between ACTA and the FTAs, the countries that negotiated the ACTA are likely to insist upon inclusion of the provisions of the Agreement in future FTAs with non-Parties either through reference or through reproduction of the provisions. The provision in Article 35 relating to capacity building and technical assistance in improving the enforcement of intellectual property rights include prospective parties.

**Q51. What are the likely follow-ups on ACTA?**

**A51.** The countries that negotiated the ACTA are likely to insist upon inclusion of the provisions of the Agreement in future FTAs with non-Parties either through reference or through reproduction of the provisions. The provision in Article 35 relating to capacity building and technical assistance in improving the enforcement of intellectual property rights include prospective parties. Further, it is possible that the Parties to the Agreement may propose provisions similar to those in ACTA in the ongoing negotiations on TRIPS in WTO.

### **Useful Web Links**

- [www.commerce.nic.in](http://www.commerce.nic.in)
- [www.wto.org](http://www.wto.org)
- [www.unctad.org](http://www.unctad.org)
- [www.worldbank.org](http://www.worldbank.org)
- [www.wipo.int](http://www.wipo.int)
- [www.fao.org](http://www.fao.org)
- [www.unescap.org](http://www.unescap.org)
- [www.artnetontrade.org](http://www.artnetontrade.org)
- [www.ictsd.org](http://www.ictsd.org)

## Other Publications of the Centre for WTO Studies

- ▣ FAQ on WTO Negotiations in Agriculture
- ▣ FAQ on WTO Negotiations in Non Agriculture Market Access (NAMA)
- ▣ FAQ on WTO Negotiations in Services
- ▣ FAQ on Geographical Indications
- ▣ FAQ on WTO Agreement on Subsidies and Countervailing Measures
- ▣ FAQ on WTO Agreement on Safeguards
- ▣ FAQ on WTO Compatibility of Border Trade Measures for Environmental Protection
- ▣ FAQ on Transfer of Technology in Environmentally Sound Technologies
- ▣ FAQ on Anti Dumping
- ▣ Review of Trade Policies of India's Major Trading Partners
- ▣ WTO Dispute Watch – Disputes of 2009
- ▣ *Discussion Paper 1: India's Duty Free Tariff Preference Scheme: Case Study for Select LDCs*
- ▣ *Discussion Paper 2: Cotton Production, Exports and Price: A Comparative Analysis of India and USA*
- ▣ *Discussion Paper 3: Study on Identification of Select Textile and Wool and Woollen Products Having Export Potential to Chile, Colombia and Peru*
- ▣ *Discussion Paper 4: Trade Facilitation in WTO and Beyond*
- ▣ *Discussion Paper 5: Agriculture under WTO Regime: Cross Country Analysis of Select Issues*
- ▣ *Discussion Paper 6: WTO Negotiations on Market Access on Environmental Goods: Identification of Existing NTMs on Proposed Items*
- ▣ *Discussion Paper 7: Implications of Fishery Sector Subsidies: A Review of Issues in Light of WTO Negotiations*
- ▣ *Discussion Paper 8: Doha Development Agenda for Developed Nations: Carve Outs in Recent Agriculture Negotiations*
- ▣ Bimonthly newsmagazine titled 'India, WTO and Trade Issues'

*All the above publications are available on the website of the Centre for WTO Studies,  
<http://wtocentre.iift.ac.in>*

## About the WTO Centre

The Centre for WTO Studies was set up in 1999. It is situated in IIFT since November, 2002. The objectives of the Centre are:

- To be a permanent repository of WTO negotiations related knowledge and documentation
- To conduct research on WTO and trade issues
- To interface with industry and Government through Outreach and Capacity Building programmes
- To act as a platform for consensus building between stakeholders and policy makers

The Centre is currently engaged research on following WTO related subjects:

- Agriculture
- Intellectual Property Rights
- Agreement on Sanitary and Phytosanitary Measures
- Agreement on Technical Barriers to Trade
- Trade Facilitation
- Environment and Trade
- Subsidies including Fishery Subsidies
- Anti-dumping
- Regional Trade Agreements

More information about the Centre and its activities can be accessed on its website: <http://wtocentre.iift.ac.in>



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