



Australian Government

Australian Government response to the
Joint Standing Committee on Treaties report:

Report 126: Review of treaty tabled on 21 November
2011: Anti-Counterfeiting Trade Agreement

NOVEMBER 2012

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National Interest Analysis

Recommendation 1

That National Interest Analyses of treaties clearly intended to have an economic impact include an assessment of the economic benefits and costs of the treaty, or, if no assessment of the economic benefit of a treaty has been undertaken, a statement to that effect, along with an explanation as to why it was not necessary or unable to be undertaken.

Agreed. The National Interest Analysis process already includes a requirement for a Regulatory Impact Statement (RIS). This RIS process requires an impact analysis to be conducted in relation to the costs and benefits to business, the not-for-profit sector and the community arising from any necessary regulatory change as the result of treaty commitments, unless that impact is of a minor or machinery nature and does not substantially alter existing arrangements. The impact analysis takes the form of an assessment of the costs and benefits of the proposed changes and an assessment of the net impact on the community as a whole.

Recommendation 2

That the Australian Government commissions an independent and transparent assessment of the economic and social benefits and costs of the *Anti-Counterfeiting Trade Agreement*.

Agreed. While ratification of the *Anti-Counterfeiting Trade Agreement* (ACTA) does not necessitate any changes to Australian laws and regulations, in view of the concerns raised by the Committee the Government has commissioned an analysis of the economic and social benefits and costs to Australian business, the not-for-profit sector and the community that would result from the ratification of ACTA. This analysis is expected to be completed by the end of 2012.

Copyright

Recommendation 3

That, in circumstances where a treaty includes the introduction of new criminal penalties, the treaty's National Interest Analysis justify the new penalties.

Agreed. National Interest Analyses already typically explain the introduction of new criminal penalties that would be necessary as a result of ratification of a treaty. This issue does not arise in relation to the ratification of ACTA because ACTA does not require any new criminal penalties to be introduced in Australia.

Recommendation 4

That the Australian Government publishes the individual protections that will be read into the *Anti-Counterfeiting Trade Agreement (ACTA)* from the *Trade-Related Aspects of Intellectual Property Rights Agreement* and how the protections will apply in relation to the enforcement provisions contained in ACTA.

Agreed. Article 1 of ACTA specifically notes that:

Nothing in this Agreement shall derogate from any obligation of a Party with respect to any other Party under existing agreements, including the TRIPS Agreement.

The Government confirms, and hereby publishes the fact that all obligations set out in the *Trade-Related Aspects of Intellectual Property Rights Agreement* (including the individual protections raised by the Committee) would continue to apply in relation to the enforcement provisions contained in ACTA.

Recommendation 5

That the Australian Government clarify and publish the meaning of “aiding and abetting” as it applies to the *Anti-Counterfeiting Trade Agreement*.

Agreed. The Government’s position, which is hereby published, is as follows: the term “aiding and abetting” is not defined within ACTA and as such is to be given a meaning in accordance with customary rules of interpretation of public international law, including Articles 31 and 32 of the Vienna Convention on the Law of Treaties. Furthermore, Australia is free to determine how it implements Article 23.4 of ACTA within its own legal system and practice. Australian Commonwealth criminal law on aiding and abetting requires intention to aid and abet and provides defences against liability.

Recommendation 6

That the Australian Government clarify and publish the meaning of “commercial scale” as it applies to the *Anti-Counterfeiting Trade Agreement*.

Agreed. The Government’s position, which is hereby published, is as follows: article 23 of ACTA sets out a definition as to what constitutes commercial scale. Article 23 states that

For the purposes of this Section, acts carried out on a commercial scale include at least those carried out as commercial activities for direct or indirect economic or commercial advantage.

The meaning of commercial scale provided in the *Copyright Act 1968 (Cth)* is consistent with the definition of commercial scale set out in Article 23 of ACTA. Accordingly, the Government confirms that no changes to Australian copyright enforcement settings are required by ACTA.

Intellectual Property

Recommendation 7

In the event that the Australian Government ratifies the *Anti-Counterfeiting Trade Agreement* (ACTA), the Government prepares legislation to:

- **Exclude patents from the application of the civil enforcement and border measures parts of ACTA;**

Agreed in part. Australian law complies with Section 2 of Chapter II of ACTA and the Australian Government has no intention to amend the relevant Australian legislation. The Australian Government confirms that the ratification of ACTA would have no impact on Australian law, including the *Patents Act 1990 (Cth)*.

However, as indicated by the footnote to the civil enforcement section of ACTA, a party may exclude patents from the application of that section. In view of concerns raised by the Committee, the Government will lodge a declaration, with any instrument of ratification of ACTA, stating Australia's intention to exclude patents from the scope of Section 2.

Patents are explicitly excluded from the border measure section of ACTA (Section 3 of Chapter II) by the footnote, which provides that: '[t]he parties agree that patents...do not fall within the scope of this section'.

Customs officials in Australia do not have the power to seize goods suspected of infringing patents at the border without a court order. Legislative change would be required to introduce such powers.

- **Ensure that products produced in Australia as a result of the invalidation of a patent or part of a patent in Australia are not subject to the counterfeiting prohibition in ACTA; and**

Agreed in principle. The counterfeiting prohibition in ACTA applies only to 'wilful trademark counterfeiting or copyright or related rights piracy on a commercial scale' (Article 23.1) (emphasis added). Producing a product in Australia (including a generic medicine) following the invalidation of a patent or part of a patent would not constitute wilful trademark counterfeiting unless a counterfeit trademark was applied to the product.

In view of the concerns raised by the Committee, the Government confirms that there are no criminal provisions for patent infringement under either ACTA or Australian patent law, therefore legislative change is not required.

- **Ensure that the expression 'counterfeit' in ACTA is not applied to generic medicines entered or eligible for entry on the Australian Register of Therapeutic Goods.**

Agreed in principle. The *Therapeutic Goods Act 1989 (Cth)* includes a definition of counterfeit (s.42E(3)) which states that goods are considered counterfeit if the label or presentation, advertising or documents relating to the goods contain a false

representation about various matters including the name, identity, formulation, composition, presence of an ingredient, sponsor, source, manufacturer or place of manufacture. This applies to both branded (originator) and generic medicines without discrimination. In relation to therapeutic goods, the ratification of ACTA would not require changes to either the definition of counterfeiting, or the application of border measures in Australia. On this basis, the Government can confirm there would be no impact resulting from the ratification of ACTA on generic medicines included, or eligible for inclusion, in the Australian Register of Therapeutic Goods and therefore no legislation is required.

Conclusion

Recommendation 8

That the *Anti-Counterfeiting Trade Agreement* not be ratified until the:

- **Joint Standing Committee on Treaties has received and considered the independent and transparent assessment of the economic and social benefits and costs of the Agreement referred to in Recommendation 2;**
- **Australian Law Reform Commission has reported on its Inquiry into Copyright and the Digital Economy; and the**
- **Australian Government has issued notices of clarification in relation to the terms of the Agreement as recommended in the other recommendations of this report.**

Agreed in part. The Government intends to consider ratification of ACTA following the receipt of the analysis recommended at Recommendation 2, but would also consider any further, timely, recommendations of JSCOT as part of that consideration.

ACTA allows considerable flexibility in its implementation. Australia would retain considerable flexibility to modify its laws on copyright while still meeting its obligations under ACTA.

The Government has responded to recommendations for clarification on the application of the terms of the Agreement.

Recommendation 9

In considering its recommendation to ratify the *Anti-Counterfeiting Trade Agreement* (ACTA), a future Joint Standing Committee on Treaties have regard to events related to ACTA in other relevant jurisdictions including the European Union and the United States of America.

Agreed in part. In considering whether to ratify ACTA, the Government will make its decision based on an assessment of Australian national interests. This assessment would include, among other factors, consideration of events related to ACTA in the European Union, the United States and other relevant jurisdictions.