

INTA's Comments on the IPR Chapter of the Australia-EU Free Trade Agreement

Introduction

Free Trade Agreements (FTAs) provides an excellent opportunity to ensure adequate and effective protection of trademark rights on a bilateral and multilateral basis. FTAs also reemphasize the need for a *minima* full implementation of the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) as well as stronger provisions to better protect and enforce intellectual property rights (IPRs).

In this context, the International Trademark Association (INTA) welcomes the start of the negotiations for a comprehensive and ambitious trade agreement between Australia (AU) and the European Union (EU). INTA hopes that the agreement will deliver stronger, easier and more accessible IPRs at the benefit of businesses of all sizes, the economy and consumers.

It is essential to obtain stronger IP protection given both the significant contribution of IP-intensive industries and the impact of counterfeiting on the economy, growth and jobs, as demonstrated by studies conducted in different countries by INTA and by the European Union Intellectual Property Office and European Patent Organization¹.

About INTA: Founded in 1878, INTA is the world's oldest and largest brand owners association. With a membership of over 7,200 companies, INTA represents over 31,000 trademark professionals in diverse capacities: multinational corporations, businesses of all sizes, law firms and other professionals, academic institutions, and not-for-profit organizations from 190 countries. INTA's mission is to encourage and support best practices and excellence in the field

¹ IPR contributes to 42 % of the total economic activity (GDP) in the EU and to 28 % of all jobs in the EU (60 million), according to the [European Union Intellectual Property Office and the European Patent Office joint study on Intellectual property rights intensive industries and economic performance in the EU](#). INTA produced similar [studies](#) on the Economic Contribution of Trademark-Intensive Industries in South East Asia and Latin America. INTA-BASCAP [report](#) prepared by Frontiers Economics reports that the value of counterfeiting and piracy worldwide was estimated to €882.6 billion in 2013 and is set to reach €2,194.7 billion, while it costs 2.6million jobs in 2013, and will amount to 5.4 million job losses in 2022.

of trademarks and intellectual property, and protection of rights for brand owners and consumers, as well as foster economic growth and innovation through awareness of the importance and development of brands. INTA is dedicated to the support and advancement of trademarks and related intellectual property rights as elements of fair and effective national and international commerce. To achieve this goal, INTA unveiled its new Strategic Plan, which is articulated around the following areas namely: 1) Promote the value of trademarks and Brands, 2) Reinforce Consumer Trust and 3) Embrace Innovation and Change.

Comments and Recommendations

Section B - Standards concerning intellectual property rights

Sub Section 1. Copyright and Related Rights. The provisions are according to the Berne and Rome Conventions, the WCT and WPPT Treaties.

Article X.5 – International Agreements. It complies with Section II (1. Accession to International Trademark Treaties) of the INTA Model Law Free Trade Agreement. The article requires that each Party comply with and shall make all reasonable efforts to ratify or accede to the following agreements:

- (a) The Treaty on Audiovisual Performances adopted in Beijing on June 24, 2012 (As of today, NONE of the parties are members of this Treaty) and,
- (b) The Treaty to Facilitate Access to Published Works by Visually Impaired Persons and Persons with Print Disabilities adopted in Marrakesh on June 28, 2013. (Only Australia is part of this Treaty)

Sub-section 2 –Trademarks

Article X.17 - International agreements:

The provision requires that each party accedes to the Madrid Agreement and complies with the Trademark Law Treaty and with the Nice Agreement. It also makes all reasonable efforts to accede the Singapore Treaty of Trademarks.

Article X. 18 - Signs of which a trademark may consist

Recommendations: “A trademark may consist of any signs, perceptible with the senses, in particular, words, including personal names, or designs, letters, numerals, colors, the shape of goods or of the packaging of goods, sounds, holograms or the combination of these.” We also suggest a provision where it is established that a sign can have protection as a trademark when it has acquired distinctiveness in commerce.

Article X. 19 - Signs of which a trademark may consist

Recommendations: The registered trademark shall confer on the proprietor exclusive rights therein. The proprietor shall be entitled to oppose all third parties, not having his consent, from using and/or registering.

Article X. 20- Registration procedure

Recommendations: Each Party shall provide for a system for the registration of trademarks in which each final negative decision, included partial refusal, taken by the relevant trademark administration shall be communicated in writing to the relevant party, duly reasoned and subject to appeal. The applicant has 15 months from the date of the adverse report to respond the Office Action. Each Party shall provide for the possibility to oppose trademark applications or, when appropriate, trademark registrations. Such opposition proceedings shall be adversarial. The deadline for opposing a trade mark is 2 months from the publication in the Official Journal of Trade Marks.

Article X. 23- Grounds for revocation

Recommendations: We also suggest specifying that a revocation action may be only filed by a third party with legal interest. Finally, the wording does not specify that use must be made for all goods or services covered by the trademark. For example, will partial revocations be acceptable?

Sub-section 3 - Designs

Article X.25 International agreements

Recommendations: The protection of registered designs is a key challenge of today’s economy. With the recent accession of South Korea, the United States and Japan, the Hague System is becoming a very important tool to obtain international protection for designs. It is important to find ways to simplify and harmonize procedures for industrial design registrations. Therefore and in line with our Board Resolution, we strongly support Australia’s accession to the Hague Agreement.

In this respect, in June 2018, INTA submitted comments to the Government of the Commonwealth of Australia on the public consultation on an economic report analyzing the implications of Australia joining the Hague Agreement. In this submission, INTA explained several positive impacts of Australia joining the Hague System that INTA, including:

- an easier route for Australians to file internationally;
- an easier route for international filers to file in Australia;
- the benefits of changing from 10 to 15 year term of protection;
- other benefits of simplification and international harmonization.

Article X.26 Protection of registered designs

Recommendations: We support the scope of protection afforded to registered designs under this draft provision. We believe that the Australian law already incorporates terms reflecting Article X.26.

Further, in line with INTA [Model Design Law Guidelines](#), we recommend that the proposed FTA provisions include that protection be afforded to partial designs, i.e. that a part of a product can be registered as a design provided that it otherwise meets the requirements for registration. Indeed, many products may have quite generic appearances in their entirety, and it should be possible to register only the design of the part of the product that is new. Efforts made in relation to improvement of parts of designs should be protectable and the rights should be enforceable regardless of the design of the product in its entirety.

Article X.27 Duration of protection

Recommendations: In accordance with our Model Design Law Guidelines and with the Hague Agreement, INTA supports a term of protection of at least 15 years from application. The term may be made up of renewals after multiple shorter periods.

Other recommendations concerning designs

Definition of a design- visibility: Under Australian's law, design, in relation to a product, means the overall appearance of the product resulting from one or more visual features of the product.

In line with this provision, INTA recommends that a definition of design be introduced in the FTA clarifying that only visually perceivable design features are within the subject-matter of design protection.

Protection of Graphical User Interfaces (GUIs): While the law in Australia appears to permit registration of GUIs, as visual features of the products, the IP Office's practice including the Designs Office Manual is rather uncertain in terms of certification of design registrations for GUI, particularly those that do not include any hardware in the drawings. In particular:

The position of the Office is set out at Section D04.4.3.1 of the Designs Office manual (here):

D04.4.3.1 Graphics on electronic screens:

The visual features of the product must be assessed in the context of the product 'at rest', as opposed to 'in use'.

(...)

In practice examiners will need to carefully assess the design as it appears on the Register to ascertain whether, on balance, the relevant visual features are produced by software.

In the case of a display screen this is generally very likely to be the case. Visual features that are displayed on, for example, the screen of a computer monitor through the operation of software do not exist when the computer is switched off.

INTA recognizes the commercial importance of GUIs, icons, fonts and animations. Therefore and in accordance with our [Guidelines for Examination of Industrial Designs](#), we recommend that GUIs be capable of registration in and of themselves without requiring them to be placed on a physical article.

INTA believes that a link between a GUI design and an article should not be required in order not to stifle creative designs in the future and to allow them to be adequately protected regardless of the article which generates the design. Indeed, technology is developing very fast and it is not always possible to foresee where a design can or will be displayed, as this may not be known when creating the design. Moreover, the effort of creating a design (innovation effort) should be protected independently of where it is used, i.e., the scope of protection should not be linked to a particular product. Finally, it should be noted that an immaterial design can be shown by different users in different devices. Therefore, creators should be able to obtain protection for the design independently of the device showing it.

In practice, the transferability of GUIs, icons and fonts across technology means that it is essential, if protection for GUIs, icons and fonts is to be real, that it is not dependent on the product that incorporates them.

INTA's view is that users are best placed to determine how to disclose an innovative design for the purposes of applying for its protection. INTA therefore advocates that the designer be given the choice as to how best to represent the design. If the designer wishes to apply to register the GUI or icon in relation to a specific product, she/he should be able to do so. If the designer wishes to register the GUI or icon in the abstract, she/he should be able to do so.

Representation of a design – number of views: According to Australia's legal framework, there is no maximum number of views in the application for the registration of a design. We applaud this approach and recommend that it be followed.

Multiple applications: Under EU legislation (Council Regulation (EC) No 6/2002 on Community designs), several designs may be combined in one multiple application for registered Community designs.

According to our [Guidelines for Examination of Industrial Designs](#), INTA considers that substantial cost and administrative savings can be made to users through the filing of multiple designs in a single application and therefore strongly recommends that Industrial Property Offices allow the filing of such multiple applications.

Accordingly, we recommend that the possibility to file multiple applications be considered.

Sub Section 4 – Geographical Indications (GIs) - Articles X.31-38

Recommendations: INTA would like the following principle to be ensured:

- the priority principle (First in Time, First in Right) should apply to conflicts between GIs and trademarks;
- any GI registration system should include opposition and cancellation procedures, and be consistent with TRIPS and WTO dispute resolution decisions;
- uses of common and generic terms should be regulated on a territorial basis (became a term may be generic in one country but not in another);
- voluntary international standards (such as the *Codex Alimentarius*) should not be used to establish norms for IP and should not impact on territorial genericness.

With regards comments on the specific provisions on GIs:

- As to **Article X.34**, INTA suggests that the right to use generic terms be preserved in order to protect against the monopolization of terms that are or have become generic on the respective markets. This is necessary to protect consumers, producers of generic products and owners

of trademarks that include generic terms from confiscation of their trademarks. The protection against monopolization of generic terms is a near global concept and has been a hallmark of IP law for centuries. This principle must be preserved. To do so, it is highly recommended that Article X.34.3 be amended to add the following:

⇒ “nor shall anything in this Agreement prejudice the right of any person or entity to use, in the course of trade, a term that was generic prior to the date of protection of the geographical indication in the territory of the Party concerned.”

- Further as to **Article X.34**, INTA is of the opinion that the scope of the protection for language relative to GIs should not be included in the Agreement and should instead be referred to the domestic law. Of significant concern is the unintended consequences associated with such broad protection, including the great uncertainty such language provides, the possible disruptions to commerce, the potential for unfair trade practices based on such broad language and the potential breach of international agreements such as TRIPS and the Comprehensive and Progressive Agreement of Trans-Pacific Partnership (CPTPP).
- Specifically, as to **Article X.34.1 (b) and (c)**, we have concerns that these restrictions could lead to a great deal of uncertainty given its breadth and that such protections already exist under each Party’s laws. Additional and undefined restrictions will have a significant adverse and chilling effect relative to legitimate producers of competing products using non-misleading packaging and advertising. Since each of the Parties have specific protections against misleading packaging and advertising, specific provisions relative to GIs do not appear necessary.
- As to **Article X.34.1** (the second “1” in Article X.34), it should be noted that under IP law generally, and under trademark law specifically, protected terms can in fact fall into the public domain and become generic. This is the general nature of commerce and public usage. When this happens, while unfortunate for the right-holder, legal protection must adapt to common usage and the marketplace. Failure to abide by this, harms the other actors in the marketplace that have come to rely on its common usage status over time. If a term, even a GI, becomes the recognized common term for a product on a particular market, to deem the term as “not generic” only subject merchants, producers and even the press to possible litigation and damages. The law as it relates to GIs should follow the decades-long precedent that protected terms can in fact fall into the public domain.

- As to **Article X.35**, this should be subject to the other protective provisions of the Agreement, such as portions of X.36. Consequently, it is recommended that Article X.35.1 be preceded with the following language:
 ⇒ “Subject to the other provisions of this Agreement,”
- As to **Article X.35.2**, as with trademarks, it is important that GIs that could form a blocking position, in spite of not being used or having commercial relevance, as it relates to the use of other GIs or trademarks, be cleared from the registry. We can only expect the number of GIs that will be registered to increase and those that are not being used or have no commercial value should no longer form a blocking position. Consequently, it is important that there be some mechanism to clear such “deadwood” from the registry. The best way to do this would be to have the requirement of a renewal of GIs as well as a renewal fee.
- As to **Article X.36.1**, in order to have a transparent application process, and given that the GIs subject to the FTA are not public knowledge until published, and as is consistent with trademark systems where trademarks that are applied for are made available when an application is filed or soon thereafter, it is recommended that the relevant date not be the date of submission but the date when the GIs are published at the earliest, if not the date on which they are ultimately registered.
- As to **Article X.36.2**, and for the avoidance of doubt, any trademark that might be subject to cancellation pursuant to X.36.1, must have a priority date *later than* the GI that would form the basis of the invalidation.
- As to **Article X.36.3**, as in Article X.36.1, the relevant date should be the date when the GIs are published.
- As to **Article X.36.7**, in order to properly accommodate the provisions of the TRIPS Agreement, prior trademarks must be protected against the registration and use of a later geographical indication as should the use of generic terms. Consequently, the language of Article X.36.7 should be amended to read as follows:
 ⇒ “A Party shall not be required to protect a name as a geographical indication under this Sub-Section if use of the name is likely to create a likelihood of confusion with a prior

trademark or prevent the use of all or a portion of a prior trademark or if the name or a portion thereof is a generic term or the term would prevent the use of a generic term.”

- Adding another paragraph to allow for disclaimers of generic terms that form a part of a geographical indication should also be allowed. To do so, the following **Article X.36.8** should be **added**:

⇒ “A Party, in order to avoid refusing the protection of a geographical indication pursuant to Paragraph 7 of this Article on the grounds that a portion of a geographical indication is generic, may allow for the disclaimer of that portion of the geographical indication that is generic.”

In addition, to ensure that the protection in the country where protection of the GI is sought is not more than that granted by the home country, the following provision should be added as well:

⇒ “To the extent there are limitations of protection in the Party where the GI originates, such as disclaimers or otherwise, those limitations will automatically apply in the Party where protection is sought. These limitations will be published at the same time the GI is published in the Party where protection is sought.”

- As to **Article X.38.2**, in order to prevent the monopolization of generic terms, it is recommended that this paragraph be amended to include the following:
 - ⇒ “or consists in whole or in part of a generic term.”
- As to **Article X.38.6**, this provision should be deleted. Each Party must be able to make its own determinations as to the validity of GIs protected under its own laws. To do otherwise would seriously impinge on the sovereignty of the Parties and unduly restrict the independence of each Party’s judiciary.
- As to **Article X.38.8**, this provision should be deleted as each Party should have the authority to set its own fees associated with the protection of GIs. As stated above in relation to Article X.35.2, failure to have any fees associated with GIs creates an incentive to have GIs protected that have no or very limited commercial value which in turn would create blocking positions relative to the protection of GIs or trademarks that do in fact have commercial

importance. Allowing fees, whether application fees, renewal fees or otherwise, helps to ensure that only GIs of commercial relevance are protected.

- As to **Annex [XX]-A, Section B**, in order to prevent the monopolization of established generic terms and to protect prior trademark rights, it should be made clear that several grounds of opposition would be sufficient to *block* the protection of a geographical indication and not simply form the basis of an opposition. Consequently, it is strongly recommended that the following language be added to the paragraph 10:
 - ⇒ “, it is being understood that protection of a geographical indication that would limit or prohibit the ability to use a generic term in the territory of the Party concerned, or where use of the geographical indication would lead to a likelihood of confusion with a trademark that has been applied for, registered or used in the territory of the Party concerned, must be refused protection.”
- As to **Annex [XX]-B, paragraph 2(c)** this standard is clearly in violation of the TRIPS Agreement as interpreted by the Dispute Settlement Panel in the case DS 174, and consequently should be amended to read as follows:
 - ⇒ “(c) is likely to be confusingly similar to an existing trademark;”.
- As to **Annex [XX]-B, paragraph 2(e)**, this provision, in order to prevent the monopolization of generic terms, should be amended to read:
 - ⇒ “(e) or if the name or portion thereof for which protection and registration is considered is generic.”
- Further, as to **Annex [XX]-B, paragraph 3**. it is unclear what is intended in relation to this provision. The territoriality principle requires that determinations regarding protection of GIs must be made based on the territory where protection is being sought. We recommend that it be replaced with wording as follows:
 - ⇒ “The criteria referred to above shall be evaluated based on the territory where protection is sought.”

Section C. Enforcement of Intellectual Property Rights

In general, this section is in accord to INTA Model Free Trade Agreement but it does not include any provisions regarding:

- Measures to halt the Transshipment and Transit of Counterfeit Goods in Free Trade Zones and Free Ports
- Disrupting Illegal Business of Vendors Who Sell Counterfeit Goods Through Rented or Leased Premises
- The Ex-Officio Border Measure is included in the FTA but not as complete as at the MFTA proposal. For example in article X 61 (6) only states the following:
 - ⇒ “With respect to goods under customs control, customs authorities may act upon their own initiative to suspend the release or detain suspected goods”.

Final comments

There are no provisions on Domain names and the Internet. We therefore suggest the following:

- a. Provisions recognizing that domain names as addresses on the Internet are capable of functioning as trademarks, and that the assignment of domain names and use of domain names without sufficient regard to the rights of trademark owners can result in the infringement of trademark rights.
- b. An appropriate procedure for the settlement of disputes, based on the principles established in the Uniform Domain Name Dispute Resolution Policy (1999).
- c. Each Party shall require a mechanism which shall include:
 - provisions that prohibit and provide sanctions against cyber-squatting;
 - clear remedies for trademark holders, including the availability of injunctive and other appropriate relief;
 - to the extent that they are recognized in relevant jurisdictions, protection to the public interest, including the legitimate uses of domain names that meet fair use/freedom of expression standards; and
 - specific requirements that the party’s Network Information Centers (NICs), its affiliated organizations and parties operating under contract with them make available to the public complete lists of the domain names in a database format that is accessible through existing commercial or private computer search techniques.
- d. Each Party shall require that the management of its ccTLD provide online public access to a reliable and accurate database of contact information of domain name registrants.

There shall be open access to ownership information for every domain name in every Top-Level domain registry via a publicly accessible Whois database for addressing legal and other issues relating to the registration and use of the domain name.

Conclusion

INTA is pleased to have the opportunity to submit comments to the draft EU's textual proposal for the EU-AU Free Trade Agreement IP Chapter.

INTA is also pleased to share its Position paper on Parallel Imports.

INTA would welcome any questions that your office may have and is available to discuss our recommendations in more detail. In this respect, please contact:

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Annex:

- INTA Position paper on Parallel Imports (August 2015)