

**INTA Comments and Recommendations Regarding the Negotiation of the Regional  
Comprehensive Economic Partnership (RCEP)**

## **Introduction**

Free Trade Agreements (FTAs) provide 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 discussions related to the Regional Comprehensive Economic Partnership (RCEP) for a comprehensive and ambitious trade agreement between the relevant parties. INTA hopes that the agreement will deliver stronger, easier and more accessible IPRs for the benefit of businesses of all sizes, the economy and consumers.

*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 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

**Scope of Protection of Trademarks:** It seems that parties do not agree on whether the definition of “trademark” also would include scent, three-dimensional shapes, or non-visual signs. INTA therefore recommends a broad and expanded scope of protection of trademarks. In particular, the scope of protection should include non-visible signs, or signs that are beyond traditional word or logo trademarks such as a single color, combination of colors, three dimensional shapes, and sound, smells and touch marks, among others, to market and identify their products.

**Certification and Collective Marks:** It seems that parties do not agree on the protection of the certification and collective marks. We therefore suggest that the agreement provides for the protection of service marks, retail service marks (including marks used to sell goods or services by electronic means, such as online over the Internet or by means of mobile devices such as smart phones), collective marks and certification marks.

**Well-Known Marks:** We recommend that each party to the FTA shall protect well-known marks pursuant to Article 6bis of the Paris Convention for the Protection of Industrial Property and Article 16.2 and 16.3 of the TRIPS Agreement. Each Party shall also implement the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks (1999) endorsed by WIPO. Furthermore, Article 6bis of the Paris Convention for the Protection of Industrial Property (1967) shall apply, *mutatis mutandis*, to: (a) goods or services that are not identical or similar to those identified by a well-known trademark; and (b) for related goods or services, whether registered or not, provided that use of that trademark in relation to those goods or services would indicate a false connection or association between those goods or services and the owner of the trademarks, and provided that the interests of the owner of the trademark are likely to be damaged by such use. Each Party shall provide for appropriate measures to prohibit or cancel the registration of a trademark, business identifier or domain name identical or similar to a well-known trademark, if the use of that trademark by the registration applicant is likely to cause confusion, or to cause mistake, or to deceive or risk associating the applicant's trademark with the owner of the well-known trademark, or constitutes unfair exploitation of the reputation of the well-known trademark. Such measures to prohibit or cancel registration shall not apply when the registration applicant is the owner of the well-known trademark.

**Registration Procedures:** INTA recommends that each party shall provide for a system for the registration of trademarks, which shall include:

- a. a requirement to provide to the applicant a communication in writing, which may be electronic, of the reasons for a refusal to register a trademark;
- b. an opportunity for the applicant to respond to communications from the trademark authorities, to contest an initial refusal, and to appeal judicially a final refusal to register;
- c. in that applicants may require considerable time to gather documents and information and conduct legal research in order to respond to an official action, the recommended deadline for an applicant's response to each action is within three to six months after issuance of the official action;
- d. an opportunity for interested parties to petition, to oppose a trademark application or to seek cancellation of a trademark after it has been registered; and
- e. a requirement that decisions in opposition or cancellation proceedings, including both administrative and judicial decisions, be reasoned and in writing.

**Opposition and Cancellation:** INTA suggests each party shall provide for cancellation procedures of trademarks, which shall include provisions calling for the following:

- a. **Use required after registration:** Registration shall be open to non-use cancellation within a set period of time after registration (minimum three years; maximum five years).
- b. **Non-use for three to five years:** Trademark registration should be capable of cancellation at the application of any person if they are not used at any time within a continuous period (minimum three years; maximum five years) after the date when all procedures for registration of that mark have been completed (i.e. after exhaustion of any periods post-registration whereby the registration may be opposed).
- c. **Bona fide use required:** Use that will support continued registration must be bona fide, use in the course of trade for the goods or services in respect of which the mark has been registered, not token use or use merely for the purpose of maintaining registration. In this regard, use of a trademark on exports should be considered use for the purposes of cancellation provisions.

- d. **Excusable non-use:** Non-use due to circumstances beyond the control or will of the owner of the registration may excuse a period of non-use (e.g. import restrictions; delays due to needed regulatory approval for goods such as pharmaceuticals).
- e. **Initial burden in non-use cancellations:** Non-use cancellation actions shall require that the petitioner assert a reasonable belief that the registered mark at issue is not in use. However, the burden of demonstrating use in a non-use cancellation action shall initially be on the proprietor of the registration.
- f. **Use of immaterially altered mark by registrant:** use of the mark in a form differing only in non-distinctive elements from the registered mark should be considered sufficient for purposes of establishing actual use of the mark – amendment of the form of the mark in the registration should be allowed in such cases.

**Geographical Indications:** INTA recommends:

- a. **Protection of GIs:** Each Party shall provide the means for nationals of the other parties to apply for protection of geographical indications, ensuring that measures governing the filing of applications for geographical indications set out clear procedures for registration of GIs.
- b. **Resolution of conflict GIs vs trademarks:** Each Party shall ensure that all applications and petitions for GIs are published for opposition, and shall provide procedures to effect opposition of GIs that are the subject of applications or petitions. Each Party shall also provide procedures to cancel any registration resulting from an application or petition. The parties shall acknowledge the principles of exclusivity, priority and territoriality in relation to GI registrations incorporated in the Paris Convention and TRIPS Agreement with respect to rights in trademarks.
- c. **Grounds for refusal for protection or recognition of a GI:** Each Party shall provide that grounds for refusing protection or recognition of a geographical indication include the following:
  - The geographical indication is likely to cause confusion with a trademark that is the subject of a good-faith pending application or registration.
  - The geographical indication is likely to cause confusion with a pre-existing trademark, the right to which has been acquired in accordance with a Party's law.

**Licensing:** INTA recommends the following:

- a. Each Party may require recordation of trademark licenses, and non-recordal of licenses shall not affect the validity of the registration of a mark or the protection of a mark that is the subject of a trademark license.
- b. The FTA shall provide that sublicensing is permitted.
- c. The FTA should provide also that failure to record assignment shall not affect rights in mark and the Ability of exclusive licensees to bring suit.

**Prohibition of Notarization:** INTA recommends that no party shall require notarization or legalization of evidence submitted in administrative appeals or other proceedings.

**Domain Names:** INTA suggests 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.

**Enforcement:** INTA recommends the following:

- a. Each Party shall adopt trademark infringement and anticounterfeiting laws that go beyond the minimum requirements of TRIPS Part III to strengthen the protection of trademarks and enhance the legitimate trade between nations specifically:
  - Decisions on merits of a case should be in writing and should set forth the rationale for the decision;
  - Each Party to a dispute shall be required to produce all relevant and reasonably available evidence that is in its control (subject to confidentiality protection) which is needed to establish a prima facie case for the party's claims or defenses;
  - Victims of infringement shall have an absolute right to obtain disclosure of information regarding the identities of possible infringers which, in the case of imported goods, shall include the names and addresses of the consignor, the importer and the consignee for the goods as well as the quality of infringing good;
  - Infringers and/or government authorities shall not be permitted to dispose of or circulate infringing goods into the marketplace;
  - There shall be provisions for both imprisonment and fines as available criminal sanctions for wilful infringement, including enhanced penalties for repeat acts of wilful infringement and violation of court orders regarding wilful infringements, and such criminal penalties shall be made sufficient to provide a deterrent to future acts of wilful infringement; and
  - Each Party should include search and seizure provisions as additional enforcement measures.
- b. There shall be no requirement in infringement proceedings for the trademark owner to demonstrate likelihood of confusion where the offending mark is identical to that of a prior registered mark and the offending mark is used with respect of goods and services for which the mark was previously registered by the proprietor thereof.
- c. Each Party shall provide in their legislation for a broad definition of "counterfeit trademark goods" to include such matters as preparation for manufacturing counterfeit goods including the preparation of counterfeit labels for such purpose, counterfeit service marks, the transportation and storage of counterfeit goods, and the organization and financing of counterfeiting activity.

- d. Each Party shall provide provisions for seizure of all materials and implements used to manufacture or package counterfeit goods and imprisonment as a sanction against failure to comply with a disclosure order requiring information regarding counterfeit goods (including the location of materials and implements used in manufacturing or packaging such goods), details regarding the importation of such goods and the identity of possible infringers, their employees, agents and other acting in concert with them.
- e. Each Party shall provide for provisions for trademark owners to recover costs incurred in the detection and investigation of acts of counterfeiting and that the cost of destruction of counterfeit goods should not be borne by trademark owners.
- f. Each Party shall ensure that information about criminal counterfeiting is available to relevant authorities in other countries. Courts should not focus their enforcement efforts only on counterfeit goods which represent a health or safety risk, and equal attention should be directed to fighting other types of counterfeiting which cause economic and social harm.
- g. Each Party shall consider adopting a recordal system with customs for trademarks to enable customs to rely on detailed information in support of ex-officio actions. Moreover, such recordal shall be available free of charge to encourage recordal.

### **Enforcement – Civil, administrative and Criminal procedures**

INTA recommends the following:

- a. In order to increase the deterrent impact of fines, each party shall develop calculation methods that lead to fines against counterfeiters commensurate to the harms caused by them; and impose sanctions, such as contempt of court, for failure of counterfeiters to pay such fines.
- b. Each Party shall establish prohibitory regimes against exports of counterfeits; eliminate bond requirements imposed on trademark owners as a condition to processing counterfeiting cases by customs; and take appropriate steps to reduce or eliminate the burdens on trademark owners of suffering cost of storage and destruction of counterfeit goods. Governments shall also take appropriate steps to ensure that all counterfeit goods are compulsorily destroyed,

definitely removed from channels or commerce, or disposed of with the rights holders" consent where there is no health or safety risk.

- c. In judicial proceedings for counterfeiting, each party shall provide provisions to allow courts to award significant statutory (or "pre-established") damages to the trademark rights holder against counterfeiters in recognition of situations where it is difficult for the trademark owner to prove their measurable monetary damage, which statutory damages shall be in an amount sufficient to constitute a deterrent to future infringement and to fully compensate the trademark right holder for harm caused by counterfeiting.
- d. In cases of knowing or intentional infringement or counterfeiting, each party shall provide provisions to allow courts to order the payment at the conclusion of the proceeding of the trademark owner's court costs and fees as well as reasonable attorney fees, and destruction of devices and products found to be involved in the infringing activity and having no significant non-infringing purpose.
- e. In regions where counterfeiting poses serious challenges, each party shall provide provisions establishing specialized intellectual property crimes investigation and prosecution units within their law enforcement and prosecution structures, respectively. Governments shall also allocate sufficient resources towards training judges and customs officials, and ensure the submission of litigated trademark cases to judges specializing in or having substantial experience in trademark matters.
- f. Each Party shall revise their rules and procedures to provide prompt and reasonable access by trademark owners to relevant documents and information gathered by governments on counterfeiters for the trademark owner's use in conducting investigations or the filing of complaints with the courts or other governmental agencies.
- g. Each Party shall not consider administrative enforcement to be sufficient to satisfy their obligations under Article 61 of the TRIPS Agreement to provide access to criminal enforcement in counterfeiting cases on a commercial scale, nor shall administrative proceedings be considered as a substitute for criminal enforcement of intellectual property rights.



- h. Each Party shall provide provisions to ensure that trademark owners have sufficient time to commence a proper action pursuant to a seizure/suspension of clearance by customs authorities so that instances of counterfeits being released by the customs authorities can be eliminated. In this regard, the governments shall provide in their laws a time period of at least 20 working days or 31 calendar days, whichever is longer, for trademark owners to commence such actions. Currently several jurisdictions allow a time period of 10 days which is considered not sufficient by brand owners.
- i. Each Party shall provide provisions to ensure destruction orders may be temporarily suspended to facilitate the preservation of evidence for a criminal, civil or administrative case should the trademark right holder request such a temporary suspension of a destruction order.
- j. Each Party shall not consider administrative enforcement to be sufficient to satisfy their obligations to provide access to criminal enforcement in counterfeiting cases on a commercial scale, nor shall administrative proceedings be considered as a substitute for criminal enforcement of intellectual property rights.

## Conclusion

INTA is pleased to have the opportunity to contribute to the ongoing discussions related to the Regional Comprehensive Economic Partnership (RCEP).

INTA is also pleased to share the attached considerations in relation to the 16 jurisdictions negotiating the RCEP. Such considerations are provided as gap analysis and comparison survey.

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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- Tat-Tienne Louembe, Representative, Africa Middle East and Intergovernmental Organizations and Staff Liaison for INTA FTA Subcommittee of the Harmonization Law and Practice Committee [tlouembe@inta.org](mailto:tlouembe@inta.org)

Annex 1 Gap Analysis survey RCEP Matrix\_16 jurisdictions