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An Australian Analysis of the February 2011  
Leaked US TPPA IP Chapter Text - copyright and  
enforcement

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**An Australian Analysis of the February 2011 Leaked US Text for the TPPA IP Chapter  
(copyright and enforcement provisions only)  
20 July 2011**

**Kimberlee Weatherall<sup>1</sup>**

The following is a summary table of the copyright and enforcement provisions of the (leaked) US February 2011 proposals for the IP chapter of the Trans-Pacific Partnership Agreement (TPPA).

The US proposal is clearly a 'mash-up' that combines aspects of the US' pre-existing bilateral trade agreements (such as the US-Australia Free Trade Agreement, or AUSFTA, concluded in 2004), with provisions taken from the recently-concluded Anti-Counterfeiting Trade Agreement (ACTA) and some new innovations.

For Australia, the expectation might be that since we have already signed the AUSFTA, including detailed IP provisions, anything in this agreement would have limited impact. This is wrong for two reasons. First, there are a surprising number of new provisions, slight amendments and alterations, and changes from the text of the AUSFTA. Second, including such provisions in an agreement with 8 other countries is a very different proposition from agreeing with a single other country. Bilateral agreements are necessarily easier to modify (or agree to waive) than agreements comprehending multiple parties. It is entirely inappropriate to further entrench these detailed provisions in this plurilateral context.

The table below includes comments, not only for the benefit of an Australian audience, but also for the benefit of countries not presently party to a US FTA. The latter countries might learn something from Australia's experience to date. For more on the problems with the AUSFTA, and its implementation, see my other published work.<sup>2</sup>

### **Summary of important points for Australia**

1. Parallel importation: Article 4.2 would significantly constrain Australia's ability to allow parallel importation in copyright as advocated at various times by the Productivity Commission;
2. Copyright term: Article 4.5 would extend the copyright term for films and sound recordings by 25 years. Extensions of copyright term have significant costs that outweigh any benefits to Australian creators;
3. Anti-circumvention and RMI laws: There are some differences in wording in Article 4.9 (anti-circumvention provisions) that might require changes to Australian law, expanding liability (in the absence of knowledge on the part of the infringer); making it more difficult to create new exceptions; and perhaps extending RMI laws to non-electronic rights management information;

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<sup>1</sup> Senior Lecturer, TC Beirne School of Law, The University of Queensland. All feedback/comments/queries to [k.weatherall@law.uq.edu.au](mailto:k.weatherall@law.uq.edu.au).

<sup>2</sup> In particular, Robert Burrell and Kimberlee Weatherall, 'Exporting Controversy? Reactions to the Copyright Provisions of the US–Australia Free Trade Agreement: Lessons for US Trade Policy' (2008) 2 *University of Illinois Journal of Law, Technology and Policy* 259, available at [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1010833](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1010833).

4. Rights in sound recordings: without care, the treaty could increase the cost of broadcasting sound recordings by requiring payment to be made to US copyright owners (although US broadcasters do not pay Australian broadcasters) (Articles 6.1, 6.3);
5. Presumptions of validity of trademarks and patents: Article 10.2 would require courts to presume the validity of trade marks and patents, contrary to current policy and despite concerns about the quality of patents in particular;
6. Damages and Statutory damages: the US continues to push, in Articles 12.4 and 12.12, for statutory damages in copyright and, in this text, in anti-circumvention law. This must be resisted. In addition, language in Article 12.3 could raise the levels of damages in patent infringement proceedings;
7. Right to information and other provisional measures: Article 12.8 contemplates an unqualified right for right holders to extract information from or about alleged infringers without ensuring the procedural protections found in Australian law; Article 13 contemplates provisional measures without ensuring procedural protections for defendants;
8. Right to information – customs: Article 14.3, like similar text in the ACTA, expands the sorts of information customs officials can supply to right holders on seizure of allegedly infringing goods. Given that the seizure provisions are used by competitors disputing over trade marks (and not just against counterfeiters), there are disturbing possibilities for the disclosure of sensitive commercial information;
9. Seizure of in-transit goods: for the first time, the US seems to be contemplating, in Article 14.4, seizure of in-transit goods – even as a mandatory matter, going even further than the ACTA. This has implications for access to medicines; seizures in transit are also a matter of dispute in the WTO;
10. Customs to determine when goods are infringing: like ACTA, Article 14.5-14.6 contemplate customs officials deciding that goods are infringing, imposing fines, and destroying goods. This is not likely to be in the interests of Australian companies engaged in international trade, given the risks of inappropriate seizures.
11. Criminal provisions: Article 15.1 would entrench the expansion of criminal liability into the private, non-commercial activities of Australians and even expand criminal liability for innocuous acts like copying a CD to swap with a friend.
12. Criminal liability for labels: Article 15.2 might not change Australian law, but it would significantly expand international obligations to criminalise trade mark infringing (not just counterfeit) labels – multiplying the number of offences that might be committed in any one course of conduct and risking overcharging and overcriminalisation;
13. Camcording: despite a plethora of laws addressing infringement of copyright in films, Article 15.3 would create yet another one – for recording film in a cinema – making this criminal even where it is for purely domestic or private use.
14. Aiding and abetting: Article 15.4, like ACTA, would further entrench criminal liability for ‘aiding or abetting’ IP infringement – before we even know what that might mean or who might be at risk;

15. Sentencing guidelines: Article 15.5 would pre-empt Australia's domestic debate about the appropriateness of sentencing guidelines in the federal jurisdiction by requiring such guidelines – just for IP;
16. Online Safe Harbours: Article 16.3 would further entrench the online safe harbour scheme, ossifying these provisions in a form as written back in 1998 despite everything that has happened since.

### What's missing?

In addition to the above, it is worth noting what's *missing* from these provisions that might be affirmatively sought by countries negotiating an IP chapter:

1. Balancing considerations: during the negotiation of the ACTA, there was concern that the text was one-sided and failed to include protections for defendants in IP cases and other third parties. As a result, some (inadequate) protections were included. Why aren't they in the TPPA? The relevant provisions include:

ACTA Article 2.3: The objectives and principles set forth in Part I of the TRIPS Agreement, in particular Articles 7 and 8, shall apply, *mutatis mutandis*, to this Agreement.

ACTA Article 4:

1. Nothing in this Agreement shall require a Party to disclose:
  - (a) information, the disclosure of which would be contrary to its law, including laws protecting privacy rights, or international agreements to which it is party;
  - (b) confidential information, the disclosure of which would impede law enforcement or otherwise be contrary to the public interest; or
  - (c) confidential information, the disclosure of which would prejudice the legitimate commercial interests of particular enterprises, public or private.
2. When a Party provides written information pursuant to the provisions of this Agreement, the Party receiving the information shall, subject to its law and practice, refrain from disclosing or using the information for a purpose other than that for which the information was provided, except with the prior consent of the Party providing the information

ACTA Article 6:

1. Each Party shall ensure that enforcement procedures are available under its law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.
2. Procedures adopted, maintained, or applied to implement the provisions of this Chapter shall be fair and equitable, and shall provide for the rights of all participants subject to such procedures to be appropriately protected. These procedures shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays.

3. In implementing the provisions of this Chapter, each Party shall take into account the need for proportionality between the seriousness of the infringement, the interests of third parties, and the applicable measures, remedies and penalties.
  4. No provision of this Chapter shall be construed to require a Party to make its officials subject to liability for acts undertaken in the performance of their official duties.
2. Provisions to address the increasing unilateralism of US IP enforcement policy. For example, one of the latest tools being used by US law enforcement against online IP infringement is the 'seizure' of domain names. A number of such seizures have already occurred, including one particularly controversial seizure of generic domain names associated with the Spanish site 'Rojadirecta', a site which had previously been held by a Spanish court to be operating legally. Legislation has been proposed in the US that would formalise US law enforcement officials' powers to order such seizures. This proposed legislation, known as the *Protect IP Act* in its latest iteration, would amend the American federal criminal code to authorise the Attorney-General to commence an expedited *in rem* action against a domain name used by an internet site that is 'dedicated to infringing activities'. Action would be available even if the site was not based in the US, provided that the domain was used within the US to access an infringing site, directed business to American residents and harmed American IP rights holders. For overseas sites, the legislation would provide the Attorney-General with the authority to serve domestic third parties, such as internet service providers, financial transaction providers and internet advertising providers. These third parties would in turn be directed to take reasonable measures to stop doing business with the offending website. The unilateralism reflected in such legislation, and the seizures which have already occurred, is not conducive to international *cooperation* in IP enforcement. The TPPA, as a proposed *trade* agreement, should deal with such unilateralism.

Issue	Leaked US TPPA Proposal (10 February 2011)	Australian Law ( <i>Copyright Act 1968</i> (Cth))	Analysis
<b>Copyright Provisions</b>			
Reproduction in material form	<b>Article 4.1</b> Each Party shall provide that authors, performers, and producers of phonograms have the right to authorize or prohibit all reproductions of their works, performances, and phonograms, in any manner or form, permanent or temporary (including temporary storage in electronic form).	Copyright owners have the right to reproduce literary, dramatic, musical and artistic works in material form and to make copies of films, sound recordings, and television broadcasts (ss 31, 85-88). Material form defined to include any form (whether visible or not) of storage of the work ... (whether or not the work ...can be reproduced). (s 10)	No change to Australian law. Australia expanded the scope of its reproduction right as a result of the Australia-US Free Trade Agreement (AUSFTA).
Parallel importation	<b>Article 4.2</b> Each Party shall provide to authors, performers, and producers of phonograms the right to authorize or prohibit the importation into that Party's territory of copies of the work, performance, or phonogram made without authorization, or made outside that Party's territory with the authorization of the author, performer, or producer of the phonogram. (footnote 11 qualifies: if goods placed on market with consent of the right holder, provision applies only to books, journals, sheet music, sound recordings, computer programs, and audio and visual	Australia prohibits importation of copyright works (ss 37, 102) but has exceptions for software (s 44E), electronic books and music (s 44F), and sound recordings (s 112D) where the product is placed on the market overseas with the consent of the copyright owner in the relevant jurisdiction (ie parallel importation /grey market goods).	Adoption of this provision would be a significant constraint on Australian copyright policy. Australia's Productivity Commission has produced numerous reports in favour of more parallel importation of copyright works, most recently books. As a small but affluent market, Australia has a history of experiencing higher prices for copyright works than markets such as the US and UK.

	works where produced)		
Sale and first sale	<b>Article 4.3</b> Each Party shall provide to authors, performers and producers of phonograms the right to authorize or prohibit the making available to the public of the original and copies of their works, performances and phonograms through sale or other transfer of ownership.	<p>Australia provides such a right: ss 38, 103, although liability only arises where the person 'knew, or ought reasonably to have known' that the article is infringing.</p> <p>AUSFTA includes an identically-worded provision: Article 17.4.2, except AUSFTA has a qualifying footnote stating that 'Nothing in this Agreement shall affect a Party's right to determine the conditions, if any, under which the exhaustion of this right applies after the first sale or other transfer of ownership ... with the authorisation of the right holder.'</p>	It is difficult to assess the impact of this provision. It is possible that without the qualifying footnote, the provision read literally could impact on second hand sales.
No hierarchy of rights	<b>Article 4.4</b> In order to ensure that no hierarchy is established between rights of authors, on the one hand, and rights of performers and producers of phonograms, on the other hand, each Party shall provide that in cases where authorization is needed from both the author of a work embodied in a phonogram and a performer or producer owning rights in the phonogram, the need for the authorization of the author does not cease to exist because the authorization of the performer or producer	This principle is embodied in Australian law: s 113. An identically worded provision exists in the AUSFTA: Article 17.4.3.	No change to Australian law.

	is also required. Likewise, each Party shall provide that in cases where authorization is needed from both the author of a work embodied in a phonogram and a performer or producer owning rights in the phonogram, the need for the authorization of the performer or producer does not cease to exist because the authorization of the author is also required		
Copyright term	<p><b>Article 4.5</b> Each Party shall provide that, where the term of protection of a work (including a photographic work), performance, or phonogram is to be calculated:</p> <p>(a) on the basis of the life of a natural person, the term shall be not less than the life of the author and 70 years after the author's death; and</p> <p>(b) on a basis other than the life of a natural person, the term shall be:</p> <p>(i) not less than 95 years from the end of the calendar year of the first authorized publication of the work, performance, or phonogram, or</p> <p>(ii) failing such authorized publication within 25 years from the creation of the work, performance, or phonogram, not less than 120 years from the end of the calendar year of the creation of the work,</p>	<p>Australia provides a copyright term:</p> <ul style="list-style-type: none"> <li>• For published works: life of the author + 70 years: s 33</li> <li>• For works (other than artistic works) unpublished at death of author: 70 years from publication: s 33</li> <li>• For films, sound recordings: 70 years from publication: ss 93, 94</li> <li>• For tv and sound broadcasts: 50 years from broadcast: s 95.</li> <li>• For performers: rights in sound recordings of their performances for 70 years from publication.</li> </ul>	<p>This provision would extend the Australian copyright term for films and sound recordings by 25 years (for both producers, and in the case of sound recordings, performers).</p> <p>It would not create efficiencies by harmonising the Australian copyright term with the US term as is sometimes argued. Unlike the US, Australia calculates the copyright term for corporate works by reference to the employee's life, rather than from the date of publication or creation.</p> <p>Australia extended its terms as a result of the AUSFTA: Article 17.4.4. Both independent analysis commissioned by a Senate Committee from economist Professor Phillipa Dee at the time the AUSFTA was signed, and more recently the Australian Productivity Commission, have assessed that this extension imposed significant costs on the Australian economy and was</p>



	performance, or phonogram.		against Australia's interests.
Extension of new rights to existing copyright material	<b>Article 4.6</b> Each Party shall apply Article 18 of the Berne Convention ... and Article 14.6 of ... TRIPS ... <i>mutatis mutandis</i> , to the subject matter, rights, and obligations in this Article and Articles [5] and [6].	.	This is the usual approach of Australia: to extend new rights to material existing in copyright.  This will have the effect that films and sound recordings where copyright ought to have expired between 2005 and the implementation of the TPPA would have received <i>two</i> copyright term extensions (one through AUSFTA, one through the TPPA).
Freedom of contractual transfer	<b>Article 4.7</b> Each Party shall provide that for copyright and related rights, any person acquiring or holding any economic right in a work, performance, or phonogram: (a) may freely and separately transfer that right by contract; and (b) by virtue of a contract, including contracts of employment underlying the creation of works, performances, and phonograms, shall be able to exercise that right in that person's own name and enjoy fully the benefits derived from that right.	Australia is subject to an (effectively) identically worded provision in AUSFTA Article 17.4.6.	This would not change Australian law, but does entrench a limitation on Australia's ability to adopt new copyright policies. The provision appears to be aimed at preventing Parties from introducing unwaivable or unassignable rights of a type found in Europe. It would prevent a Party from prohibiting the outright assignment of copyright (as, for example, is the case in Germany and Austria). In addition, this language is arguably sufficient to prevent the introduction of unwaivable rights to equitable remuneration like those found in the European Union's Rental Rights Directive. This language might also be treated as excluding the compulsory collective administration of rights – a form of control on the exploitation of copyright that also enjoys some popularity in European copyright policy making circles.
Placeholder –	<b>Article 4.8</b> No provision yet; placeholder	AUSFTA Article 17.4.10 may suggest	The first part of the AUSFTA text merely repeats

<p>exceptions, limitations, internet retransmission</p>	<p>only.</p>	<p>likely future text: With respect to [the provisions on copyright]: (a) each Party shall confine limitations or exceptions to exclusive rights to certain special cases that do not conflict with a normal exploitation of the work, performance, or phonogram, and do not unreasonably prejudice the legitimate interests of the right holder; (b) notwithstanding [other provisions], neither Party may permit the retransmission of television signals (whether terrestrial, cable, or satellite) on the Internet without the authorisation of the right holder or right holders, if any, of the content of the signal and of the signal.</p>	<p>TRIPS Article 13, although it does make clear that the limitations on exceptions would apply to all the (new or extended) rights under the TPPA.</p> <p>The AUSFTA provision on internet retransmission, however, prevents Australia from extending statutory licenses that currently allow the retransmission of broadcasts via cable to retransmission via the Internet. This removes the general freedom of parties to the WCT and WPPT to 'to carry forward and appropriately extend into the digital environment limitations and exceptions in their national laws which have been considered acceptable under the Berne Convention'. The relevant provision of the AUSFTA thus pre-empts decisions on how best to regulate websites (such as YouTube) that offer alternative means of accessing television.</p>
<p><b>Anti-circumvention and RMI</b></p>			
<p>Prohibition on circumvention</p>	<p><b>Article 4.9(a):</b> In order to provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that authors, performers, and producers of phonograms use in connection with the exercise of their rights and that restrict unauthorized acts in respect of their works, performances, and phonograms, each</p>	<p>Australia is subject to a similarly worded provision in AUSFTA Article 17.4.7(a)(i). Implemented in Australian law s 116AN.</p> <p>The key difference is that the AUSFTA provision only applies where the individual 'knowingly, or having reasonable grounds to know' that they</p>	<p>The provision as worded in the US draft would potentially expand liability under Australian law by perhaps requiring Australia to remove the requirement of knowledge presently applying to liability, making it a strict liability tort (although questions of knowledge arguably fall within the Party's area of freedom in implementing the provision).</p>

	<p>Party shall provide that any person who:</p> <p>(i) circumvents without authority any effective technological measure that controls access to a protected work, performance, phonogram, or other subject matter; ...</p> <p>...shall be liable and subject to the remedies set out in Article [12.12].</p>	<p>are circumventing without authority.</p> <p>This requirement of knowledge is implemented in Australian law: <i>Copyright Act 1968</i> (Cth) s 116AN(1)(c)</p>	<p>More generally, this provision entrenches the change Australia had to make as a result of the AUSFTA: prohibiting circumvention, and not just trafficking in circumvention devices/services. This change was contrary to past stated Australian policy, which was to focus on the trafficking as being more likely to cause harm, rather than seeking to prohibit private acts of circumvention, with all the privacy issues that potentially involves.</p>
<p>Prohibition on trafficking of circumvention devices/services:</p>	<p><b>Article 4.9(a)</b> ... each Party shall provide that any person who:</p> <p>(ii) manufactures, imports, distributes, offers to the public, provides, or otherwise traffics in devices, products, or components, or offers to the public or provides services, that:</p> <p>(A) are promoted, advertised, or marketed by that person, or by another person acting in concert with that person and with that person's knowledge, for the purpose of circumvention of any effective technological measure,</p> <p>(B) have only a limited commercially significant purpose or use other than to circumvent any effective technological measure, or</p> <p>(C) are primarily designed, produced, or performed for the purpose of</p>	<p>Australia is subject to a similarly worded provision in AUSFTA Article 17.4.7(a)(i). Implemented in Australian law ss 116AO-116AP.</p> <p>There is a difference in language: the references to 'acting in concert with that person and with that person's knowledge'. If anything, however, the language of the TPPA narrows the scope of liability (in the same way that Australian legislation does: see s 116AO(2)).</p>	<p>Australian law includes a knowledge requirement (liability arises if the person marketing the circumvention device/service knows, or ought reasonably to know, of that use). No such requirement is stated in the TPPA language, but this may fall within the Party's discretion as to how to implement the provisions of the treaty.</p> <p>The AUSFTA expanded Australia's original regime, which only applied to circumvention devices/services 'capable of circumventing, or facilitating the circumvention of, the technological protection measure': now potentially even devices that do not work but which are <i>marketed</i> for the purpose can create liability (although it seems unlikely that such devices would lead to lawsuits).</p>

	enabling or facilitating the circumvention of any effective technological measure, ...shall be liable and subject to the remedies set out in Article [12.12].		
Criminal liability for circumvention breaches and criminal penalties	<p><b>Article 4.9(a)</b> Each Party shall provide for criminal procedures and penalties to be applied when any person, other than a nonprofit library, archive, educational institution, or public noncommercial broadcasting entity, is found to have engaged willfully and for purposes of commercial advantage or private financial gain in any of the foregoing activities. Such criminal procedures and penalties shall include the application to such activities of the remedies and authorities listed in subparagraphs (a), (b), and (f) of Article [15.5] as applicable to infringements, <i>mutatis mutandis</i>.</p> <p>Note:</p> <ul style="list-style-type: none"> <li>• 15.5(a): imprisonment and fines (deterrent)</li> <li>• 15.5(b): seizure of goods, implements used in committing the offence, assets traceable to the infringing activity and documentary evidence</li> <li>• 15.5(c): forfeiture of assets traceable to the infringing activity.</li> </ul>	<p>AUSFTA already requires Australia to provide for criminal penalties, with a similarly-worded exclusion for certain public institutions. Australia has implemented this: ss 132APC-132APE.</p> <p>The reference to specific penalties however is new.</p> <p>Australian law provides for:</p> <ul style="list-style-type: none"> <li>• Imprisonment (up to five yrs per offence) and fines (up to \$60,500 per offence for an individual, or \$302,500 for a company);</li> <li>• seizure of circumvention devices, implements and infringing copies (s 133);</li> <li>• Seizure of documentary evidence: <i>Crimes Act 1914</i> (Cth), Part 1AA;</li> <li>• Freezing of assets: <i>Proceeds of Crime Act 2002</i> ss 15B; 17;</li> <li>• forfeiture of assets traceable to infringing activity, even in the absence of conviction: <i>Proceeds of Crime Act 2002</i> (Cth) ss 48-49.</li> </ul>	<p>These criminal provisions will not change Australian law, which is already extremely stringent in both coverage and penalties.</p> <p>The WIPO Internet Treaties do not require criminal liability.</p>

Circumvention devices and design	<b>Article 4.9(b)</b> In implementing subparagraph (a), no Party shall be obligated to require that the design of, or the design and selection of parts and components for, a consumer electronics, telecommunications, or computing product provide for a response to any particular technological measure, so long as the product does not otherwise violate any measures implementing subparagraph (a).	Australia is subject to an identically worded provision in AUSFTA 17.4.7(c).	This is a beneficial provision, in that it clarifies that hardware companies are not legally required to respond to certain technological protection measures.  It should be noted, however, that the provision is not particularly effective. In many cases, electronic copies of copyright material are provided in encrypted form. For a device to gain access to the unencrypted version, a key is required – getting access to the key requires a manufacturer to agree to meet certain requirements (eg, not allowing copying). This method has had some effect in relation to DVDs.
Circumvention separate from copyright infringement	<b>Article 4.9(c)</b> Each Party shall provide that a violation of a measure implementing this paragraph is a separate cause of action, independent of any infringement that might occur under the Party's law on copyright and related rights.	Australia is subject to a similarly-worded provision in AUSFTA Article 17.4.7(d).	This will not change Australian law.  It is clearly aimed at countries which have made liability for circumvention contingent on showing copyright infringement: an approach allowed under the WIPO Internet Treaties. It has the impact of creating liability even for a person who circumvents a measure for the purposes of exercising rights under an exception (like fair dealing).
Limited exceptions to the prohibitions on circumvention and trafficking	<b>Article 4.9(d)</b> Exceptions limited to non-infringing activities for certain purposes: (i) reverse engineering; (ii) security and encryption research; (iii) technical components to prevent	Australia is subject to a very similar regime under the AUSFTA. It is implemented in the <i>Copyright Act</i> , part V div 2A.	The TPPA wording would not change the broad shape of Australia's exceptions to circumvention law, which was changed by the AUSFTA.  It would, however, require changes to

<p>circumvention devices</p>	<p>inappropriate access to content by minors;</p> <p>(iv) security testing;</p> <p>(v) disabling privacy-invasive online collection of information;</p> <p>(vi) government activities for law enforcement, intelligence, essential security or similar governmental purposes;</p> <p>(vii) access by nonprofit libraries, archives, and educational institutions for acquisition decisions;</p> <p>(viii) where ‘an actual or likely adverse impact on [other] noninfringing uses is demonstrated in a legislative or administrative proceeding by substantial evidence; provided that any limitation or exception adopted in reliance upon this clause shall have effect for a renewable period of not more than three years from the date of conclusion of such proceeding.’</p> <p><b>Article 4.9(e)</b> Limits the exceptions:</p> <ul style="list-style-type: none"> <li>• All exceptions apply to the prohibition on circumvention;</li> <li>• Most apply to selling devices to circumvent access control measures: except (v), (vii) and (viii);</li> <li>• Only the reverse engineering and law enforcement exceptions apply to</li> </ul>	<p>There is a difference however in relation to (viii) – which allows the creation of new exceptions where the need is proved: implemented in s 249. Under the AUSFTA and Australian law:</p> <ul style="list-style-type: none"> <li>• The impact on noninfringing uses need only be ‘credibly demonstrated’ rather than ‘demonstrated ... by substantial evidence’. The change in language might suggest that proof of actual negative effects, rather than just plausible arguments of the likelihood of such effects, is required.</li> <li>• The period for an exception need not expire/exceptions do not need to be renewed: exceptions only end if a submission is made to vary or revoke the exception, and ‘an actual or likely adverse impact’ can no longer be credibly demonstrated.</li> </ul>	<p>Australia’s administrative system for creating new exceptions: perhaps tightening the evidence required to get an exception and certainly requiring they expire, where no such requirement presently exists. To date, Australia’s system has not been working. Although on passing the original implementing legislation, Australia did create a series of additional exceptions (<i>Copyright Regulations 1969</i> Schedule 10A), since then, no regular system for administrative reviews has been established, and submissions that have been made to the Minister seeking exceptions have been allowed to languish in the Attorney-General’s Department for extended periods of time. Australia’s experience perhaps holds lessons for other countries: in the absence of an obvious administrative body like the US Copyright Office, it is difficult to establish any effective administrative proceeding to create exceptions (and judicial processes risk a multiplication of costs).</p> <p>The AUSFTA replaced Australia’s previous system for exceptions to anti-circumvention law. Prior to 2004, Australia (a) only prohibited selling circumvention devices, so individuals did not need their own exceptions, and (b) allowed ‘qualified persons’ (trusted public institutions like libraries, galleries, archives and others with the benefit of existing copyright exceptions) to</p>
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	selling devices to circumvent copy controls.		<p>sign a declaration stating their legitimate purpose, in order to have a circumvention device or service supplied. This system avoided the bureaucratic red-tape of the US approach.</p> <p>It is worth noting too that Australia's politicians, when forced to consider the scheme set out in the AUSFTA, stated their view that the absence of 'manufacturing/trafficking' exceptions to match the 'circumvention' exceptions for ordinary people was a 'lamentable and inexcusable flaw in the text of Article 17.4.7... that verges on absurdity. ... these exceptions appear to be little more than empty promises.'</p>
Definition of 'effective technological measure'	<b>Article 4.9(f)</b> Effective technological measure means any technology, device, or component that, in the normal course of its operation, controls access to a protected work, performance, phonogram, or other protected subject matter, or protects any copyright or any rights related to copyright.	Australia is subject to a very similar regime under the AUSFTA Article 17.4.7(b). It is implemented in the <i>Copyright Act</i> , s 10.	<p>This definition covers access controls and copy controls: a very expansive definition that extends well beyond the requirements of the WIPO Internet Treaties.</p> <p>The introduction of the new definition in 2004 as a result of the AUSFTA in Australia overturned a more narrow definition that required that a measure actually 'prevent or inhibit infringement of copyright'.</p>
Rights Management Information (RMI)	<b>Article 4.10(a)</b> creates criminal and civil liability for a person who: (i) knowingly removes or alters any RMI; (ii) distributes or imports for distribution RMI knowing that the RMI has been	Australia is subject to an almost identical provision under the AUSFTA Article 17.4.8. Australia's RMI laws are found in the <i>Copyright Act</i> Part V, Div 2A, ss 116B-116D.	<p>This will not change Australian law.</p> <p>It is WIPO Internet Treaty 'plus', in that (ii) (distributing RMI) is not mentioned in the WIPO Internet Treaties; nor do the WIPO Internet</p>

	<p>removed or altered without authority; or (iii) distributes, imports for distribution, broadcasts, communicates or makes available to the public copies of works, performances, or phonograms, knowing that RMI has been removed or altered without authority; provided that liability only arises if the person acts 'without authority, and knowing that it would induce, enable, facilitate, or conceal infringement of copyright (with civil liability also arising if the person has 'reasonable grounds to know').</p> <p>Criminal liability where the act is wilful and for the purposes of commercial advantage or private financial gain. Similar criminal remedies and procedures as for anti-circumvention law (see above).</p>		<p>Treaties require criminal liability.</p>
<p>Exceptions to RMI</p>	<p><b>Article 4.10(b)</b> confines exceptions to the prohibition against RMI tampering to 'lawfully authorized activities carried out by government employees, agents, or contractors for the purpose of law enforcement, intelligence, essential security, or similar governmental purposes.'</p>	<p>Australia is subject to an almost identical provision under the AUSFTA Article 17.4.8; it is enacted in s 116CB.</p>	<p>This will not change Australian law.</p> <p>It removes the general freedom of parties to the WCT and WPPT to 'to carry forward and appropriately extend into the digital environment limitations and exceptions in their national laws which have been considered acceptable under the Berne Convention'.</p>



<p>Definition of RMI</p>	<p><b>Article 4.10(c)</b> RMI means</p> <ul style="list-style-type: none"> <li>(i) information that identifies a work, performance, or phonogram, the author of the work, the performer of the performance, or the producer of the phonogram; or the owner of any right in the work, performance, or phonogram;</li> <li>(ii) information about the terms or conditions of the use of the work, performance, or phonogram; or</li> <li>(iii) any numbers or codes that represent such information,</li> </ul> <p>when any of these items is attached to a copy of the work, performance, or phonogram or appears in connection with the communication or making available of a work, performance or phonogram, to the public.</p>	<p>Australia is subject to an almost identical provision under the AUSFTA Article 17.4.8. The definition is embodied in the <i>Copyright Act 1968</i> s 10.</p> <p>There is one difference however: both the AUSFTA and Australian law only apply if the RMI is <i>electronic</i>. The limitation to electronic RMI is consistent with the WIPO Internet Treaties (see WCT Article 12).</p>	<p>The present draft of the TPPA is not explicitly limited to <i>electronic</i> RMI, meaning that it could potentially require an expansion of Australian law to cover acts such as the removal of (non-electronic) copyright notices.</p> <p>Liability would still only arise where person knew that removal of the RMI would induce, enable, facilitate, or conceal infringement of copyright. The problem with this expansion is likely to be in the multiplication of offences that a person commits in the act of infringement. Multiplying the wrongful acts has the potential to lead to over-charging of defendants in the criminal context, and increases in the extent of civil liability.</p>
<p>No obligation to attach RMI</p>	<p><b>Article 4.10(d)</b> For greater certainty, nothing in this paragraph shall obligate a Party to require the owner of any right in the work, performance, or phonogram to attach rights management information to copies of the work, performance, or phonogram, or to cause rights management information to appear in connection with a communication of the work, performance, or phonogram to the public.</p>	<p>No equivalent provision is found in AUSFTA. It is consistent with Australian law which does not require the inclusion of RMI, and consistent with the Berne Convention's prohibition on formalities: Article 5(2).</p>	<p>Care needs to be taken with this provision, which echoes the prohibition on formalities in the Berne Convention and may have unintended effects on beneficial policies in the digital environment. For example, attempts to address the orphan works problem online may rely on creating exceptions applying to works where no owner or author is named on the work.</p> <p>Australian law also has many provisions which provide procedural advantages where</p>

			<p>identifying information <i>is</i> attached to copyright works: for example, presumptions of ownership and authorship (see <i>Copyright Act</i> Part V Div 4).</p> <p>The language of the TPPA draft seems to avoid these consequences ('nothing in this paragraph shall obligate', rather than 'no Party shall'), but it would be better not to include this provision.</p>
<b>Other copyright and related rights; performers and producers of phonograms</b>			
Right to communicate to the public	<p><b>Article 5</b> Without prejudice to Articles 11(1)(ii), 11<i>bis</i>(1)(i) and (ii), 11<i>ter</i>(1)(ii), 14(1)(ii), and 14<i>bis</i>(1) of the Berne Convention, each Party shall provide to authors the exclusive right to authorize or prohibit the communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them.</p>	<p>Australia is also subject to an identical provision in AUSFTA Article 17.5.</p> <p>Australia has created a right of communication to the public: ss 10 (definition), 31, 85-88.</p>	<p>This will not alter Australian law. This provision is identical to the WIPO Copyright Treaty, article 8.</p>
Related rights – sound recording producers and performers: territorial connection and publication date.	<p><b>Article 6.1.</b> Each Party shall accord the rights provided for in this Chapter with respect to performers and producers of phonograms to the performers and producers of phonograms who are nationals of another Party and to performances or phonograms first published or first fixed in the territory of</p>	<p>Australia is also subject to an identical provision in AUSFTA Article 17.6.1.</p>	<p>This would not alter Australian law in general, however, care must be taken that the provision does not require Australia to recognise rights for American owners of copyright in sound recordings where such rights are not recognised in the US. At present, Australia provides protection for performing/broadcasting of sound recordings but does not accord this</p>

	another Party. A performance or phonogram shall be considered first published in the territory of a Party in which it is published within 30 days of its original publication.		protection to American recordings, because the US does not itself recognise such rights: <i>Copyright (International Protection) Regulations 1969</i> (Cth), regs 6 and 7, and Sch 3.
Rights of performers	<p><b>Article 6.2</b> Each Party shall provide to performers the right to authorize or prohibit:</p> <p>(a) broadcasting and communication to the public of their unfixed performances, except where the performance is already a broadcast performance; and</p> <p>(b) fixation of their unfixed performances.</p>	<p>Australia is also subject to an identical provision in AUSFTA Article 17.6.2.</p> <p>Australia has provided such rights in the <i>Copyright Act 1968</i> Part XIA.</p>	<p>This would not alter Australian law, which has provided performers with rights against unauthorised recording of their performances since 1989. It is worth noting that the rights only relate to <i>sound</i> recordings of performances; in Australia, audiovisual recordings/broadcasts of performances without permission are also prohibited, and have been since 1989.</p> <p>Introduction of this right into this agreement, however, does have one notable impact for any country not also a party to the WPPT: it will likely subject these rights to the Berne/TRIPS three step test for exceptions (see TPPA Draft Article 4.8 – a placeholder for the present but likely to include a reference to the three step test). In Australia, when this article came in and Australia signed the WPPT, Australia narrowed the exceptions to these performers’ rights, apparently on the basis that the three step test was more stringent than previously existing rules under the Rome Convention.</p>
Right of communication	<p><b>Article 6.3</b></p> <p>(a) Each Party shall provide to performers</p>	Australia is already subject to similar provisions in the AUSFTA Article	This provision will not alter Australian law.

<p>to the public and exceptions for performers and producers of phonograms</p>	<p>and producers of phonograms the right to authorize or prohibit the broadcasting and any communication to the public of their performances or phonograms, by wire or wireless means, including the making available to the public of those performances and phonograms in such a way that members of the public may access them from a place and at a time individually chosen by them.</p> <p>(b) Notwithstanding subparagraph (a) and Article [4.8][<i>exceptions and limitations</i>], the application of this right to analog transmissions and non-interactive, free over-the-air broadcasts, and exceptions or limitations to this right for such activity, shall be a matter of each Party's law.</p> <p>(c) Each Party may adopt limitations to this right in respect of other noninteractive transmissions in accordance with Article [4.8] [<i>exceptions and limitations</i>], provided that the limitations do not prejudice the right of the performer or producer of phonograms to obtain equitable remuneration.</p>	<p>17.6.3, and under the WPPT Articles 10 and 14.</p> <p>Australia had already given producers of phonograms a right of communication to the public (s 85(1)(c)). Performers were given such a right by making them co-owners of copyright in sound recordings of their performances: ss 22, 97.</p>	<p>Paragraph (b) is likely motivated by the US' desire to maintain its highly idiosyncratic rules relating to the broadcast/communication of sound recordings, including the absence of any right of performance to the public in relation to sound recordings (unless the performance is via digital audio transmission: 17 USC §§106, 114). The US' limited rights for producers of sound recordings means that there is no remuneration for broadcasts there – arguably a significant subsidy from creators to the US' broadcasters.</p> <p>As noted above, care must be taken that the provision does not require Australia to recognise rights for American owners of copyright in sound recordings where such rights are not recognised in the US. At present, Australia provides protection for performing/broadcasting of sound recordings but does not accord this protection to American recordings, because the US does not itself recognise such rights: <i>Copyright (International Protection) Regulations 1969</i> (Cth), regs 6 and 7, and Sch 3.</p>
<p>No formalities in relation to</p>	<p><b>Article 6.4.</b> No Party may subject the enjoyment and exercise of the rights of</p>	<p>Australia is subject to a similar provision in AUSFTA Article 17.6.4 and</p>	<p>This will not change Australian law, which imposes no formalities in relation to sound</p>

performers, producers of phonograms	performers and producers of phonograms provided for in this Chapter to any formality.	under the WPPT Article 20.	recordings and performances. Care needs to be taken with this provision, which echoes the prohibition on formalities in the Berne Convention and may have unintended effects on beneficial policies in the digital environment. For example, attempts to address the orphan works problem online may rely on creating exceptions applying to works where no owner or author is named on the work.
Definitions – performers and producers of phonograms	<p><b>Article 6.5.</b> For purposes of this Article and Article 4, the following definitions apply with respect to performers and producers of phonograms:</p> <p>(a) <b>broadcasting</b> means the transmission to the public by wireless means or satellite of sounds or sounds and images, or representations thereof, including wireless transmission of encrypted signals where the means for decrypting are provided to the public by the broadcasting organization or with its consent; “broadcasting” does not include transmissions over computer networks or any transmissions where the time and place of reception may be individually chosen by members of the public;</p> <p>(b) <b>communication to the public</b> of a performance of a phonogram means the transmission to the public by any</p>	Australia is subject to a similar provision in AUSFTA Article 17.6.5. The same definitions are also found in the WPPT, Article 2.	This will not change Australian law or Australia’s international commitments.

	<p>medium, other than by broadcasting, of sounds of a performance or the sounds or the representations of sounds fixed in a phonogram. For purposes of paragraph [3], "communication to the public" includes making the sounds or representations of sounds fixed in a phonogram audible to the public;</p> <p>(c) <b>fixation</b> means the embodiment of sounds, or of the representations thereof, from which they can be perceived, reproduced, or communicated through a device;</p> <p>(d) <b>performers</b> means actors, singers, musicians, dancers, and other persons who act, sing, deliver, declaim, play in, interpret, or otherwise perform literary or artistic works or expressions of folklore;</p> <p>(e) <b>phonogram</b> means the fixation of the sounds of a performance or of other sounds, or of a representation of sounds, other than in the form of a fixation incorporated in a cinematographic or other audiovisual work;</p> <p>(f) <b>producer of a phonogram</b> means the person who, or the legal entity which, takes the initiative and has the responsibility for the first fixation of the sounds of a performance or other</p>		
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	<p>sounds, or the representations of sounds; and</p> <p>(g) <b>publication of a performance or a phonogram</b> means the offering of copies of the performance or the phonogram to the public, with the consent of the rightholder, and provided that copies are offered to the public in reasonable quantity.</p>		
<b>Encrypted Satellite/Cable</b>			
<p>Encrypted Satellite and Cable (Cable or Pay Television)</p>	<p><b>Article 7.1.</b> Each Party shall make it a criminal offense to:</p> <p>(a) manufacture, assemble, modify, import, export, sell, lease, or otherwise distribute a tangible or intangible device or system, knowing or having reason to know that the device or system is primarily of assistance in decoding an encrypted program-carrying satellite or cable signal without the authorization of the lawful distributor of such signal; and</p> <p>(b) willfully receive and make use of, or willfully further distribute a program-carrying signal that originated as an encrypted satellite or cable signal knowing that it has been decoded without the authorization of the lawful distributor of the signal, or if the signal</p>	<p>Australia is subject to a similar provision in the AUSFTA, Article 17.7. It is implemented in the <i>Copyright Act 1968</i> Part VAA</p> <p>The key difference is in part (b), which adds a new wrong, namely, distributing further without permission a signal that has been originally decoded with permission but where the further distribution is without permission. This does not change Australian law, which already provides for liability in these circumstances (see ss 135AOC, 135AOD (civil); 135ASI, 135ASJ (criminal)).</p>	<p>These provisions will not change Australian law.</p> <p>However, it should be noted that these kinds of provisions can potentially have broad effect beyond seeking to control ‘pirate’ decoders gaining access to satellite transmissions without permission, and may extend to attempting to entrench geographic and other artificial borders in the availability of copyright material. In Europe, the ECJ presently has before it a case, <i>Joined cases C-403/08 and C-429/08, Football Association Premier League Ltd v QC Leisure</i>, in which the issue is whether European law forbids the resale in the UK of decoders released for and sold into the Greek market (in essence, the Greek decoders allow for access to premier league football matches, but are much cheaper than equivalent decoders sold in the UK).</p>

	<p>has been decoded with the authorization of the lawful distributor of the signal, willfully to further distribute the signal for purposes of commercial advantage knowing that the signal originated as an encrypted program-carrying signal and that such further distribution is without the authorization of the lawful signal distributor.</p> <p><b>7.2.</b> Each Party shall provide for civil remedies, including compensatory damages, for any person injured by any activity described in paragraph [1], including any person that holds an interest in the encrypted programming signal or its content.</p>		<p>The additional language – distributing the encoded signal without authorisation – would appear to create a quasi-copyright right. For a great deal of material, copyright would seem to cover this field: if the encrypted material were a movie, for example, the further distribution would likely be a copyright infringement. Instead, this additional language would create a kind of quasi-copyright in material that parties have not seen fit to protect with copyright (eg live sports broadcasts) (note that this is not true for Australia, which recognises a separate form of copyright in broadcasts).</p> <p>There does not appear to be any time limit on the prohibition, unlike copyright which has a fixed term.</p>
<b>Enforcement Provisions - General</b>			
Distribution of enforcement resources	<p><b>Article 10.1</b> The Parties understand that a decision that a Party makes on the distribution of enforcement resources shall not excuse that Party from complying with this Chapter.</p>	<p>No equivalent provision in AUSFTA.</p> <p>Cf ACTA Article 1.2: ‘Nothing in this Agreement creates any obligation with respect to the distribution of resources as between enforcement of intellectual property rights and enforcement of law in general.’</p> <p>Cf TRIPS Article 41.5: ‘ It is understood</p>	<p>This is stricter language on resourcing than is found in other international agreements. It would appear to be designed to limit the ability of a Party to plead sovereign enforcement priorities or its state of development as an answer to a complaint from another country about the level of enforcement.</p> <p>This could even impact on Australia, where the Federal Police (AFP) use a <i>case categorisation</i></p>



		<p>that this Part does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general, nor does it affect the capacity of Members to enforce their law in general. Nothing in this Part creates any obligation with respect to the distribution of resources as between enforcement of intellectual property rights and the enforcement of law in general.'</p>	<p><i>and prioritisation (CCPM)</i> model that assigns priorities to cases so that the AFP can ensure its limited resources are directed to the matters of highest priorities. Economic crimes (which would include IP) can be assessed as having very high impact, if valued at more than \$5 million, but economic crimes assessed as having a lower level of harm may be classed as low impact and hence not attract AFP resources.</p>
<p>Presumptions (copyright)</p>	<p><b>Article 10.2.</b> In civil, administrative, and criminal proceedings involving copyright or related rights, each Party shall provide for a presumption that, in the absence of proof to the contrary, the person whose name is indicated in the usual manner as the author, producer, performer, or publisher of the work, performance, or phonogram is the designated right holder in such work, performance, or phonogram. Each Party shall also provide for a presumption that, in the absence of proof to the contrary, the copyright or related right subsists in such subject matter. ...</p>	<p>Australia is subject to a similar provision in AUSFTA Article 17.11.</p> <p>These presumptions are found in the <i>Copyright Act</i>, ss 126-131 (civil proceedings) and ss 132A-132C (criminal proceedings).</p>	<p>This would not change Australian law.</p> <p>It is worth noting however that presumptions have become somewhat controversial in Australia of late. Recent trends in Australian case law have emphasised the importance of identifying a human author in order to find that copyright subsists (<i>Telstra Corp Ltd v Phone Directories Co Pty Ltd</i> (2010) 990 IPR 1; special leave sought). The controversial question is whether the presumptions concerning subsistence of copyright based on a copyright notice can overcome the need to identify a human author. Query whether it is appropriate to agree to provisions concerning presumptions at a time when the meaning and impact of presumptions is a question of very real</p>

			controversy in copyright law.
Presumptions (trade mark)	<b>Article 10.2</b> In civil, administrative, and criminal proceedings involving trademarks, each Party shall provide for a rebuttable presumption that a registered trademark is valid.	There is no equivalent provision in the AUSFTA or any other international treaty to which Australia is a party.  There is no such presumption in Australian law.	This provision would require a change to Australian law. It would also be inconsistent with the scheme of Australian trade mark law, which provides for a presumption of <i>registrability</i> (that is, in the case of doubt over whether a trade mark should proceed to registration, the applicant is to be given the benefit of the doubt: s 33). If there is to be a presumption of validity at the litigation stage, to avoid boot-strapping, a more rigorous approach would need to be adopted at the examination stage.
Presumptions (patent)	<b>Article 10.2</b> In civil and administrative proceedings involving patents, each Party shall provide for a rebuttable presumption that a patent is valid, and shall provide that each claim of a patent is presumed valid independently of the validity of the other claims.	There is no equivalent provision in the AUSFTA or any other international treaty to which Australia is a party.  There is no such presumption in Australian law.	This provision would require a change to Australian law and is not necessarily consistent with current Australian policy, or with general concerns about the quality of granted patents. With patent offices suffering under significant backlogs, it would not appear to be the right time to make it <i>harder</i> to challenge patents.  Under amendments to Australian patent law presently before Parliament, the government intends that examination of patents will become more rigorous (with the commissioner of patents only accepting a patent if satisfied on the balance of probabilities that there is a patentable invention, unlike the previous standard where applicants were given the

			benefit of the doubt). In addition, patents will become easier to challenge in pre-grant opposition proceedings, with the office again applying a balance of probabilities, as opposed to the present standard where an opposition succeeds only if the patent is 'clearly invalid'. Some commentators have speculated that the increased rigour of these processes will translate into a greater presumption of validity to granted patents. However, there has been no amendment to the law to that effect. The Australian government could have, but deliberately did not, introduce a presumption of validity at the same time. Thus this TPPA proposal would seem to overturn government policy.
Publication of judicial and administrative reasons for decision	<b>Article 11.1.</b> Each Party shall provide that final judicial decisions and administrative rulings of general application pertaining to the enforcement of intellectual property rights shall be in writing and shall state any relevant findings of fact and the reasoning or the legal basis on which the decisions and rulings are based. Each Party shall also provide that such decisions and rulings shall be published or, where publication is not practicable, otherwise made available to the public, in its national language in such a manner as to enable governments and right holders to become acquainted	Australia is subject to a similar provision in AUSFTA Article 17.11.2. There is also a transparency provision in the ACTA text, article 30, which requires parties to publish or make available to the public information (inter alia) on 'final judicial decisions, and administrative rulings of general application pertaining to the enforcement of intellectual property rights'.  This is TRIPS plus – TRIPS only requires that decisions on the merits	This will not change the Australian approach and is not really controversial. Australian court and administrative decisions are widely available online and for free both via court websites and AustLII ( <a href="http://www.austlii.edu.au">www.austlii.edu.au</a> ).

	with them.	‘preferably’ be in writing and made available ‘at least to the parties to the proceeding without undue delay’: Article 41.3.	
Promoting, gathering, publishing statistics	<p><b>Article 11.2.</b> Each Party shall promote the collection and analysis of statistical data and other relevant information concerning intellectual property rights infringements as well as the collection of information on best practices to prevent and combat infringements.</p> <p><b>Article 11.3.</b> Each Party shall publicize information on its efforts to provide effective enforcement of intellectual property rights in its civil, administrative and criminal systems, including statistical information that the Party collects for such purposes.</p> <p><b>Article 11.4</b> Nothing in this Chapter shall require a Party to disclose confidential information the disclosure of which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.</p>	<p>The language of Article 11.2 appears to be taken directly from the ACTA text, Article 28.2 of which is in identical terms.</p> <p>Australia is under an obligation under Article 17.11.3 of AUSFTA to ‘inform the public of its efforts to provide effective enforcement of intellectual property rights in its civil, administrative, and criminal system, including any statistical information that the Party may collect for such purpose.’</p> <p>Article 11.3 has some of the language of ACTA Article 30, which states that: ‘To promote transparency in the administration of its intellectual property rights enforcement system, each Party shall take appropriate measures, pursuant to its law and policies, to publish or otherwise make available to the public information on:...</p> <p>(c) its efforts to ensure an effective</p>	<p>This is an interesting provision, the impact of which is hard to gauge. Clearly it is one-sided: there is no suggestion that information or best practices regarding IP exceptions or IP misuse. While in general, collection of information should be seen as a good thing, one likely impact of such a provision is to enable ‘peer pressure’ among the Parties to match figures produced by other Parties. Such information also runs the risk of being de-contextualised: producing figures on enforcement efforts in IP without the context of other enforcement statistics (or even GDP figures) runs the risk of creating a misleading picture.</p> <p>Much IP enforcement policy-making seems to proceed on the basis either of an absence of statistics as to the scale of any actual problem, or in reliance on statistics generated by self-interested stakeholders who fail to reveal their methodologies or underlying data. It would be helpful if policy-making were only made on the basis of evidence gathered through rigorous and transparent methods and subject to peer-review. But there is no mention of such standards in the provision (indeed, the</p>

		system of enforcement and protection of intellectual property rights.'	confidentiality provision in Article 11.4 tends against such transparency, as commercial confidentiality is often cited as a reason for not subjecting infringement reports to peer review), nor is it clear that the government is itself to have any hand in gathering statistics (the reference to 'promoting collection' could refer to promoting collection <i>by private bodies</i> ). The provision would be improved by references to scientific standards, transparency, and peer review.
<b>Enforcement Provisions - Civil</b>			
General civil enforcement	<p><b>Article 12.1.</b> Each Party shall make available to right holders<sup>17</sup> civil judicial procedures concerning the enforcement of any intellectual property right.</p> <p>FN 17: For the purposes of this Article, the term "right holder" shall include exclusive licensees as well as federations and associations having the legal standing and authority to assert such rights; the term "exclusive licensee" shall include the exclusive licensee of any one or more of the exclusive intellectual property rights encompassed in a given intellectual property.</p>	<p>TRIPS has a similar provision, although it further provides that 'procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse' (Article 41). AUSFTA has an identical provision in Article 17.11.5. The ACTA has an identical provision in Article 7.1.</p> <p>Australia provides civil procedures in the Federal Magistrates Court and Federal Court for IP enforcement.</p>	This would not change Australian law or Australia's existing international obligations.
Civil Injunctions	<b>Article 12.2</b> Each Party shall provide for injunctive relief consistent with Article 44	No equivalent general provision in AUSFTA, but general obligation clearly	This provision is consistent with long-standing Australian law and with Australia's other

	<p>of the TRIPS Agreement, and shall also make injunctions available to prevent the exportation of infringing goods.</p>	<p>exists in TRIPS. AUSFTA Article 17.11.14 requires that judicial authorities have the power to enjoin export of allegedly infringing goods. The ACTA text has a more specific provision in Article 8, which also refers to injunctions against third parties (to prevent infringing goods entering the channels of commerce).</p> <p>Australian IP law allows injunctions:</p> <ul style="list-style-type: none"> <li>• <i>Copyright Act 1968</i> s 115(2)</li> <li>• <i>Patents Act 1990</i> s 122(1)</li> <li>• <i>Trade Marks Act 1995</i> s 126.</li> </ul> <p>Copyright, trade mark, and patent law all prohibit export at least in a commercial context: The <i>Copyright Act</i> prohibits reproduction (ss31, 85-88), and sale and distribution of infringing copies (ss38, 103). The <i>Trade Marks Act</i> specifically provides that applying a trade mark in Australia to goods destined for export this is taken as 'use of the trade mark' (s 228). In patent law, it is infringement to export patented products for commercial purposes, whether the contract pursuant to which export takes place was made in the jurisdiction or outside it: <i>Sterling Drug</i></p>	<p>international obligations.</p>
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Damages (general)	<p><b>Article 12.3</b> Each Party shall provide that:</p> <p>(a) in civil judicial proceedings, its judicial authorities shall have the authority to order the infringer to pay the right holder:</p> <p>(i) damages adequate to compensate for the injury the right holder has suffered as a result of the infringement,<sup>18</sup> and</p> <p>(ii) at least in the case of copyright or related rights infringement and trademark counterfeiting, the profits of the infringer that are attributable to the infringement and that are not taken into account in computing the amount of the damages referred to in clause (i).</p> <p>FN18 In the case of patent infringement, damages adequate to compensate for the infringement shall not be less than a reasonable royalty.</p>	<p>Australian IP law provides for damages and accounts of profits:</p> <ul style="list-style-type: none"> <li>• <i>Copyright Act 1968</i> s 115</li> <li>• <i>Patents Act 1990</i> s 122</li> <li>• <i>Trade Marks Act 1995</i> s 126</li> </ul> <p>AUSFTA includes an identical provision Article 17.11.6(a), <i>except</i> footnote 18, requiring a reasonable royalty standard in patent, is new.</p>	<p>This provision is consistent with Australian law, which provides for both compensatory damages and an account of profits under all regimes. An account of profits is TRIPS-plus but AUSFTA-plus (as it relates to copyright infringement and trade mark counterfeiting).</p> <p>Australian copyright and patent law states that the court may decline to order damages in the case of innocent infringement (<i>Copyright Act</i> s 115(3); <i>Patents Act</i> s 123). This exception is not mentioned in Article 12.3, but would be accommodated by the fact that judicial authorities need only have the <i>authority</i> to make damages awards, not that they <i>must</i> make such an award.</p> <p>Prescribing some kind of minimum patent damages would seem to be controversial, and might require a change to Australian law.</p>
Calculation of damages and retail price	<p><b>Article 12.3</b> Each Party shall provide that:</p> <p>...</p> <p>(b) in determining damages for infringement of intellectual property rights, its judicial authorities shall consider, <i>inter alia</i>, the value of the</p>	<p>Australian legislation does not specify matters to be considered in assessing damages. Courts clearly have the authority to consider any legitimate measure of value.</p>	<p>It is possible that this would require a change to Australian law. At present, Australian courts can in their discretion accept or reject evidence depending on how convincing and relevant they find it (<i>Evidence Act 1995</i> s 136). The draft provision would seem to <i>require</i> the court to</p>

	<p>infringed good or service, measured by the suggested retail price or other legitimate measure of value submitted by the right holder.</p>		<p>consider the retail price of a good if tendered by the right holder, regardless of whether that is a legitimate, relevant, or convincing measure.</p> <p>This draft provision is TRIPS plus, AUSFTA plus, and ACTA plus. It matches an early draft of ACTA which was rejected during the negotiations. The final ACTA text requires that judicial authorities <i>have the authority to consider 'any legitimate measure of value the right holder submits, which may include lost profits, the value of the infringed goods or services measured by the market price, or the suggested retail price'</i>. That language allows the court to reject retail price as illegitimate in a given case.</p> <p>This provision would only be appropriate if (a) <i>in every single IP infringement case, it was appropriate to consider the retail price of the product</i>, and (b) courts were refusing to hear such evidence. I am unaware of any evidence of the latter, and the former is demonstrably not true. Sometimes, particularly in cases where IP rights cover some component of a product, a royalty is clearly more appropriate. The extension of a <i>requirement</i> to consider such measures would be particularly inappropriate in <b>patent</b>. In the US, reforms have been proposed to require apportionment of damages. More recent proposals would require the <i>court</i> to 'identify the methodologies and factors that are</p>
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			relevant to the determination of damages', and would allow the court or jury to 'consider only those methodologies and factors relevant to making such determination', with only evidence relevant to such methodologies being admissible (See 111 <sup>th</sup> Congress, 1 <sup>st</sup> Sess, S.515, sec.4 (page 28)).
Statutory (pre-established) damages	<b>Article 12.4.</b> In civil judicial proceedings, each Party shall, at least with respect to works, phonograms, and performances protected by copyright or related rights, and in cases of trademark counterfeiting, establish or maintain a system that provides for pre-established damages, which shall be available upon the election of the right holder. Pre-established damages shall be in an amount sufficiently high to constitute a deterrent to future infringements and to compensate fully the right holder for the harm caused by the infringement.	<p>Australia does not have a statutory damages system. Australia allows for the imposition of additional (ie punitive) damages for flagrant infringement in copyright (<i>Copyright Act</i> s 115) and patent (<i>Patents Act</i> s.122(1A)) and soon trade mark (Intellectual Property Laws Amendment (Raising the Bar) Bill 2011, Schedule 5, Part 3, clause 29 (proposed s 126(2)).</p> <p>This draft text is TRIPS plus, AUSFTA plus and ACTA plus.</p> <p>In both ACTA and the AUSFTA, pre-established damages are one option, but Australia is entitled to retain its system of additional damages.</p>	<p>Statutory damages should be opposed. They have well-known and serious problems. They can lead to excessively high awards based on the US experience where awards of statutory damages are frequently arbitrary, inconsistent, unprincipled, and sometimes grossly excessive. Awards of this kind operate punitively, but the money goes to the copyright owner, not the state, leading to private windfalls and encouraging litigation. They can operate '<i>in terrorem</i>': that is, they are used with considerable success to strike terror into the heart of anyone with the temerity to make unauthorized uses" of copyright. There is also a query whether the current drafting would allow a country to adopt differentiated statutory damages (eg, different levels for personal vs commercial kinds of infringement). US precedent (they have differentiated awards) suggests yes, but were this not the case the text should be amended.</p> <p>In any event, Australia needs as much flexibility</p>

			<p>as it can get to make adjustments to its present policy, with which there are a number of problems. Additional damages awards in Australia are out of line with other countries. In some cases, additional damages awards exceed ten times the proven harm or loss, reaching very substantial six-figure sums; even exceeding, arguably, the fines that would be imposed by a criminal court – but without the protections of criminal procedure, like the burden of proof. The issue of the appropriate measure of damages, particularly additional damages, is likely to come up more urgently in the future: most likely when some poor individual gets sued for downloading.</p>
<p>Treble damages for wilful patent infringement</p>	<p><b>Article 12.4</b> In civil judicial proceedings concerning patent infringement, each Party shall provide that its judicial authorities shall have the authority to increase damages to an amount that is up to three times the amount of the injury found or assessed.<sup>19</sup></p> <p>FN19 No Party shall be required to apply this paragraph to actions for infringement against a Party or a third party acting with the authorization or consent of a Party.</p>	<p>Australia does not have treble damages for patent infringement. Australian law does provide for additional (punitive) damages (<i>Patents Act</i> s 122(1A)), the assessment of which is a matter for the court.</p>	<p>The threat of treble damages has the potential to significantly increase the risk of litigation. In a context where there are concerns about the quality of granted patents, and where patent litigation is extremely expensive, treble damages are another factor which may give an accused infringer the incentive to settle or pay a royalty even in relation to a patent of doubtful validity. On one view, Australia has only relatively recently introduced additional damages into patent law, and the impact of this change should be assessed before adding new, more specific rules. On the other hand, Australian approaches to additional damages tend to allow courts to make at-large</p>

			assessments which, at least in copyright cases, have exceeded 10 times the proven damage. The language of this provision, in <i>limiting</i> the award of punitive damages to no more than three times the damage proved, might place an (appropriate) cap on damages awards.
Attorneys Fees/Costs awards	<b>Article 12.5.</b> Each Party shall provide that its judicial authorities, except in exceptional circumstances, have the authority to order, at the conclusion of civil judicial proceedings concerning copyright or related rights infringement, trademark infringement, or patent infringement, that the prevailing party shall be awarded payment by the losing party of court costs or fees and, at least in proceedings concerning copyright or related rights infringement or willful trademark counterfeiting, reasonable attorney's fees. Further, each Party shall provide that its judicial authorities, at least in exceptional circumstances, shall have the authority to order, at the conclusion of civil judicial proceedings concerning patent infringement, that the prevailing party shall be awarded payment by the losing party of reasonable attorneys' fees.	Australian courts generally have the discretion to order an unsuccessful party pay costs, subject to rules relating to the rejection of reasonable settlement offers.	This provision on costs is TRIPS-plus (Art 45 refers to 'expenses which <i>may</i> include reasonable attorneys fees) and AUSFTA-plus, and uncontroversial for Australia. Courts would retain their usual discretion (for example, costs may not be recoverable if a reasonable settlement offer was refused) (the provision only requires that the judicial authorities have the authority to make an award, not that they shall make such an award).  There should be an equivalent to Article 48 of TRIPS, which provides for indemnification of the defendant in cases where a party has been wrongfully enjoined or restrained.  The provision seems unnecessarily complicated.
Seizure of infringing goods,	<b>Article 12.6.</b> In civil judicial proceedings concerning copyright or related rights	Australia is subject to an identical provision in AUSFTA Article 17.11.9	The consistency of this provision with Australian law depends on whether the provision extends

<p>materials, implements, and documentary evidence</p>	<p>infringement and trademark counterfeiting, each Party shall provide that its judicial authorities shall have the authority to order the seizure of allegedly infringing goods, materials and implements relevant to the infringement, and, at least for trademark counterfeiting, documentary evidence relevant to the infringement.</p> <p><b>12.7.</b> Each Party shall provide that in civil judicial proceedings:</p> <p>(a) at the right holder's request, goods that have been found to be pirated or counterfeit shall be destroyed, except in exceptional circumstances;</p> <p>(b) its judicial authorities shall have the authority to order that materials and implements that have been used in the manufacture or creation of such pirated or counterfeit goods be, without compensation of any sort, promptly destroyed or, in exceptional circumstances, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements; and</p> <p>(c) in regard to counterfeit trademarked goods, the simple removal of the trademark unlawfully affixed shall not be sufficient to permit the release of goods</p>	<p>and 17.11.10. See also ACTA Article 10 (seizure and destruction of infringing goods, and implements).</p> <p>In copyright law, see s 116 (rights of owner in respect of infringing copies);</p> <p>In trade mark law, the position depends on case law; see analysis (next box).</p>	<p>to goods in the hands of innocent third parties/persons other than the infringer. If it does, the provision would be arguably inconsistent with Australian trade mark law, but consistent with Australian copyright law.</p> <p>Even when confined to goods taken from the infringer, the provision may not be consistent with trade mark or patent law. Australian courts have power, in order to perfect an injunction restraining trade mark infringement, to order delivery up of infringing items (goods, labels, packaging, advertising material) for either the obliteration of the trade mark or for destruction. But the remedy is there to ensure the defendant is not tempted to put the infringing copies into circulation. As the infringement arises from the use of the trade mark in relation to goods or services, rather than the sale or provision of the goods or services themselves, obliteration of the mark is in fact to be preferred over destruction: Lahore and Dufty, <i>Patents, Trade Marks &amp; Related Rights</i> (looseleaf, 1996-), [58,500]; see <i>Warwick Tyre v New Motor and General Rubber</i> (1910) 27 RPC 161, 171; Bently and Sherman, <i>Intellectual Property Law</i> (2<sup>nd</sup> ed 2001), 1100.</p>
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	into the channels of commerce.		
Ordering the infringer to provide information	<p><b>Article 12.8</b> Each Party shall provide that in civil judicial proceedings concerning the enforcement of intellectual property rights, its judicial authorities shall have the authority to order the infringer to provide any information that the infringer possesses or controls regarding any persons or entities involved in any aspect of the infringement and regarding the means of production or distribution channel of such goods or services, including the identification of third persons involved in the production and distribution of the infringing goods or services or in their channels of distribution, and to provide this information to the right holder.</p>	<p>Australian law has procedures for obtaining information, but they are all more qualified than this provision:</p> <ul style="list-style-type: none"> <li>Discovery is available against a party (eg <i>Federal Court Rules, Order 15, Rule 1</i>): but limited to matters relevant to the case;</li> <li>Preliminary discovery from a non-party (<i>Federal Court Rules, Order 15A</i>) can be used to seek information from any person to identify a prospective respondent (<i>Federal Court Rules, Order 15A, Rule 3</i>) (for example, to identify the manufacturer of infringing goods found in the hands of a wholesaler or retailer); against a prospective respondent in order to determine whether there is a sufficient case against them, or against a third party where 'it appears that the person has or is likely to have or has had or is likely to have had in the person's possession any document which relates to any question in the proceeding' (<i>Federal Court Rules, Order 15A, Rule 8</i>).</li> <li>Subpoenas are also available</li> </ul>	<p>All of the procedures available in Australian law are limited and subject to general principles proscribing misuse of court procedures. Preliminary discovery orders, for example, are only allowed if the party seeking disclosure has exhausted discovery against the other parties; the power to make such orders is exercised with caution: <i>McIlwain v Ramsey Food Packaging Pty Ltd</i> (2005) 221 ALR 785. Subpoenas cannot be too widely drafted, or put the recipient to disproportionate effort or expense, or require the exercise of judgment on the part of the recipient. A subpoena requiring 'the production of all documents relating to the applicant's allegation of infringement by another would probably be oppressive.</p> <p>In short: ensuring a broad power to extract any relevant information from an infringer might require specific adjustments to the Federal Court rules. Specific, IP-only adjustments to rules of this kind are undesirable: they fragment and complicate court procedural rules: see William Cornish, Josef Drexl, Reto Hilty, Annette Kur, "Procedures and Remedies for Enforcing IPRS: The European Commission's Proposed Directive" [2003] 25 EIPR 447, 448.</p> <p>This draft resembles an earlier draft of ACTA.</p>

		<p>against third parties requiring production of specific evidence.</p>	<p>The finalised ACTA provision (Article 11) is heavily qualified:</p> <ul style="list-style-type: none"> <li>• It is expressly subject to the law of privilege, confidentiality, and privacy;</li> <li>• It requires a 'justified request of the right holder'</li> <li>• It is qualified to providing information 'at least for the purpose of collecting evidence'</li> <li>• It is limited to 'relevant information as provided for in [the party's] applicable laws and regulations'.</li> </ul> <p>These qualifications should clearly be included in any TPPA text. The equivalent provision in AUSFTA (Article 17.11.11) is differently worded from the TPPA draft. Notably, FN31 of the AUSFTA specifically provides that the provision 'does not apply to the extent that it would conflict with common law or statutory privileges, such as legal professional privilege'.</p>
Contempt and confidential information	<p><b>Article 12.9</b> Each Party shall provide that its judicial authorities have the authority to:</p> <p>(a) fine or imprison, in appropriate cases, a party to a civil judicial proceeding who fails to abide by valid orders issued by such authorities; and</p> <p>(b) impose sanctions on parties to a civil judicial proceeding their counsel, experts, or other persons subject to the court's</p>	<p>Australia is subject to an identical provision in the AUSFTA Article 17.11.12. This is consistent with Australian law.</p>	<p>No change to Australian law.</p>

	jurisdiction, for violation of judicial orders regarding the protection of confidential information produced or exchanged in a proceeding.		
Administrative procedures	<b>Article 12.10.</b> To the extent that any civil remedy can be ordered as a result of administrative procedures on the merits of a case, each Party shall provide that such procedures conform to principles equivalent in substance to those set out in this Chapter.	Australian law provides for judicial procedures in infringement cases, thus this provision is not applicable at least at present.	No change or impact on Australian law.
Experts and the cost of experts	<b>Article 12.11.</b> In the event that a Party's judicial or other authorities appoint technical or other experts in civil proceedings concerning the enforcement of intellectual property rights and require that the parties to the litigation bear the costs of such experts, that Party should seek to ensure that such costs are closely related, <i>inter alia</i> , to the quantity and nature of work to be performed and do not unreasonably deter recourse to such proceedings.	Australia is subject to an identically worded provision in AUSFTA Article 17.11.15. Australian courts have, but rarely exercise, the power to appoint experts. Australian proceedings are generally adversarial with the parties briefing and presenting their own experts.	No change or impact on Australian law.
Civil remedies in anti-circumvention and RMI cases	<b>Article 12.12.</b> In civil judicial proceedings concerning the acts described in Article 4.[9] (TPMs) and Article 4.[10] (RMI), each Party shall provide that its judicial authorities shall, at the least, have the authority to:	Australian law already provides for: <ul style="list-style-type: none"> <li>• Provisional measures, and payment of costs by the losing party, under the general/inherent powers of the court</li> <li>• Damages or account of profits for</li> </ul>	As noted above, statutory or pre-established damages should be opposed. They have well-known and serious problems. They can lead to excessively high awards based on the US experience where awards of statutory damages are frequently arbitrary, inconsistent,

	<p>(a) impose provisional measures, including seizure of devices and products suspected of being involved in the prohibited activity;</p> <p>(b) provide an opportunity for the right holder to elect between actual damages it suffered (plus any profits attributable to the prohibited activity not taken into account in computing those damages) or pre-established damages;</p> <p>(c) order payment to the prevailing right holder at the conclusion of civil judicial proceedings of court costs and fees, and reasonable attorney's fees, by the party engaged in the prohibited conduct; and</p> <p>(d) order the destruction of devices and products found to be involved in the prohibited activity.</p> <p>No Party shall make damages available under this paragraph against a nonprofit library, archives, educational institution, or public noncommercial broadcasting entity that sustains the burden of proving that such entity was not aware and had no reason to believe that its acts constituted a prohibited activity.</p>	<p>breach of the anti-circumvention and RMI provisions, including additional damages aimed at deterring flagrant conduct: ss 116AQ, 116D;</p> <ul style="list-style-type: none"> <li>• The destruction of devices and products involved: s 116.</li> </ul> <p>Australia does <i>not</i> provide for pre-established damages for breaches of the anti-circumvention or RMI provisions.</p>	<p>unprincipled, and sometimes grossly excessive. Awards of this kind operate punitively, but the money goes to the copyright owner, not the state, leading to private windfalls and encouraging litigation. They can operate '<i>in terrorem</i>': that is, they are used with considerable success to strike terror into the heart of anyone with the temerity to make unauthorized uses" of copyright.</p>
Provisional measures	<p><b>Article 13</b>  <b>13.1.</b> Each Party shall act on requests for</p>	<p>Australian law does allow for provisional measures such as seizure</p>	<p>This provision is consistent with Australian law. However, as drafted here, the TPPA provision</p>



	<p>provisional relief <i>inaudita altera parte</i> expeditiously, and shall, except in exceptional cases, generally execute such requests within ten days.</p> <p><b>13.2.</b> Each Party shall provide that its judicial authorities have the authority to require the applicant, with respect to provisional measures, 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 to provide a reasonable security or equivalent assurance set at a level sufficient to protect the defendant and to prevent abuse, and so as not to unreasonably deter recourse to such procedures.</p>	<p>of evidence <i>inaudita altera parte</i>. However, the availability of such measures is heavily circumscribed: an applicant must show that (a) they have a strong prima facie case; (b) the potential or actual loss or damage to the applicant will be serious if the order is not made; and (c) there is sufficient evidence that (i) the respondent possesses important evidentiary material; and (ii) there is a real possibility that the respondent might destroy such material or cause it to be unavailable for use in evidence in a proceeding or anticipated proceeding before the Court: <i>Federal Court Rules</i>, Order 25B. In addition Australian courts have developed further, important protections for persons the subject of such an order: requirements for the presence of an independent legal practitioner; that the party engaged in the search be small; that neither the right holder nor their employees be given access to the material directly; that the order not be carried out at the same time as a police search.</p> <p>It is notable that AUSFTA Article 17.11.16 specifically provides that</p>	<p>has insufficient protection for defendants and third parties. The absence of such protections reinforces the view that it is only right holders that are being considered. This is not desirable from any perspective. Presumably Australian courts would continue to apply their usual protections for the interests of defendants. It is undesirable, however, to have an unqualified provision, which could be used to subject Australians to unregulated search and seizure powers in other countries.</p> <p>TRIPS ensures some protections would apply, because it contains certain mandatory requirements to protect defendants and parties subject to provisional orders:</p> <ol style="list-style-type: none"> <li>1. Parties affected must be given notice, without delay after the execution of the measures at the latest (Art 50.4);</li> <li>2. A review, including a right to be heard, must take place upon the defendant's request with a view to deciding, within a reasonable period after the notification of the measures, whether these measures shall be modified, revoked or confirmed (Art 50.4); and</li> <li>3. The measures must be revoked on the defendant's request if proceedings on the merits are not initiated within a reasonable period (not to exceed the longer of 20 working days or 31</li> </ol>
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		parties' authorities shall act on request for relief expeditiously <i>in accordance with the Party's judicial rules</i> – thus explicitly preserving local rules and protections.	calendar days) (Art 50.6).
<b>Border measures</b>			
Border measures - preconditions	<b>Article 14.1.</b> Each Party shall provide that any right holder initiating procedures for its competent authorities to suspend release of suspected counterfeit or confusingly similar trademark goods, or pirated copyright goods <sup>20</sup> into free circulation is required to provide adequate evidence to satisfy the competent authorities that, under the laws of the country of importation, there is <i>prima facie</i> an infringement of the right holder's intellectual property right and to supply sufficient information that may reasonably be expected to be within the right holder's knowledge to make the suspected goods reasonably recognizable by its competent authorities. The requirement to provide sufficient information shall not unreasonably deter recourse to these procedures. Each Party shall provide that the application to suspend the release of goods apply to all points of entry to its territory and remain in force for a period of	Australia is subject to an identical provision in AUSFTA Article 17.11.19. A 12 month period for notices of objection to remain 'live' is not controversial (in fact, in Australia the period is 4 years).	This would not change Australian law.

	not less than one year from the date of application, or the period that the good is protected by copyright or the relevant trademark registration is valid, whichever is shorter.		
Border measures - security	<b>Article 14.2.</b> Each Party shall provide that its competent authorities shall have the authority to require a right holder initiating procedures to suspend the release of suspected counterfeit or confusingly similar trademark goods, or pirated copyright goods, to provide a reasonable security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse. Each Party shall provide that such security or equivalent assurance shall not unreasonably deter recourse to these procedures. A Party may provide that such security may be in the form of a bond conditioned to hold the importer or owner of the imported merchandise harmless from any loss or damage resulting from any suspension of the release of goods in the event the competent authorities determine that the article is not an infringing good.	Australia is subject to an identical provision in AUSFTA Article 17.11.20. This would not change Australian law.	No change or impact on Australian law.
Border measures – information to	<b>Article 14.3.</b> Where its competent authorities have seized goods that are	The AUSFTA provision (Article 17.11.21) allows for the provision of	Australia has presently before Parliament proposals to expand the kinds of information to

<p>be released to the right holder</p>	<p>counterfeit or pirated, a Party shall provide that its competent authorities have the authority to inform the right holder within 30 days<sup>21</sup> of the seizure of the names and addresses of the consignor, exporter, consignee, or importer, a description of the merchandise, quantity of the merchandise, and, if known, the country of origin of the merchandise.</p>	<p>similar information, but only where the competent authorities “have made a determination that goods are counterfeit or pirated”. The TPPA draft contemplates release of this information <i>on seizure</i>. Australian law actually does provide for release of information about the <b>importer</b> on seizure (<i>Copyright Act</i> s 135AC; <i>Trade Marks Act</i> s 134) and identifying the goods seized. Proposed amendments in the Intellectual Property Laws Amendment (Raising the Bar) Bill 2011 will give Customs the power to release information about the exporter (schedule 5).</p> <p>The ACTA provision (Article 22) is even more detailed.</p>	<p>be made available to right holders on seizure of goods. To some extent, this provision would seem to pre-empt any Parliamentary discussion of those proposals.</p> <p>There are good reasons to be concerned about the too-ready release of information by customs (as opposed to release of information in the context of court proceedings). There are interests of privacy and confidentiality. At the point where goods are seized (but no determination of infringement has been made), the importer may be innocent and yet have commercial-in-confidence information (about goods, quantities etc) made available to a competitor.</p> <p>These provisions are <i>not</i> just used against ‘evil counterfeiters and pirates’, but may be used by competitors in the context of a legitimate dispute over a trade mark. In that context, the too-ready release of information would seem to be entirely inappropriate.</p>
<p>Border measures – ex officio powers and scope (import, export, in-transit)</p>	<p><b>Article 14.4.</b> Each Party shall provide that its competent authorities may initiate border measures <i>ex officio</i><sup>22</sup> with respect to imported, exported, or in-transit merchandise,<sup>23</sup> or merchandise in free trade zones, that is suspected of being counterfeit or confusingly similar</p>	<p>Australian officials have <i>ex officio</i> power to make seizures on import, but not export and not in-transit.</p>	<p>This would change Australian law, which does not provide for seizure of goods on export or in-transit.</p> <p>The concept of having seizures in-transit was highly controversial in the ACTA negotiations. Seizure of in-transit goods may involve the</p>

	<p>trademark goods, or pirated copyright goods.</p>		<p>imposition of IP-related procedures on goods that are non-infringing in both the source and destination countries – a contravention of the territorial nature of IP. The question of what kinds of in transit goods may be seized has been the subject of a great deal of litigation and inconsistent European Court of Justice decisions in Europe, where such rules have been in place since 2003. Further, ‘in transit’ seizures are presently the subject of a WTO dispute between India/Brazil and the European Union. It would be entirely inappropriate to expand IP law in this way at this time – when their scope is so uncertain and problematic in Europe and the subject of international dispute.</p> <p>The final text of ACTA made having provisions regarding in transit goods <i>optional</i>, not compulsory.</p>
<p>Border measures: determination of infringement</p>	<p><b>Article 14.5</b> Each Party shall adopt or maintain a procedure by which its competent authorities shall determine, within a reasonable period of time after the initiation of the procedures described under Article 14.1 whether the suspect goods infringe an intellectual property right. Where a Party provides administrative procedures for the determination of an infringement, it shall also provide its authorities with the</p>	<p>This provision is quite differently worded from TRIPS, which envisages the right holder commencing proceedings leading to a decision on the merits, or AUSFTA (which does not contain a direct equivalent). It is consistent with Australian law, provided that:</p> <ol style="list-style-type: none"> <li>1. Competent authorities includes courts; and</li> <li>2. The provision does not require</li> </ol>	<p>It is not clear that this provision is in the interests of Australians who are engaged in international trade. This provision could allow a country to give to individual customs officers the power to make determinations about whether goods are infringing. This would create risks of inappropriate seizure of goods. It is not difficult to imagine local customs being quite ready to intercept imported goods at the behest of a local IP owner (or a local person asserting they own IP). The potential for corruption is</p>

	<p>authority to impose administrative penalties following a determination that the goods are infringing.</p>	<p>those authorities to take the initiative to determine whether the goods are infringing. TRIPS Art 55 and Australian law put the onus on the right holder to initiate proceedings; otherwise the seized goods are released. (<i>Trade Marks Act 1995 s 136; Copyright Act s135AF</i>).</p>	<p>significant. It would be better to have such matters handled by the courts where more transparency can be expected.</p>
<p>Border measures – destruction of goods</p>	<p><b>Article 14.6.</b> Each Party shall provide that goods that have been determined by its competent authorities to be pirated or counterfeit shall be destroyed, except in exceptional circumstances. In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient to permit the release of the goods into the channels of commerce. In no event shall the competent authorities be authorized, except in exceptional circumstances, to permit the exportation of counterfeit or pirated goods or to permit such goods to be subject to other customs procedures.</p>	<p>A very similar provision exists in AUSFTA Article 17.11.23.</p> <p>Where infringement proceedings are commenced, Australian courts have the authority to order destruction of infringing goods: <i>Copyright Act s 116</i>; in trade mark law this is a matter of the court’s inherent jurisdiction (discussed above). This would be sufficient for compliance with Article 14.6 as drafted.</p> <p>Under present Australian law, unless the objector brings infringement proceedings, the goods are returned to the importer. The only exception is where the goods are forfeited voluntarily to the Commonwealth, and ‘disposed of as the Customs CEO directs’ (<i>Trade Marks Act 1995 (Cth) s</i></p>	<p>Australian law in this area is about to become more stringent, as a result of the Intellectual Property Laws Amendment (Raising the Bar) Bill, Schedule 5. Under the proposed amendments, a person whose goods are seized pursuant to a notice of objection will have to make a <b>claim</b> within a defined period for the goods. In the absence of any such claim being made, the goods will be automatically forfeit. The idea is that an importer will only be able to reclaim the seized copies by providing the objector with information necessary to identify and contact them. This ensures that importers are not able to reclaim the copies without giving the objector information that will assist the objector to test the matter in court.</p> <p>Arguably the new Australian system goes even beyond this TPPA draft, in that it will allow for seizure and destruction of goods not determined by any competent authority to be</p>

		139; <i>Copyright Act 1968</i> (Cth) ss 135AE; 135AI) (which could mean destruction).	infringing. There are provisions in the new laws so that if goods are later determined to be non-infringing, the importer may seek compensation from the Commonwealth.
Border measures – fees	<b>Article 14.7.</b> Where an application fee, merchandise storage fee, or destruction fee is assessed in connection with border measures to enforce an intellectual property right, each Party shall provide that such fee shall not be set at an amount that unreasonably deters recourse to these measures.	Australia is subject to a very similar provision in AUSFTA Article 17.11.24. ; In any event it is unlikely to be readily justiciable except perhaps in extreme cases. ACTA includes a similar provision: Article 21.	
Border measures – personal luggage	<b>Article 14.8</b> A Party may exclude from the application of this Article (border measures), small quantities of goods of a non-commercial nature contained in traveler’s personal luggage.	There is a similar provision in ACTA. There is no similar provision in the AUSFTA.	A <i>de minimis</i> exception is consistent with TRIPS (Article 60) and not dealt with by AUSFTA. Such an exception is critical to include – it does, after all, constitute the mechanism for ensuring countries not required to introduce ‘border iPod or bag searches’. However, it should also allow, as in TRIPS, goods ‘sent in small consignments’ . Australians should also be perhaps concerned about the voluntary nature of the <i>de minimis</i> exception. A representative of the Australian Attorney-General’s Department has in the past indicated that the government was ‘considering’ how to address the ‘problem’ that Australians were returning from holidays carrying DVDs of latest releases. According to Fiona Phillips, in a paper given to WIPO, ‘[t]he Australian Government has received a number of

			representations from DVD rental businesses stating that their businesses are suffering because people returning to Australia are importing infringing copies of the latest releases... We are currently considering options for addressing these issues. Our obligations under TRIPs in relation to border measures and the fact these goods are being imported for personal use make finding a policy solution challenging'. This was, however, in 2006.
<b>Enforcement Provisions - Criminal</b>			
Criminal enforcement: defining infringement on a commercial scale	<p><b>Article 15.1</b> Each Party shall provide for criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting or copyright or related rights piracy on a commercial scale. Willful copyright or related rights piracy on a commercial scale includes:</p> <p>(a) significant willful copyright or related rights infringements that have no direct or indirect motivation of financial gain; and</p> <p>(b) willful infringements for purposes of commercial advantage or private financial gain.<sup>24</sup></p> <p>Each Party shall treat willful importation or exportation of counterfeit or pirated goods as unlawful activities subject to criminal penalties.<sup>25</sup></p>	<p>Australia is subject to an almost identical provision in AUSFTA Article 17.11.26, although footnote 24 has no equivalent in AUSFTA.</p> <p>Footnote 24 is contrary to Australian law, which specifically defines 'profit' in the criminal provisions to <i>exclude</i> any advantage, benefit, or gain that is received by a person and results from, or is associated with, the person's private or domestic use of any copyright material (s 132AA). Footnote 24 would seem to ride roughshod over that limitation, and suggest if you copy one of your CDs, and I copy one of my CDs, so we can swap them – that's a criminal act.</p>	<p>This provision is TRIPS-plus (TRIPS does not define the meaning of 'commercial scale'). Under Article 61 of TRIPS, 'commercial scale' means 'counterfeiting or piracy carried on at the magnitude or extent of typical or usual commercial activity with respect to a given product in a given market' (WTO Dispute Settlement Body, <i>China – Measures Affecting the Protection and Enforcement of Intellectual Property Rights: Report of the Panel</i> (2009), page 115). Adopting this definition more generally creates two different meanings for the concept of commercial scale operating at an international level, and it is this proposed TPPA one which is contrary to common sense or common understanding. It makes personal and private acts criminal, contrary to long-standing practice of confining criminal remedies to</p>



	<p>FN24: For greater certainty, “financial gain” for purposes of this Article includes the receipt or expectation of anything of value.</p> <p>FN25: A Party may comply with this obligation in relation to exportation of pirated goods through its measures concerning distribution.</p>	<p>Footnote 24 should be opposed.</p>	<p>commercial activities.</p> <p>There are a number of reasons to oppose the provision. Notably, since Australia amended its law to comply with AUSFTA, we have not seen any kind of diminishing in pressure to increase enforcement and the strength of IP laws, nor any surge in prosecutions. This suggests that the change will have little practical impact to assist copyright or trade mark owners – although it may operate to chill innovations and activities through fear of criminal prosecution.</p> <p>Further, the redefinition of ‘commercial scale’ to include all infringements for private gain has nothing to do with the kinds of counterfeiting that are said to be problematic by organisations like the OECD. To counter large-scale counterfeiting or piracy, it is not necessary to criminalise single acts of infringement, especially single acts for private ‘financial gain’. Such individual acts are unlikely to be the subject of transborder enforcement or even local enforcement by international IP owners.</p> <p>Further, language of this kind was rejected during the ACTA negotiations. In the final ACTA text, commercial scale is only further defined to include ‘at least’ those acts ‘carried out as commercial activities for direct or indirect economic or commercial advantage’.</p>
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<p>Criminal enforcement – trafficking in labels</p>	<p><b>Article 15.2</b> Each Party shall also provide for criminal procedures and penalties to be applied, even absent willful trademark counterfeiting or copyright or related rights piracy, at least in cases of knowing trafficking in:</p> <p>(a) labels or packaging, of any type or nature, to which a counterfeit trademark<sup>26</sup> has been applied, the use of which is likely to cause confusion, to cause mistake, or to deceive; and</p> <p>(b) counterfeit or illicit labels<sup>27</sup> affixed to, enclosing, or accompanying, or designed to be affixed to, enclose, or accompany the following:</p> <p>(i) a phonogram,</p> <p>(ii) a copy of a computer program or a literary work,</p> <p>(iii) a copy of a motion picture or other audiovisual work,</p> <p>(iv) documentation or packaging for such items; and</p> <p>(c) counterfeit documentation or packaging for items of the type described in subparagraph (b).</p>	<p>Australia has general provisions on trafficking of labels in s 147 of the <i>Trade Marks Act</i>. Liability requires that the person make a ‘die, block, machine or instrument ... knowing that it is likely to be used for, or in the course of, committing [a trade mark offence]’. Under proposed amendments in the Intellectual Property Laws Amendment (Raising the Bar) Bill 2011, liability will also arise (as a summary offence) where the person is negligent as this possible use.</p> <p>Thus Australian law is not confined to certain goods.</p>	<p>While this will not change Australian law, it is an expansion of Australia’s international obligations.</p> <p>The problem with this expansion is likely to be in the multiplication of offences that a person commits in the act of infringement. Multiplying the wrongful acts has the potential to lead to over-charging of defendants in the criminal context.</p> <p>This TPPA draft provision is <i>broader</i> than AUSFTA – AUSFTA contains an equivalent to Article 15.2(b), but not (a). Thus the TPPA language has become broader than the past US model, and now applies to any packaging for any goods.</p> <p>The TPPA draft is <i>also</i> broader than ACTA. ACTA Article 23 does apply to packaging for any goods, BUT is limited in two critical ways:</p> <ol style="list-style-type: none"> <li>1. It only applies where the mark is identical, and the packaging is intended to be used in the course of trade on goods/services identical to the goods/services for which the trade mark is registered. The TPPA draft applies wherever the packaging is ‘likely to cause confusion’. This would extend beyond counterfeit labelling to labelling and packaging for use in ordinary trade</li> </ol>
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			<p>mark infringement.</p> <p>2. The ACTA provision only applies to importation or use 'in the course of trade and on a commercial scale'. Neither restriction is found in the TPPA draft.</p>
<p>Criminal enforcement: camcording</p>	<p><b>Article 15.3</b> Each Party shall also provide for criminal procedures and penalties to be applied against any person who, without authorization of the holder of copyright or related rights in a motion picture or other audiovisual work, knowingly uses or attempts to use an audiovisual recording device to transmit or make a copy of a motion picture or other audiovisual work, or any part thereof, from a performance of such work in a public motion picture exhibition facility.</p>	<p>No equivalent provision is found in AUSFTA. This might require a change to Australian law, because while owners of copyright are not without remedies in these kinds of case, there would be additional matters requiring proof. Under Australian law:</p> <ol style="list-style-type: none"> <li>1. Filming a movie is (civil) copyright infringement (s101);</li> <li>2. A copyright owner can seek delivery up of infringing copies &amp; equipment in a civil case (s116);</li> <li>3. If a person uploads the film online, they can be: <ol style="list-style-type: none"> <li>a. liable for communicating the film to the public (s101);</li> <li>b. criminally liable for engaging in conduct that results in copyright infringement having a substantial prejudicial impact on the owner of copyright and on a commercial scale (s 132AC);</li> <li>c. criminally liable for</li> </ol> </li> </ol>	<p>This should be opposed. It would require changes to Australian law: specifically, the introduction of an offence covering the making of the copy of the film, without intention to distribute (ie the simple making of the copy). The proposed offence would cover acts done for purely personal or domestic purposes.</p> <p>ACTA has a camcording provision (Article 23.3) but it is watered down (it refers to 'appropriate cases') and is optional (a party <i>may</i> provide...).</p> <p>At present, Australia's criminal copyright provisions are not, by any stretch of the imagination, balanced or reasonable. Strictly speaking, there are many Australian citizens, including, no doubt, highly respectable professionals and well-regarded members of the community, who are criminals under these provisions, specifically s132AL, because many of us possess devices (computers) that we intend will be used to infringe copyright (by downloading something or printing a copy when the terms of use of the website say you can't).</p>

		<p>distributing articles (including electronic files) to an extent that affects prejudicially the owner of copyright (s132AI);</p> <p>4. If a person plans to upload, they can be criminally liable for possession of an article with the intention of distributing it to an extent that will affect prejudicially the owner of copyright (s132AJ);</p> <p>5. Sitting in the cinema <i>with</i> the camera could make a person criminally liable for possessing a device, intending it to be used to make an infringing copy (s 132AL).</p>	<p>But they are purely Australian provisions and could be amended: it would be better not to lock in an obligation to treat further acts as being criminal, <i>particularly</i> where there is no requirement of financial gain, nor of distribution of the copy.</p>
<p>Criminal enforcement – aiding and abetting</p>	<p><b>Article 15.4.</b> With respect to the offenses for which this Article requires the Parties to provide for criminal procedures and penalties, Parties shall ensure that criminal liability for aiding and abetting is available under its law.</p>	<p>AUSFTA has no equivalent provision. ACTA has an equivalent provision (Article 23.4).</p> <p>Australia has liability for aiding and abetting. The Australian <i>Criminal Code</i> 1995 (Cth), Part 2.4, Clause 11.2 (which applies to IP) provides that “[a] person who aids, abets, counsels or procures the commission of an offence by another person is taken to have committed that offence and is punishable accordingly.” Liability depends on showing (a) that the offence was in fact committed by the</p>	<p>It is not appropriate to ‘lock in’ such provisions at an international level. The Australian provisions on ‘abetting’ have not been applied in IP cases to date; their scope and meaning are unsettled. It is possible, for example, that an intermediary could be held liable for ‘abetting’ or ‘aiding’ infringement once they know that infringement is occurring. This risk will likely chill a legitimate commercial and innovative activities, but is unlikely to deter underground and genuinely criminal activities: what is another set of criminal provisions to those already engaged in criminal infringement?</p> <p>Although the police are not going to be prosecuting YouTube any time soon, engaging in</p>

		<p>person so aided etc; (b) that the abettor intended to abet. Liability does not apply if the alleged abettor terminated his or her involvement, and took all reasonable steps to prevent the commission of the offence. Clause 11.4 addresses 'incitement'.</p> <p>Under the <i>Trade Marks Act</i>, if a person aids or abets or is "in any way directly or indirectly, knowingly concerned in, or party to" the doing of an act <i>outside</i> Australia that would in Australia be an offence, the person is taken to have committed the offence in Australia: s 150.</p>	<p>conduct known to be potentially criminal can have other implications: for example, when insurance is sought. Warranties that all relevant laws are being complied with are not uncommon in various commercial contracts.</p> <p>Nor would the risk of liability be confined to the online or commercial context. Also potentially at risk are libraries, universities, schools, perhaps Australia Post or couriers, eBay and other online auction houses where trade mark infringements may occur, The <i>Trading Post</i> which publishes advertisements for a company said to be engaging in infringement. Australia would be well-advised to retain maximum flexibility to alter its laws.</p> <p>Finally, it should be noted that Australia's criminal provisions, particularly in copyright law, are extremely extensive: more so, perhaps, than in many other countries. Since the 2006 <i>Copyright Amendment Act</i>, Australia has at least 33 different criminal offences in the <i>Copyright Act</i> alone: most of them specified at 3 different levels (strict liability, summary, and indictable offences). This of course expands the impact of the aiding and abetting provisions in Australia as compared with other countries.</p>
Criminal enforcement – fines and	<b>Article 15.5.</b> With respect to the offences described in Article 15.[1]-[4] above, each Party shall provide:	Australian law provides for both fines and imprisonment. In general, the penalties are (in copyright law):	The imposition of both fines and imprisonment is not controversial in Australia.

<p>imprisonment</p>	<p>(a) penalties that include sentences of imprisonment as well as monetary fines sufficiently high to provide a deterrent to future infringements, consistent with a policy of removing the infringer's monetary incentive. Each Party shall further establish policies or guidelines that encourage judicial authorities to impose those penalties at levels sufficient to provide a deterrent to future infringements, including the imposition of actual terms of imprisonment when criminal infringement is undertaken for commercial advantage or private financial gain;</p>	<ul style="list-style-type: none"> <li>● For indictable offences: <ul style="list-style-type: none"> <li>○ \$60,500 per offence for an individual</li> <li>○ \$302,500 per offence for a corporation</li> <li>○ 5 yrs imprisonment per offence</li> </ul> </li> <li>● For summary offences: <ul style="list-style-type: none"> <li>○ \$13,200 per offence for an individual</li> <li>○ \$66,000 per offence for a corporation</li> <li>○ 2 yrs imprisonment per offence</li> </ul> </li> <li>● For offences of strict liability: \$7,200 per offence.</li> </ul> <p>If the Intellectual Property Laws Amendment (Raising the Bar) Bill 2011 passes Parliament, similar sentences will be put in place in trade mark law.</p> <p>At a Federal level (IP crimes being crimes under federal legislation) Australia does not have statutory guidelines or provision for guideline judgments issued by the courts.</p> <p>The equivalent AUSFTA provision (Article 17.11.27(a)) has the same first sentence, but is otherwise worded differently, stating that 'each Party</p>	<p>However, the reference to 'guidelines or policies' is controversial. In 2006, the Australian Law Reform Commission (ALRC) considered the question of federal sentencing and recommended <i>against</i> grid sentencing approaches, instead recommending that more information be provided to judges (through sentencing databases and the like). The ALRC also considered sentencing guideline judgments (which are used by some state courts including in NSW, where the court of appeal provides guidance to sentencing judges in lower courts through the issue of a comprehensive judgment). Not only is the decision to issue a guideline judgment a matter for the court's discretion (mandating such judgments would be contrary to the separation of powers), but some doubts about prescriptive attempts to guide judicial sentencing discretion have been expressed by the High Court of Australia; thus the ALRC preferred to concentrate appeal review (in the Federal Court) and provide more information rather than use more prescriptive means.</p> <p>The last sentence – referring to imprisonment in the case of acts done for 'private financial gain' – is also controversial. Sentencing should be a matter for domestic law not treaty; sentencing in IP should not be treated in isolation from all other criminal sentencing activities (as, indeed,</p>
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		shall encourage its judicial authorities to impose fines at levels sufficient to provide a deterrent to future infringements'. ACTA (Article 24) contains no reference to guidelines or policies, requiring only that parties 'provide penalties ... sufficiently high to provide a deterrent to future acts of infringement, consistently with the level of penalties applied for crimes of corresponding gravity'.	the ACTA explicitly recognises). It would seem to conflate the private and personal acts of individuals in a non-commercial context with commercial-level acts, and makes them all (equally) criminal, which is not consistent with either historical approaches or the usual issues that influence sentencing, such as the impact or harm caused by an act.
Criminal enforcement – seizure of infringing goods, implements, assets and documentary evidence	<b>Article 15.5.</b> With respect to the offences described in Article 15.[1]-[4] above, each Party shall provide:... (b) that its judicial authorities shall have the authority to order the seizure of suspected counterfeit or pirated goods, any related materials and implements used in the commission of the offense, any assets traceable to the infringing activity, and any documentary evidence relevant to the offense. Each Party shall provide that items that are subject to seizure pursuant to any such judicial order need not be individually identified so long as they fall within general categories specified in the order;...	Australian criminal law provides for search warrants and seizure of 'evidential material' which would include suspected infringing material, implements, and documents ( <i>Crimes Act 1914</i> (Cth), Part 1AA (dealing with search warrants), in particular s 3E). Australian law also meets the standard in (b) already with respect to seizure of items and their specification in search warrants ( <i>Crimes Act</i> s 3F). As for proceeds of crime and material or implements, Australia has extensive orders for <i>proceeds</i> and <i>instruments</i> of crime (an 'instrument' is property is used, or intended to be used in, or in connection with, the commission of an offence ( <i>Proceeds of Crime Act 2002</i> (Cth) s 329). Orders include search	These provisions would not change Australian law.  Similar provisions are in AUSFTA (Article 17.11.27(b)) and ACTA (Article 25).

		orders ( <i>Proceeds of Crime Act</i> s 225); orders that property not be dealt with except as specified (or be taken into custody) ( <i>Proceeds of Crime Act</i> s 15B) and asset freezing orders ( <i>Proceeds of Crime Act</i> s 17).	
Criminal enforcement – forfeiture of assets, instruments and implements	<p><b>Article 15.5</b> With respect to the offences described in Article 15.[1]-[4] above, each Party shall provide:...</p> <p>(c) that its judicial authorities shall have the authority to order, among other measures, the forfeiture of any assets traceable to the infringing activity, and shall order such forfeiture at least in cases of trademark counterfeiting; and</p> <p>(d) that its judicial authorities shall, except in exceptional cases, order</p> <p>(i) the forfeiture and destruction of all counterfeit or pirated goods, and any articles consisting of a counterfeit mark; and</p> <p>(ii) the forfeiture or destruction of materials and implements that have been used in the creation of pirated or counterfeit goods.</p> <p>(e) that its judicial authorities have the authority to order the seizure or forfeiture of assets the value of which corresponds to that of the assets derived from, or obtained directly or</p>	Copyright law specifically allows for forfeiture of infringing goods and implements used in infringement (they need not be <i>predominantly</i> thus used) ( <i>Copyright Act</i> s 133). Penalties in trade mark are governed by the <i>Proceeds of Crime Act</i> 2002 (Cth), which allows for forfeiture orders where the court is satisfied that certain property represents proceeds of an indictable offence or is an instrument of a serious offence whether the person has been convicted (s 48) or not (s 49). An ‘instrument of an offence’ means the property is used, or intended to be used in, or in connection with, the commission of an offence (s 329).	<p>This would not change Australian law.</p> <p>Similar provisions are in AUSFTA (Article 17.11.27(c)) and ACTA (Article 25).</p> <p>The mandatory provision (<i>shall</i> order forfeiture of the proceeds of trade mark counterfeiting) is surely controversial, and may not be complied with in Australian law – although such a provision is also found in AUSFTA and thus is common in US Free Trade Agreements from the last decade or so.</p>



	indirectly through, the infringing activity.		
Criminal enforcement – retention of evidence for civil proceedings	<p><b>Article 15.5</b> With respect to the offences described in Article 15.[1]-[4] above, each Party shall provide:...</p> <p>(f) that, in criminal cases, its judicial or other competent authorities shall keep an inventory of goods and other material proposed to be destroyed, and shall have the authority temporarily to exempt such materials from the destruction order to facilitate the preservation of evidence upon notice by the right holder that it wishes to bring a civil or administrative case for damages<sup>28</sup>; and</p>	No equivalent is found in ACTA or the AUSFTA.	The obvious question is whether this is such a problem that it needs to be specified in a treaty. I have no doubt that Australian courts would have the power to stay destruction or disposal of goods if needed for evidence in civil proceedings (see eg <i>Proceeds of Crime Act 2002</i> s 256).
Criminal enforcement – ex officio prosecution	<p><b>Article 15.5</b> With respect to the offences described in Article 15.[1]-[4] above, each Party shall provide:...</p> <p>(g) that its authorities may initiate legal action <i>ex officio</i> with respect to the offenses described in this Chapter, without the need for a formal complaint by a private party or right holder.</p>		This provision is TRIPs-plus (this issue is not mentioned in TRIPs); AUSFTA-consistent (see Art 17.11.27(d)) and not controversial from an Australian perspective. Police have the authority to act <i>ex officio</i> (although it is unlikely they would do so in most cases).

Special Measures relating to enforcement in the digital environment			
General availability of enforcement in the digital environment	<b>Article 16.1</b> Each Party shall ensure that enforcement procedures, to the extent set forth in the civil and criminal enforcement sections of this Chapter, are available under its law so as to permit effective action against an act of trademark, copyright or related rights infringement which takes place in the digital environment, including expeditious remedies to prevent infringement and remedies which constitute a deterrent to further infringement.	Australian copyright and trade mark law applies to the online and offline environment.	This provision has been transported from Article 27 of ACTA, but with changes: <ul style="list-style-type: none"> <li>• ACTA refers to any IP rights infringement; this TPPA draft is confined to trade mark and copyright.</li> <li>• The second part of ACTA (referring to 'unlawful use of means of widespread distribution for infringing purposes) is not included</li> <li>• The qualifying aspects of the ACTA are missing: eg references to 'implement[ing the provisions] in a manner that avoids the creation of barriers to legitimate activity, including electronic commerce, and, consistent with that Party's law, preserv[ing] fundamental principles such as freedom of expression, fair process, and privacy.</li> </ul>
Government use of non-infringing software	<b>Article 16.2</b> Each Party shall provide appropriate laws, orders, regulations, government-issued guidelines, or administrative or executive decrees providing that its central government agencies not use infringing computer software and other materials protected by copyright or related rights and only use computer software and other materials protected by copyright or related rights as	An equivalent provision exists in AUSFTA: Article 17.4.9.  <i>Australia's Statement of Intellectual Property Principles for Australian Government Agencies</i> clearly states that 'In line with their general responsibility for ensuring proper and effective use and management of assets, agencies should put in place	This will not impact on Australian government policy or on Australian law.

	authorized by the relevant license. These measures shall provide for the regulation of the acquisition and management of software and other materials for government use that are protected by copyright or related rights.	appropriate mechanisms to protect, monitor and prevent inappropriate use or infringement of IP' (at page 3). Principle 7 states that 'Agencies should have procedures in place to reduce the risk of infringement of the IP rights of others'.	
<b>Online Service Provider Safe Harbours</b>			
Online service providers – scope of service providers having limitations to liability	<p><b>Article 16.3</b> For the purpose of providing enforcement procedures that permit effective action against any act of copyright infringement covered by this Chapter, including expeditious remedies to prevent infringements and criminal and civil remedies that constitute a deterrent to further infringements, each Party shall provide, consistent with the framework set out in this Article:</p> <p>(a) legal incentives for service providers to cooperate with copyright<sup>29</sup> owners in deterring the unauthorized storage and transmission of copyrighted materials; and</p> <p>(b) limitations in its law regarding the scope of remedies available against service providers for copyright infringements that they do not control, initiate or direct, and that take place through systems or networks controlled</p>	<p>Almost identical provisions are found in the AUSFTA (Article 17.11.29), and are implemented in Australia's <i>Copyright Act</i>, Part V Div 2AA.</p> <p>Australian law is not fully compliant with the AUSFTA, as the limitations on remedies are not provided to all online service providers as defined in the AUSFTA, but only to 'carriage service providers' as defined in broadcasting regulation (effectively, internet access providers who provide network access).</p>	<p>Three comments may be made about the presence of these provisions in the TPPA draft.</p> <p>First, it is remarkable to see persistence in promulgating these provisions in a broader international context when similar provisions could not be negotiated in ACTA. Similar provisions were in the original ACTA drafts, but could not be agreed due to the difficulty in reconciling something this specific with detailed, but different, rules applying in Europe (the <i>Information Society Directive</i>), Japan, and Canada which applies a 'notice and notice' rather than a 'notice and takedown' regime.</p> <p>Second, it is remarkable to see the persistence in attempting to fix, for all time, which intermediary functions warrant protection through the language of subsection (b), which states that limitations "shall be confined to those functions". The laws on which these</p>

	<p>or operated by them or on their behalf, as set forth in this subparagraph (b).<sup>30</sup></p> <p>(i) These limitations shall preclude monetary relief and provide reasonable restrictions on court-ordered relief to compel or restrain certain actions for the following functions, and shall be confined to those functions:</p> <p>(A) transmitting, routing, or providing connections for material without modification of its content, or the intermediate and transient storage of such material in the course thereof;</p> <p>(B) caching carried out through an automatic process;</p> <p>(C) storage, at the direction of a user, of material residing on a system or network controlled or operated by or for the service provider; and</p> <p>(D) referring or linking users to an online location by using information location tools, including hyperlinks and directories.</p> <p>...</p> <p>(iii) Qualification by a service provider for the limitations as to each function in clauses (i)(A) through (D) shall be considered separately from</p>		<p>provisions are based (the US DMCA) was drafted prior to 1998. Functions performed by intermediaries in the online context are changing, and it is highly questionable whether the functions listed in the TPPA text remain the appropriate, or the <i>only</i> appropriate, ones warranting protection from IP liability. The possibility of the need for more Safe Harbours has already been raised in the context of content aggregators (UK Department of Trade and Industry, <i>DTI Consultation Document on the Electronic Commerce Directive: The Liability of Hyperlinkers, Location Tool Services and Content Aggregators</i>, June 2005, and <i>Government Response and Summary of Responses</i>, December 2006). Note that in the AUSFTA there is a footnote (38) at the end of (b)(i) which states that ‘Either Party may request consultations with the other Party to consider how to address under this paragraph functions of a similar nature to the functions identified in paragraphs (A) through (D) above that a Party identifies after the entry into force of this Agreement.’ A similar footnote would <i>not</i> be appropriate in the TPPA, as it would give rise to a situation where consultations would have to occur with a whole group of countries. The appropriate course is to simply remove the limitation to particular functions, in recognition of changing technology.</p>
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	<p>qualification for the limitations as to each other function, in accordance with the conditions for qualification set forth in clauses (iv) through (vii).</p> <p><b>Article 16.3(b)(xii)</b> For purposes of the function referred to in clause (i)(A), <b>service provider</b> means a provider of transmission, routing, or connections for digital online communications without modification of their content between or among points specified by the user of material of the user's choosing, and for purposes of the functions referred to in clauses (i)(B) through (D) <b>service provider</b> means a provider or operator of facilities for online services or network access.</p>		<p>Another point is that the specificity of the definitions (and conditions) in the treaty text has meant, in Australia, that as a result of the equivalent provisions in the AUSFTA, the law has ended up with multiple different definitions of the same phenomenon – one for the Safe Harbours, and others for domestically-developed law. Thus in relation to caching, Australia has one definition of caching in the safe harbour (s 116AB), but then another specific to educational institutions (s 200AAA), and another exception (s 43A/111A) that is addressed, in part, to caching. This leads to confusion and incoherence.</p>
Conditions for safe harbours: neutrality	<p><b>Article 16.3(b)(ii)</b> These limitations shall apply only where the service provider does not initiate the chain of transmission of the material, and does not select the material or its recipients (except to the extent that a function described in clause (i)(D) in itself entails some form of selection).</p>	<p>This section is not specifically implemented in Australia's <i>Copyright Act</i> but is reflected in any event in the categories of activities that fall within the Safe Harbours.</p> <p>See also AUSFTA Article 17.11.29(b)(ii)</p>	
Conditions for safe harbours: caching	<p><b>Article 16.3(b)(iv)</b> With respect to functions referred to in clause (i)(B), the limitations shall be conditioned on the service provider:</p> <p>(A) permitting access to cached material</p>	<p>Australia has enacted these conditions: <i>Copyright Act</i> s 116AH.</p>	<p>Even with this exception in place, there has been confusion in Australia about whether proxy caching (and any other forms of active caching involving the exercise of human judgment or retention of material for extended</p>

	<p>in significant part only to users of its system or network who have met conditions on user access to that material;</p> <p>(B) complying with rules concerning the refreshing, reloading, or other updating of the cached material when specified by the person making the material available online in accordance with a generally accepted industry standard data communications protocol for the system or network through which that person makes the material available;</p> <p>(C) not interfering with technology consistent with industry standards accepted in the Party's territory used at the originating site to obtain information about the use of the material, and not modifying its content in transmission to subsequent users; and</p> <p>(D) expeditiously removing or disabling access, on receipt of an effective notification of claimed infringement, to cached material that has been removed or access to which has been disabled at the originating site.</p>		<p>periods of time) is an infringing activity.</p>
Conditions for	<b>Article 16.3(b)(v)</b> With respect to functions	This condition has been enacted in	This condition is arguably too strict, depending

<p>safe harbours – hosting and search engines – no financial benefit</p>	<p>referred to in clauses (i)(C) and (D), the limitations shall be conditioned on the service provider:</p> <p>(A) not receiving a financial benefit directly attributable to the infringing activity, in circumstances where it has the right and ability to control such activity;</p>	<p>Australia in s 116AH, as a result of the equivalent AUSFTA provision (Article 17.11.29(b)(v)(A)).</p>	<p>on how it is interpreted. It may be compared with the European <i>Ecommerce Directive</i>, under which protection is denied if <i>the recipient of the service</i> is acting <i>under the control or authority of the provider</i>. In Australia, a host loses the benefit of the Safe Harbour if they receive financial benefit from infringing activity, and have the <i>right and ability to control the infringing activity</i>. Though these conditions are targeted at the same kind of issue, the AUSFTA/TPPA condition is clearly stricter. One would assume that in many cases a host would have the right and ability to cease hosting (and thus the right and ability to control that infringement). The European condition only excludes a web host who is responsible for the user in a way that might otherwise cause them to be vicariously liable.</p> <p>Note too that right holders in Australia have argued that network access providers receive a financial benefit from infringing activity merely because they can charge higher usage rates. (But cf US, where a court has held that a service provider conducting a legitimate business does <i>not</i> receive a ‘financial benefit directly attributable to the infringing activity’ where the infringer makes the same kind of payment as non-infringing users of the provider's service: <i>Viacom International Inc v YouTube, Inc</i> (23 June 2010 SDNY)).</p>
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			It may be noted that the US takes a very active interest in the implementation of these provisions. In Australia, the first attempted implementation defined ‘financial benefit’ specifically to <i>not</i> include ‘a benefit that merely results from the level of activity on the carriage service provider’s system or network.’ The US protested and this definition was removed before the AUSFTA came into force.
Conditions for safe harbours – hosting and search engines – notice and takedown	<p><b>Article 16.3(b)(v)</b> With respect to functions referred to in clauses (i)(C) and (D), the limitations shall be conditioned on the service provider:</p> <p>(B) expeditiously removing or disabling access to the material residing on its system or network on obtaining actual knowledge of the infringement or becoming aware of facts or circumstances from which the infringement was apparent, such as through effective notifications of claimed infringement in accordance with clause (ix); and</p> <p>(C) publicly designating a representative to receive such notifications.</p> <p>Note: this provision is supplemented with a detailed side letter setting out the process.</p> <p>(ix) For purposes of the notice and take</p>	Australia has enacted this requirement in s 116AH, as a result of the AUSFTA Article 17.11.29(b)(v)(B). See also <i>Copyright Regulations 1969</i> Part 3A (detailed regulations on the operation of notice and takedown).	<p>This provision implements a ‘notice and takedown’ system. This is not the only option: in Canada, for example, a system of ‘notice and notice’ operates where the material is not taken down prior to notification of the owner of the material.</p> <p>In Australia, equivalent provisions in AUSFTA have generated a highly complex set of regulations.</p> <p>Statistics on the use of the system are not available. Evidence in the <i>iiNet</i> case suggested that at least this (large) ISP receives “thousands of unreliable robot notices per week alleging infringement” (<i>Roadshow Films Pty Ltd v iiNet Ltd</i> [2011] FCAFC 23 at [261]).</p>



	<p>down process ... each Party shall establish appropriate procedures ... for effective notifications of claimed infringement, and effective counter-notifications by those whose material is removed or disabled through mistake or misidentification. Each Party shall also provide for monetary remedies against any person who makes a knowing material misrepresentation in a notification or counternotification that causes injury to any interested party as a result of a service provider relying on the misrepresentation.</p> <p>(x) [no liability for removal of material in good faith, provided service provider takes reasonable steps to promptly notify affected individual and restores the material on effective counternotification]</p>		
<p>Conditions for safe harbours – all types – termination of repeat infringers</p>	<p><b>Article 16.3(b)(vi)</b> Eligibility for the limitations in this subparagraph shall be conditioned on the service provider:</p> <p>(A) adopting and reasonably implementing a policy that provides for termination in appropriate circumstances of the accounts of repeat infringers;</p>	<p>This provision has been implemented in Australia (s 116AH), as a result of the equivalent AUSFTA provision (Article 17.11.29(b)(vi)(A)).</p>	<p>When a similar provision was included in an early draft of ACTA, it was generally believed that this could require a kind of ‘three strikes’ or graduated response system to be implemented. However, Australia has had this provision since 2004, and does not have any kind of formal graduated response system. The first Australian court to interpret this provision took the view that all that was required was some policy, and that even a policy that more or less said that an IAP would terminate a subscriber if ordered to do so</p>

			by a court was sufficient to pass muster. On appeal, this finding was overturned, with judges saying that the alleged policy was “no more than a policy to obey the law”. The court criticised the IAP’s failure to cooperate, its failure to initiate any processes to apply the policy, and its failure to inform its customers of its policy. The court did not, however, provide much guidance as to what <i>would</i> be required of such a policy, thus the issue of how strong any ISP policy must be remains an open one.
Conditions for safe harbours – accommodation of technical measures	<b>Article 16.3(b)(vi)</b> Eligibility for the limitations in this subparagraph shall be conditioned on the service provider: ... (B) accommodating and not interfering with standard technical measures accepted in the Party’s territory that protect and identify copyrighted material, that are developed through an open, voluntary process by a broad consensus of copyright owners and service providers, that are available on reasonable and non-discriminatory terms, and that do not impose substantial costs on service providers or substantial burdens on their systems or networks.	This provision has been implemented in Australia (s 116AH), as a result of the equivalent AUSFTA provision (Article 17.11.29(b)(vi)(B)).	
Safe Harbours: No monitoring	<b>Article 16.3(b)(vii)</b> Eligibility for the limitations in this subparagraph may not	Australia has enacted this provision (s 116AH(2)) as a result of the AUSFTA	This is not much of a protection for intermediaries. All it states is that the <i>safe</i>

condition	be conditioned on the service provider monitoring its service, or affirmatively seeking facts indicating infringing activity, except to the extent consistent with such technical measures.	equivalent provision (Article 17.11.29(b)(vii)).	<p><i>harbour</i> conditions do not require monitoring. It would be consistent with this provision for a country to impose monitoring obligations through other laws.</p> <p>Cf the European <i>Ecommerce</i> Directive Article 15, which specifically states that ‘Member States shall not impose a general obligation on providers, when providing the services covered by Articles 12, 13 and 14 [ie caching, providing network access, and hosting], to monitor the information which they transmit or store, nor a general obligation actively to seek facts or circumstances indicating illegal activity.’ Such wording would be preferable.</p>
Safe Harbours – limitations on remedies	<b>Article 16.3(b)(viii)</b> If the service provider qualifies for the limitations with respect to the function referred to in clause (i)(A), court-ordered relief to compel or restrain certain actions shall be limited to terminating specified accounts, or to taking reasonable steps to block access to a specific, non-domestic online location. If the service provider qualifies for the limitations with respect to any other function in clause (i), court-ordered relief to compel or restrain certain actions shall be limited to removing or disabling access to the infringing material, terminating specified accounts, and other remedies	Australia has implemented these limitations (s 116AG) as a result of the equivalent AUSFTA provision (Article 17.11.29(b)(viii)).	<p>It is worth comparing these limitations on liability to solutions proposed or implemented elsewhere.</p> <p>This system basically removes the threat of liability for an online service provider, <i>if</i> they are found by a court to comply with the safe harbour provisions. This leaves an online service provider at some risk of copyright liability (damages awards for which could be significant) should their systems be found wanting in some particular according to the quite stringent safe harbour provisions.</p> <p>Compare this to the system that was proposed</p>

	<p>that a court may find necessary, provided that such other remedies are the least burdensome to the service provider among comparably effective forms of relief. Each Party shall provide that any such relief shall be issued with due regard for the relative burden to the service provider and harm to the copyright owner, the technical feasibility and effectiveness of the remedy and whether less burdensome, comparably effective enforcement methods are available. Except for orders ensuring the preservation of evidence, or other orders having no material adverse effect on the operation of the service provider's communications network, each Party shall provide that such relief shall be available only where the service provider has received notice of the court order proceedings referred to in this subparagraph and an opportunity to appear before the judicial authority.</p>		<p>in Canada's recent copyright reform bill. Under those proposals, specific obligations to cooperate with copyright owners would have been created (eg, an obligation to pass on notices of infringement to users), and failure to comply with those obligations would lead to specific remedies for that failure. Instead of being on the hook for the full amount of copyright damages, the online service provider would have been liable for their actual wrongful act – ie failure to comply. I would argue this is a preferable system to the one adopted in the TPPA text (and in Australian law) which creates a risk disproportionate to the ends sought to be achieved (cooperation) and hence is likely to lead to overzealous policing/removal of copyright material.</p>
<p>Safe Harbours – information about alleged infringer</p>	<p><b>Article 16.3(b)(xi)</b> Each Party shall establish an administrative or judicial procedure enabling copyright owners who have given effective notification of claimed infringement to obtain expeditiously from a service provider information in its possession identifying the alleged infringer.</p>	<p>Australia is subject to an identical provision in AUSFTA Article 17.11.29(b)(xi). Australia already has judicial procedures for obtaining such information: <i>Federal Court Rules</i>, Order 15A.</p>	

