

## **CHAPTER 4**

# **INTELLECTUAL PROPERTY**

### ***1. BACKGROUND OF THE RULES***

As a result of the Uruguay Round negotiations, the Agreement on Trade-Related Aspects of Intellectual Property Rights (“TRIPS Agreement”) was reached as part of the WTO Agreement subject to the single undertaking. While other WTO agreements, in principle, include prohibitions on trade restrictions and discriminatory measures, or requirements and procedures for trade restrictions in exceptional cases, the TRIPS Agreement differs in that it directly regulates the domestic systems of WTO members. In international discussions, asserting that the intellectual property rights system under the TRIPS Agreement does not contribute to the development of companies or to their economy, some countries oppose the further strengthening of intellectual property protection beyond the minimum standard level, or even make arguments supporting derogation from the current TRIPS-level protection. As a result, the gaps between the positions with respect to intellectual property systems of countries in multilateral forums have been widening, and it is increasingly difficult to reach harmonization. (For the current negotiation status, see Chapter 1, V. TRIPS (Trade-Related Aspects of Intellectual Property Rights)). It goes without saying that a multilateral framework under the WTO is the most desirable system to strengthen intellectual property and ensure effective enforcement. However, the present situation has led to an increasing necessity to use multilateral and bilateral frameworks in a mutually complimentary manner with multilateral frameworks. Multilateral frameworks are seen as being particularly suitable for rule-making, while bilateral frameworks may allow speedy negotiations. In order to resolve practical problems, these approaches must be used with appropriate balance to achieve the desired objectives.

There are increasing intellectual property rights infringements on Japanese products (in particular, in Asian countries), due to the production and distribution of pirated goods (i.e., imitation goods and pirated editions). This presents a significant barrier for Japanese companies to develop their businesses in these regions. In addition to requiring compliance with their obligations under the TRIPS Agreement by such countries in whose jurisdiction significant infringement of intellectual property rights occurs, it is important to ensure the implementation by these countries of their obligations, and further to require that they assume obligations and protection of intellectual property rights beyond those of the TRIPS Agreement. This could be accomplished through multilateral and bilateral negotiations in appropriately chosen forums by taking into consideration the particular circumstances of the counterparty countries, and by employing the above-mentioned multilateral and bilateral negotiations.

### ***2. OVERVIEW OF LEGAL DISCIPLINES***

The TRIPS Agreement provides most-favored-nation treatment for protection of intellectual property in Article 4, stating that “with regard to the protection of intellectual property, any advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members,” and

“protection” shall include matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically addressed in this Agreement (see Footnote of Article 3 of the TRIPS Agreement). There are no provisions in the TRIPS Agreement which correspond to the provisions of Article XXIV of GATT or of Article V of GATS. Therefore, unlike tariffs which could only be eliminated within a specific area, intellectual property rights, within the scope stipulated by Article 4 of the TRIPS Agreement, need to be standardized with WTO members other than the EPA/FTA counterparty countries due to the most-favored-nation treatment.

### ***3. SUMMARY OF CHAPTERS ON INTELLECTUAL PROPERTY IN JAPAN'S EPAs/FTAs***

To date, Japan has entered into EPAs/FTAs with fourteen countries or regions. All of these agreements include provisions on intellectual property, except the Japan-ASEAN Agreement on Comprehensive Economic Partnership (AJCEP). All agreements (except the AJCEP) provide obligations beyond those of the TRIPS Agreement. The features of the chapters regarding intellectual property in the major EPA/FTAs entered into by Japan may be classified into the following three groups.

#### **1) SIMPLIFYING PROCEDURES AND ENHANCING THE TRANSPARENCY OF PROCEDURES**

While the TRIPS Agreement does not provide details of the procedures for acquiring intellectual property rights, the EPAs/FTAs entered into by Japan include certain provisions (i.e., eliminating notarization requirements and simplifying the certification procedure for translation of priority certificates) that have reduced procedural requirements when filing applications for patents and other intellectual property rights, facilitating the processes for the acquisition of intellectual property rights. Also, they have made it easier for applicants to obtain information relating to intellectual property protection, and to improve foreseeability with respect to applications or enforcement of rights.

#### **2) STRENGTHENING THE PROTECTION OF INTELLECTUAL PROPERTY RIGHTS**

EPAs entered into by Japan attempt to grant intellectual property rights expeditiously through structures which: (i) enable the acquisition by an applicant of patent rights without requiring the applicant to file an examination request in the counterparty country (by submitting the result of the patent examination made by the Japan Patent Office to the relevant authority of the other contracting party country); and (ii) enable requests for prompt examination in the counterparty country if applications for corresponding patents are filed in Japan. In addition, the EPAs also attempt to improve intellectual property protection by, for example, including provisions to protect well-known trademarks of foreign parties.

#### **3) STRENGTHENING ENFORCEMENT**

Although the TRIPS Agreement provides for border measures in Article 51 and criminal penalties in Article 61, these provisions are mandatory only with respect to counterfeit trademark goods and pirated copyright goods; with respect to all other intellectual property goods infringement, border measures are left to the discretion of the Members. A strengthening of

enforcement through the expansion and clarification of the subject rights has been achieved in the EPAs entered into by Japan, for example, by expanding those rights to be subject to border measures and criminal penalties and by explicitly providing for the prohibition of configuration imitation (which is not specifically set forth in the TRIPS Agreement). Also, in implementing certain measures (such as creating an obligation to furnish the information provided in Article 57 of the TRIPS Agreement), EPAs intend to strengthen the enforcement of intellectual property rights through procedural improvements.

Following are the details of EPAs/FTAs entered into with individual countries.

### ***(1) Japan-Singapore EPA***

Chapter 10 provides for: (i) facilitation of patent process in Singapore; (ii) sharing of the governments' databases on intellectual property; (iii) establishment of the Joint Committee on IP; and (iv) cooperation in the field of IP. With respect to (i) above, it was provided that Singapore designates the Japan Patent Office as a "prescribed patent office," as stipulated in the Patents Act of Singapore (Article 98 of the EPA, and Article 11 of the Implementing Agreement). Accordingly, the examination result of a patent application in Japan that corresponds to a patent application in Singapore can be filed with the Intellectual Property Office of Singapore, and the Singapore patent will be granted without filing any examination request in Singapore.

### ***(2) Japan-Mexico EPA***

There is no chapter regarding intellectual property rights in this agreement, but in Chapter 14 ("Bilateral Cooperation"), Article 144 (Cooperation in the Field of Intellectual Property), it is provided that both countries will develop their cooperation in the field of intellectual property rights, and items for information exchange are indicated. In chapter 3 on "Trade in Goods", Article 8 (protection of geographic indication of spirits), it is provided that both countries shall mutually provide protection with respect to geographic indications of spirits accorded under the TRIPS Agreement.

Also, in the Joint Statement upon signing the Japan-Mexico EPA, it was affirmed that, following execution thereof: i) necessary actions would be taken by both governments to eradicate counterfeit products and pirated goods infringing intellectual property rights; and ii) the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks contributes to effective and global protection of trademarks. With respect to the latter, Mexico's willingness to undertake every effort to ratify such Protocol was reaffirmed. (Mexico ratified the protocol in November 2012; it entered into force in February 2013).

### ***(3) Japan-Malaysia EPA***

The chapter regarding intellectual property is comprised of 29 articles (Articles 112 through 130). The chapter mainly contains provisions related to simplifying procedures and enhancing the transparency of procedures, strengthening protection of intellectual property rights, and strengthening enforcement. Specifically, the intent of Japan and Malaysia is clarified to: i) grant and ensure adequate, effective and non-discriminatory protection of intellectual property, ii) promote efficiency and transparency in administration of intellectual property protection systems, and iii) provide measures for the enforcement of intellectual property rights against infringement (Article 112).

The chapter also sets forth the establishment of a Sub-Committee on Intellectual Property as a

body to facilitate: i) discussion on any issues related to intellectual property (i.e., counterfeit products) and ii) continuing discussion on items which could not be agreed upon in the negotiation for the agreement (i.e., acceding to treaties) (Article 129). The major provisions are as follows:

**Provisions on Simplifying Procedures and Making Procedures More Transparent**

***i) Grant of International Patent Classification (Article 116, paragraph 2)***

Both countries agreed to assume obligations to grant the classifications subject to the Strasbourg Agreement and the Nice Agreement to patent applications and trademark applications. (Only Japan has signed both Agreements.) (Malaysia signed the Nice Agreement in 2007 after the EPA came into effect.)

***ii) Introduction of a System of Application Publication within 18 Months after Filing Date (Article 119, paragraph 5)***

Under the former system in Malaysia, patent applications remained undisclosed until the time of patent registration. Under the Japan-Malaysia EPA, patent applications are to be published within a period of 18 months after the filing date (application publication system).

**Provisions on Strengthening Protection of Intellectual Property Rights**

***i) Expedite Patent Examination (Article 119, paragraphs 3 and 4)***

Under the Japan-Malaysia EPA: 1) if any reasonable grounds exist for an applicant's patent application to be examined in preference to ordinary applications (i.e. infringement of rights), the applicant may so request; and 2) in cases where a patent application filed in one country is filed in the other country, the application in the other country may be examined in preference to ordinary applications.

***ii) Expansion of Scope of the Novelty Bar for Industrial Designs (Article 120, paragraphs 2 and 3)***

In Malaysia, the novelty bar for industrial designs was previously determined as those "made available to the public in Malaysia." The expanded novelty bar includes industrial designs "made available to the public through telecommunication lines," and states that "each country shall endeavour to expand the above-mentioned made-available-to-public coverage areas to other countries."

***iii) Strengthening Protection for Well-Known Trademarks (Article 121, paragraph 2)***

The Japan-Malaysia EPA states that if an application for trademarks well-known in one country is filed in the other country in bad faith, such application shall be rejected or canceled.

***iv) Clarification of Unfair Competition (Article 124, paragraph 2)***

Since there is no unfair competition prevention law in Malaysia, this article specifically states that "acts to provide goods which imitate the configuration of another person's goods" and "acts of unfair use of domain names, and the like" which are not explicitly stated in the TRIPS Agreement, are deemed to be included in the scope of unfair competition under the Japan-Malaysia EPA.

**Strengthening Enforcement*****i) Obligation to Provide Information on Goods Infringing on Intellectual Property Rights (Article 125, paragraph 2)***

Both countries are obligated to inform the counterparty of the names and addresses of consignors and importers of goods that infringe on intellectual property rights, which is left to the discretion of Members under Article 57 of the TRIPS Agreement.

***ii) Expand the Scope of Items for which Re-export is Prohibited (Article 125, paragraph 3)***

Under Article 59 of the TRIPS Agreement, the items which are subject to protection with respect to the prohibition on re-export of infringing goods are limited to trademarks. However, under Article 125, paragraph 3 of the Japan-Malaysia EPA, copyrights will also be subject to this protection.

***(4) Japan-Philippines EPA***

The chapter in the Japan-Philippines EPA regarding intellectual property is comprised of 14 articles (Articles 117 to 130). This chapter mainly contains provisions related to simplifying procedures and making procedures more transparent; strengthening protection of intellectual property rights; and strengthening enforcement. The intent of both countries is to: i) grant and ensure adequate and non-discriminatory protection of intellectual property; ii) provide for efficient and transparent administration of intellectual property protection systems; and iii) provide for a clarification of effective enforcement of intellectual property rights against infringement (clarified in Article 117).

The chapter also sets forth the establishment of a “Sub-Committee on Intellectual Property” as a body to facilitate continuous discussion on strengthening protections, and to deal with the problem of imitation goods (Article 130). The major provisions are as follows:

**Provisions on Simplifying Procedures and Enhancing the Transparency of Procedures*****i) Eliminating notarization requirements (Article 120, paragraph 2)***

Authentication of signatures or other means of self-identification on documents to be submitted to the authority in the process of application of intellectual property rights or other administrative procedures has, in principle, been eliminated.

***ii) Simplifying the certification procedure for translation of priority certificates (Article 120, paragraph 4)***

The Japan-Philippines EPA states that the identification requirements imposed on the accuracy of the translation of a priority certificate may be substituted by way of submitting documents showing that the translation was carried out accurately and in good faith by the translator.

***iii) International classification (Article 120, paragraph 5)***

While the Philippines has not acceded to the Strasbourg or Nice Agreements, both countries have agreed to assume the obligations thereof to the extent possible for the purpose of granting the classifications subject to these agreements to patent and trademark applications.

***iv) Ease in obtaining information relating to intellectual property protection (Article 121)***

The Japan-Philippines EPA states that both countries are to take appropriate measures to make

readily available to the public information related to the registration of intellectual property rights and related documents held by the competent authority, as well as information on intellectual property protection systems (including information on efforts to provide effective enforcement).

**Provisions on Strengthening Protection of Intellectual Property Rights**

***i) Prompt Patent Examination Request (Article 123)***

The Japan-Philippines EPA states that any applicant for a patent may file a request to the authority to effect prompt examination of the application.

***ii) Prohibition of Acts to Imitate Appearance or Create Confusion (Article 128, paragraph 2)***

The Japan-Philippines EPA specifically states that acts to imitate the appearance of another person's goods or to create confusion with the services of a competitor, which are not stipulated in the TRIPS Agreement, are included within the scope of unfair competition.

**Strengthening Enforcement**

***i) Expansion of the Scope of Rights Subject to Suspension by Customs (Article 129, paragraph 1)***

The scope of rights that are subject to the suspension of infringing goods by customs is expanded from the TRIPS level (which is limited to the importation of counterfeit trademark or pirated copyright goods) to include patent rights, utility model and industrial design.

***ii) Expansion of the Scope of Rights Subject to Criminal Penalty (Article 129, paragraph 3)***

The scope of rights that are subject to criminal procedures and penalties has been expanded from the TRIPS level (which is limited to cases of willful trademark counterfeiting or copyright piracy on a commercial scale) to include all intellectual property rights (including patents, utility models, industrial designs, layout-designs of integrated circuits and the right relating to new varieties of plants).

***(5) Japan-Thailand EPA***

This agreement has an independent chapter on intellectual property, comprised of 23 articles (Article 122 through Article 144), mainly covering clauses on "simplifying and increasing the transparency of procedures," "strengthening the protection of intellectual property rights" and "strengthening enforcement". The intent of both countries is to provide: (i) adequate, effective and non-discriminatory protection of intellectual properties; (ii) promotion of efficiency and transparency in the administration of the intellectual property protection system; and (iii) measures for the enforcement of intellectual property rights against infringement (clarified in Article 122). At the same time, the establishment of an Intellectual Property Sub-Committee is stipulated as a framework aimed at facilitating continuous discussion following the conclusion of the agreement in relation to issues such as the strengthening of the protection of intellectual property rights and countermeasures for counterfeit products (Article 143).

The major provisions are as follows:

**Provisions on Simplifying Procedures and Enhancing the Transparency of Procedures*****i) International classification (Article 126, paragraph 2)***

While Thailand has not acceded to the Strasbourg or Nice Agreements, both countries have agreed to assume the obligations thereof to the extent possible for the purpose of granting the classifications subject to these agreements to patent and trademark applications.

***ii) Ease in obtaining information related to intellectual property protection (Article 127)***

The Japan-Thailand EPA states that both countries are to take appropriate measures to make readily available to the public information related to the registration of intellectual property rights and related documents held by the competent authorities, as well as information on intellectual property protection systems (including information on efforts to provide effective enforcement).

**Provisions on Strengthening Protection of Intellectual Property Rights*****i) Expansion of the Scope of the Novelty Bar (Article 130, paragraph 2 Article 131, paragraph 2)***

The Japan-Thailand EPA states that any invention and industrial design that is publicly known as well as any invention made available to the public through measures such as the Internet shall not be new.

***ii) Protection for well-known trademarks of foreign parties (Article 132, paragraph 2)***

The Japan-Thailand EPA states that an application for the trademarks that are well known in a foreign country and are used for unfair intentions or may confuse the public as to the owner or origin of the goods or services shall be refused or canceled.

**Strengthening Enforcement*****i) Strengthening of border measures (Article 138, paragraphs 3 through 5)***

Both countries are obligated to inform counterparties of the names and addresses of the consignor and the importer of goods that infringe on intellectual property rights. (Under Article 57 of the TRIPS Agreement, this is left to the discretion of Members.) This ensures that customs authorities may initiate control measures at the border *ex officio* for goods that infringe trademarks or copyrights or related rights. Furthermore, it prohibits the re-exportation of the goods that infringe trademarks or copyrights or related rights, whereas Article 59 of TRIPS only prohibits goods that infringe trademarks.

***ii) Expansion of the scope of rights subject to criminal procedures and penalties (Article 140, paragraphs 1 and 4)***

The scope of rights that are subject to criminal procedures and penalties has been expanded from Article 61 of TRIPS, which was limited to trademarks, copyrights and related rights, to include all intellectual property rights (including patents, utility models, industrial designs, layout-designs of integrated circuits and rights relating to new varieties of plants). It also provides that in cases wherein patents, utility models, industrial designs, trademarks and rights relating to new varieties of plants are infringed, the competent authorities may initiate criminal proceedings *ex officio* without the need for a formal complaint by the rights holder whose intellectual property rights have been infringed.

## ***(6) Japan-Indonesia EPA***

This agreement has an independent chapter on intellectual property, comprised of 18 articles (Article 106 through Article 123), mainly covering clauses aimed at “simplifying and increasing the transparency of procedures”, “strengthening the protection of intellectual property rights” and “strengthening enforcement”. The intent of both countries is to provide: (i) adequate, effective and non-discriminatory protection of intellectual properties; (ii) promotion of efficiency and transparency in the administration of intellectual property protection systems; and (iii) measures for the enforcement of intellectual property rights against infringement (clarified in Article 106). At the same time, a Sub-Committee on Intellectual Property was established for the purpose of ensuring continuous discussion with regard to issues such as the strengthening of the protection of intellectual property rights and countermeasures against counterfeit products (Article 123).

The major provisions are as follows:

### ***Provisions on Simplifying Procedures and Enhancing the Transparency of Procedures***

#### ***i) Eliminating notarization requirements in principle (Article 109, paragraph 2)***

The notarization requirement for authenticating signatures or other means of self-identification on documents to be submitted to the authority in the process of application of intellectual property rights or other administrative procedures has, in principle, been eliminated.

#### ***ii) Eliminating the certification procedure for translation of the priority certificate (Article 109, paragraph 4)***

This identification requirement imposed on the translation of the priority certificate has been prohibited.

#### ***iii) Introduction of a “general assignment system” (Article 109, paragraph 5)***

The Japan-Indonesia EPA states that each Party shall introduce a system in which persons going through the intellectual property rights application procedures or other administrative procedures may grant comprehensive power of attorney for all existing and future applications and/or registrations of the person in question.

### ***Provisions on Strengthening Protection of Intellectual Property Rights***

#### ***i) Introduction of the “prompt patent examination system based on the provided results of examination and appeal” for patents (Article 112, paragraphs 3 and 4)***

The Japan-Indonesia EPA introduced a system that in cases where a patent application filed in one country is filed in the other country, the application in the other country may be examined in preference to ordinary applications.

#### ***ii) Introduction of the “similar design protection system” and “partial design protection system” for industrial designs (Article 113, paragraphs 3 and 4)***

The Japan-Indonesia EPA has expanded the scope for industrial design from identical designs to similar designs. It has also introduced a system pertaining to designs related to parts of article that are not subject to trade nor are distributed.

#### ***iii) Introduction of “well-known trademarks of foreign parties system” (Article 114, paragraph 2)***

The Japan-Indonesia EPA states that applications for trademarks well known in a foreign country



and used for unfair intentions that may confuse the public as to the owner or origin of the goods or services shall be refused or canceled.

### **Strengthening Enforcement**

#### ***i) Strengthening of border measures (Article 119, paragraphs 1 and 3)***

The Japan-Indonesia EPA states that not only imports infringing trademarks and copyrights, provided in TRIPS, but also exports thereof are subject to suspension by customs authorities. The EPA also states that customs authorities may initiate control measures at the border *ex officio* for goods infringing trademarks or copyrights or related rights. Furthermore, it prohibits the re-exportation of goods infringing trademarks or copyrights, whereas Article 59 of TRIPS only prohibits goods infringing trademarks.

#### ***ii) Expansion of the scope of rights subject to criminal penalties (Article 121)***

The scope of rights that are subject to criminal procedures and penalties has been expanded from the TRIPS level (limited to trademarks, copyrights and related rights) to include all intellectual property rights including patents, utility models, industrial designs, layout-designs of integrated circuits, and rights relating to new varieties of plants.

### ***(7) Japan-Chile EPA***

This agreement has an independent chapter on intellectual property, comprised of eight articles (Article 158 through Article 165), primarily covering clauses aimed at “simplifying and increasing the transparency of procedures,” “strengthening the protection of intellectual property rights” and “strengthening enforcement.”

The major provisions are as follows:

### **Provisions on Simplifying Procedures and Enhancing the Transparency of Procedures**

#### ***i) International classification (Article 159, paragraph 2)***

While Chile has not acceded to the Strasbourg or Nice Agreements, both countries have agreed to assume the obligations thereof for the purpose of granting the classifications subject to these agreements to patent and trademark applications.

#### ***ii) Ease of obtaining information relating to intellectual property protection (Article 160)***

The Japan-Chile EPA states that both countries are to take appropriate measures and make readily available to the public information on intellectual property protection systems (including information on efforts to provide effective enforcement).

### **Provisions on Strengthening Protection of Intellectual Property Rights**

#### ***i) Ensuring opportunities for opposition to trademarks (Article 161)***

Both countries have agreed to assume obligations aimed at ensuring the opportunity for opposition to trademark applications or registrations, a matter that is left to the discretion of members under the TRIPS Agreement.

**Strengthening Enforcement**

***i) Expansion of the Scope of Rights Subject to Suspension by Customs (Article 164, paragraph 1)***

The scope of rights that are subject to the suspension by customs has been expanded from the TRIPS level (which was limited to cases of the importation of goods infringing trademarks or copyrights) to include patents, utility models, and industrial designs. It also prohibits the exportation of goods infringing on those rights.

***(8) Japan-Brunei Darussalam EPA***

Although there is no chapter on intellectual property rights in this Agreement, provisions on intellectual property rights are included in Chapter 8 “Improvement of Business Environment”.

**Protection of intellectual property rights (Article 97)**

The Japan-Brunei Darussalam EPA states that both Parties recognize the protection of intellectual property rights as a factor in the improvement of the business environment, and outlines the following aspects of intellectual property to be addressed by both Parties:

- (i) Efforts to improve its intellectual property protection system.
- (ii) Compliance with the obligations set out in international agreements relating to intellectual property.
- (iii) Efforts to become a party to international agreements relating to intellectual property.
- (iv) Efforts to ensure transparent and streamlined administrative procedures in relation to intellectual property.
- (v) Efforts to ensure adequate and effective enforcement of intellectual property rights.
- (vi) Efforts to further promote public awareness of protection of intellectual property.

**Establishment of a mechanism for discussion (Article 99)**

The Sub-Committee on the Improvement of Business Environment, in which representatives of both governments and, where necessary, representatives of relevant private entities participate, was established.

***(9) Japan-Viet Nam EPA***

In the Japan-Viet Nam EPA, there is a separate chapter on intellectual property comprising 19 articles (Article 80 through Article 98). The chapter contains provisions related to simplifying and increasing the transparency of procedures; strengthening protection of intellectual property rights; and strengthening enforcement. It declares both countries’ intent to (i) grant and ensure adequate, effective, and non-discriminatory protection of intellectual property; (ii) promote efficiency and transparency in the administration of the intellectual property protection system; and (iii) provide for measures for adequate and effective enforcement of intellectual property rights against infringement (Article 80).

It is provided in the chapter that a “Sub-Committee on Intellectual Property” is to be established as a body to facilitate continuous discussion between both countries on enhancing protection of intellectual property, and to deal with the problems of imitation goods (Article 97).

The main provisions in the chapter are as follows:

**Provisions on Simplifying Procedures and Enhancing the Transparency of Procedures**

***i) Eliminating notarization requirements (Article 83, paragraph 2)***

Authentication of signatures or other means of self-identification on documents to be submitted to the competent authority of the other contracting party country in the course of application procedure or other administrative procedures on intellectual property rights has, in principle, been prohibited.

***ii) Introduction of a “general assignment system” (Article 83, paragraph 5)***

It is provided that each Party shall introduce and implement a system in which persons going through intellectual property rights application procedures or other administrative procedures may grant comprehensive power of attorney for all existing and future applications, grants or registrations of that person.

***iii) Clarification of unfair competition (Article 92, paragraph 3)***

It is specifically provided that “acts of acquiring or holding the right to use or using a domain name identical with or confusingly similar to a protected trade name and trademark of another person” and other similar acts are prohibited as acts of unfair competition. (This is not explicitly stated in the TRIPS Agreement.)

**Provisions on Strengthening the Protection of Intellectual Property Rights**

***i) Priority examination system for patents (Article 86, paragraph 3)***

Each Party shall ensure that, if an invention claimed in the application for a patent is being worked by any person other than the applicant for patent in that person’s business, that person or the applicant may request that the competent authority examine the application before other ordinary applications. The applicant or the person who so requests is required to furnish a proof that the invention is being worked, a result of prior art search in relation to the application, or a copy of the final decision by the competent authority of the other contracting party country or the third country.

***ii) Correction appeal system for patents (Article 86, paragraph 4)***

Each Party shall ensure that a patent owner may file a request for correction of the description, the scope of the claims, or the drawings, for the purpose of restricting the scope of the claims after the patent right is granted.

**Strengthening Enforcement**

Determination of reasonable damages by court (Article 94, paragraph 2)

In cases where it is extremely difficult for the right holder of intellectual property to prove the actual economic harm due to the nature of facts concerned, each Party shall ensure that its judicial authorities have the authority to determine the amount of damages based on the totality of the evidence presented to them.

***(10) Japan-Switzerland EPA***

The Japan-Switzerland EPA is an agreement executed between two developed countries, where it is expected that an intellectual property protection system will be implemented at a higher level

than that which is provided in the existing international agreements, such as the TRIPS Agreement. This EPA is intended to ensure high levels and comprehensive protections of intellectual property rights, and may be the model for future EPAs with other developed countries in Europe and the United States.

It has a separate chapter for protection of intellectual property, comprised of 23 Articles (Article 107 through 129), which is characterized by both countries' agreement that a higher level of protection of intellectual property is secured than that provided under the TRIPS Agreement, in order to strengthen the enforcement of intellectual property rights. It also provides an establishment of a "Sub-Committee on Intellectual Property" as a consultation mechanism.

**Provisions on Simplifying Procedures and Enhancing the Transparency of Procedures**

**(Article 112)**

The following provisions are incorporated in the Japan-Switzerland EPA to further promote transparency in the administration of the intellectual property protection system:

- (i) Each Party shall take appropriate measures to publish information on applications for and the grant of patents, registrations of utility models and industrial designs, registrations of trademarks and applications therefor, registrations of layout-designs of integrated circuits, and registrations of new varieties of plants and applications therefor.
- (ii) Each Party shall make available to the public information on applications for the suspension by the competent authorities of the release of the products infringing intellectual property rights as a border measure.
- (iii) Each Party shall make available to the public information on its efforts to ensure effective enforcement of intellectual property rights and other information with regard to its intellectual property protection system.

**Provisions on Strengthening Protection of Intellectual Property Rights**

- (i) Comprehensive protection of intellectual property rights is provided, covering not only patents, trademarks, utility models and industrial designs, but also new varieties of all plant genera and species (Article 118). The chapter also sets forth both Parties' obligation to provide effective protection against acts of unfair competition (Article 120). In addition, three-dimensional trademarks are also covered (Article 115).
- (ii) Each Party shall ensure adequate and effective protection of geographical indications (GI) and related indications (Article 119). "Related indications" include indications in the designation or presentation of a service that contain or consist of the name of geographical place as well as the name of canton, armorial bearings, flags, and other state or regional emblems. This goes beyond the scope of the protection under the TRIPS Agreement. Protection of GIs in Japan is subject to the applicable laws and regulations of Japan. GIs to be protected are listed for reference in the final annex to the EPA.

**Strengthening Enforcement**

***i) Strengthening of border measures (Article 123)***

The scope of the infringing products whose release is suspended at the border by the customs authority is expanded to include those infringing patents, utility models, and industrial designs, in addition to those infringing trademarks and copyrights, which are covered under the TRIPS

Agreement. Suspension at the border is also expanded to apply not only to importation but also to exportation and transit.

***ii) Expansion of the scope of rights subject to criminal procedures and penalties (Article 125)***

The scope of the rights that are subject to criminal procedures and penalties has been expanded from the TRIPS level, which was limited to trademarks, copyrights, and related rights, to include all intellectual property rights (including patents, utility models, industrial designs, layout-designs of integrated circuits, and rights relating to new varieties of plants). Applicability of criminal procedures and penalties is also expanded to: (i) importation, exportation, and transit of the goods infringing intellectual property rights; (ii) the disclosure of trade secrets; and (iii) acts of unfair competition. In addition, it is provided in Article 125 that stricter penalties may be imposed on offences committed in connection with corporate activities or on a commercial scale; and that the judicial authorities may confiscate proceeds and properties derived from such crime if infringement of patents, trademarks, copyrights or related rights is committed by an organized criminal group.

**Other provisions**

The Japan-Switzerland EPA provides certain provisions to promote protection of the right-holders' rights of intellectual property on the internet (Article 126). It is provided that each Party shall provide measures to prevent undue liabilities of Internet service providers for the removal of materials that they have put on their Internet websites where a right-holder claims to the Internet service provider that such materials infringe his/her intellectual property rights. Internet service providers are obliged to disclose the identity of the sender of materials to right-holders if they have given effective notification to an Internet service provider of such materials that they claim with valid reasons to be infringing their intellectual property rights.

***(11) Japan-India EPA***

This Agreement includes a separate chapter on intellectual property, consisting of a total of 8 articles, from Article 102 to Article 109. It mainly consists of provisions concerning "simplification and enhanced transparency of procedures" and "strengthening the protection of intellectual property rights". The EPAs that India previously concluded had no provisions exceeding the levels in the TRIPS Agreement; thus it is significant that the Japan-India EPA has elements exceeding the TRIPS Agreement level for securing sufficiently effective and non-discriminatory protection of intellectual property rights.

**Simplification and enhanced transparency of procedures**

***i) Eliminating the certification procedure for translation of the priority certificate (Article 103, Paragraph 2)***

The article provides that "Neither Party shall require the certification, by any person other than the applicant or its representative, of a translation of an earlier application whose priority is claimed except in cases where the competent authority of the Party may reasonably doubt the accuracy of the translation."

**Strengthening the protection of intellectual property rights**

***i) Possibility of patents of inventions including computer programmes (Article 105, paragraph 1)***

“Neither Party shall require the rejection of any application for patent solely on the ground that the subject matter claimed in the application includes, among other things, a computer programme.”

***ii) Greater protection of well-known trademarks (Article 106, paragraph 1)***

The article provides that each Party shall in accordance with its laws determine whether a trademark is a well-known trademark in either or both of the following circumstances, and where appropriate take into account other relevant factors: “if a trademark is well known in the other Party” or “if a trademark is well known in both Parties”.

***iii) Request for accelerated examination of trademark (Article 106, paragraph 2)***

The article provides that “an applicant may file a request to the competent authority that its application for registration of a trademark be examined in preference to other applications, ... the competent authority shall take the request into consideration and endeavour to examine the application in preference to other applications, where appropriate.”

***(12) Japan-Peru EPA***

This Agreement includes a separate chapter on intellectual property, consisting of 22 articles, from Article 167 to Article 188. It stipulates the securing of sufficient, effective and non-discriminate protection of intellectual property and the adoption of simplified procedures related to rights acquisition. This Agreement provides for intellectual property protection that exceeds the level of the TRIPS Agreement-- including the possibility of protection of inventions, including computer programs, protection of partial designs and the suspension of merchandise suspected of being counterfeit trademark or pirated copyrighted goods.

**Simplification and harmonization of procedures**

***i) Obligation to utilize International Patent Classification (Article 170, paragraph 2)***

Both countries agreed to assume obligations to grant the classifications subject to the Strasbourg Agreement and the Nice Agreement to patent applications and trademark applications. (Only Japan has acceded to both Agreements.)

**Strengthening the protection of intellectual property rights**

***i) Possibility of patents of inventions on computer programmes (Article 174)***

“Neither Party shall require the rejection of any application for patent solely on the ground that the subject matter claimed in the application relates to, among other things, a computer programme.”

***ii) Possibility of protection of partial design (Article 175)***

This article stipulates that when there has been a request for a partial design registration, the nature of the registration shall not be judged on the overall design of the goods, but be based on the parts of the design.

**Strengthening Enforcement*****i) Strengthening of border measures (Article 182, paragraphs 1 and 2)***

The Japan-Peru EPA states that the customs authorities can halt the release at the border of merchandise suspected of being counterfeit trademark or pirated copyrighted goods that are about to be imported or exported, based on the declaration by the right holder or the customs authorities. Furthermore, should a border measure be taken, the name and address of the consigner, consignee, importer and exporter will be reported to the right holder, depending on the case.

***ii) Internet Service Providers (ISPs) (Article 185, paragraphs 1 and 2)***

This article provides the creation of a legal framework which limits the liability of ISPs in order to encourage ISPs to remove content that infringes upon copyrights or related rights. Furthermore, this article also places obligations on both Japan and Peru to implement measures to enable the holder of copyrights and related rights to promptly obtain from ISPs information that will specify those suspected of infringing, provided that there are valid reasons.

***(13) Japan-Australia EPA***

This EPA includes a separate chapter on intellectual property, consisting of 21 articles, from Article 16.1 to Article 16.21. It stipulates the securing of sufficient, effective and non-discriminate protection of intellectual property and the adoption of simplified procedures related to rights acquisition. The EPA provides for intellectual property protection that exceeds the level of the TRIPS Agreement -- including the possibility of protection of three-dimensional trademarks and suspension of export of goods infringing trademarks, copyrights, or other relevant rights, etc. by the customs authorities upon their own initiative. It also provides for the establishment of a "Sub-Committee on Intellectual Property" as a consultation mechanism.

**Simplification and enhanced transparency of procedures (Article 166)**

The following provisions are incorporated in the Japan-Australia EPA to further promote transparency in the administration of the intellectual property protection system:

- (i) Each Party shall take appropriate measures to publish information on applications for and the grant of patents, registrations of industrial designs, registrations of trademarks and applications therefor, and registrations of new varieties of plants and applications therefor.
- (ii) Each Party shall make available to the public information on applications for the suspension by the competent authorities of the release of the products infringing intellectual property rights as a border measure.
- (iii) Each Party shall make available to the public information on its efforts to ensure effective enforcement of intellectual property rights and other information with regard to its intellectual property protection system.

**Strengthening the protection of intellectual property rights*****i) Protection of three-dimensional trademarks (Article 169)***

The EPA provides that not only two-dimensional shapes such as characters and images but also three-dimensional shapes can be registered.

**ii) *Promotion of business of the collective management organization of copyrights and related rights (Article 169)***

The EPA provides that, with respect to business of the collective management organization of copyrights and related rights, transparency and fairness, etc. shall be secured in the collection/distribution of royalties and the recording of the collection/distribution shall be recommended.

**Strengthening Enforcement**

**i) *Strengthening of border measures (Article 16.18)***

The EPA states that the customs authorities can halt the release at the border of goods suspected of infringing trademarks, copyrights, or other relevant rights that are about to be imported or exported. Furthermore, should a border measure be taken, the name and address of the consigner, consignee, importer and exporter will be reported to the right holder, depending on the case.

**ii) *Internet Service Providers (ISPs) (Article 16.16)***

This article provides the creation of measures that limit the liability of ISPs, in order to encourage ISPs to remove content that infringes upon copyrights or related rights.

**(14) *Japan-Mongolia EPA***

This Agreement includes a separate chapter on intellectual property, consisting of 19 articles, from Article 12.1 to Article 12.19. It stipulates the securing of adequate, effective and non-discriminatory protection of intellectual property and the adoption of simplified procedures related to rights acquisition. It provides for intellectual property protection that exceeds the level of the TRIPS Agreement - ensuring the system for divisional patent applications, the possibility of protection of partial designs and well-known trademarks of foreign parties, and suspension of import of goods infringing trademarks, copyrights and/or other relevant rights by customs authorities upon their own initiative. It also provides for the establishment of a “Sub-Committee on Intellectual Property” as a consultation mechanism. However, as of January 2016, it has not yet taken effect.

**Simplification and enhanced transparency of procedures (Articles 12.4 and 12.5)**

The following provisions are incorporated in the Japan-Mongolia EPA to promote efficiency and transparency in the administration of the intellectual property protection system:

- (i) Neither Party shall require the authentication of signatures, etc. in the course of application procedure on patents, utility models, industrial designs or trademarks.
- (ii) Each Party shall take appropriate measures to publish information on applications for and the grant of patents, registrations of industrial designs, registrations of trademarks and applications therefor.
- (iii) Each Party shall take appropriate measures to make available to the public other information with respect to its intellectual property system.

**Strengthening the protection of intellectual property rights**

**i) *System for patent divisional applications (Article 12.7)***

Each Party shall ensure that an applicant may, on its own initiative, divide a patent application



containing more than one invention into a certain number of divisional patent applications.

***ii) Possibility of protection of partial design (Article 12.8)***

Each Party shall provide adequate and effective protection of industrial designs of an article as a whole, and, where appropriate, of a part thereof.

***iii) Protection for well-known trademarks of foreign parties (Article 12.9)***

Each Party shall refuse or cancel the registration of a trademark which is well-known in either Party, if an application for registration of that trademark is filed for unfair intentions, etc.

***iv) Protection of undisclosed information (Article 12.13)***

Each Party shall ensure adequate and effective protection of undisclosed information, including not taking measures that limit the duration of protection of the undisclosed information stipulated in private contracts, or measures that force the disclosure of undisclosed information without legitimate reasons.

**Strengthening Enforcement**

***i) Strengthening of border measures (Article 12.14)***

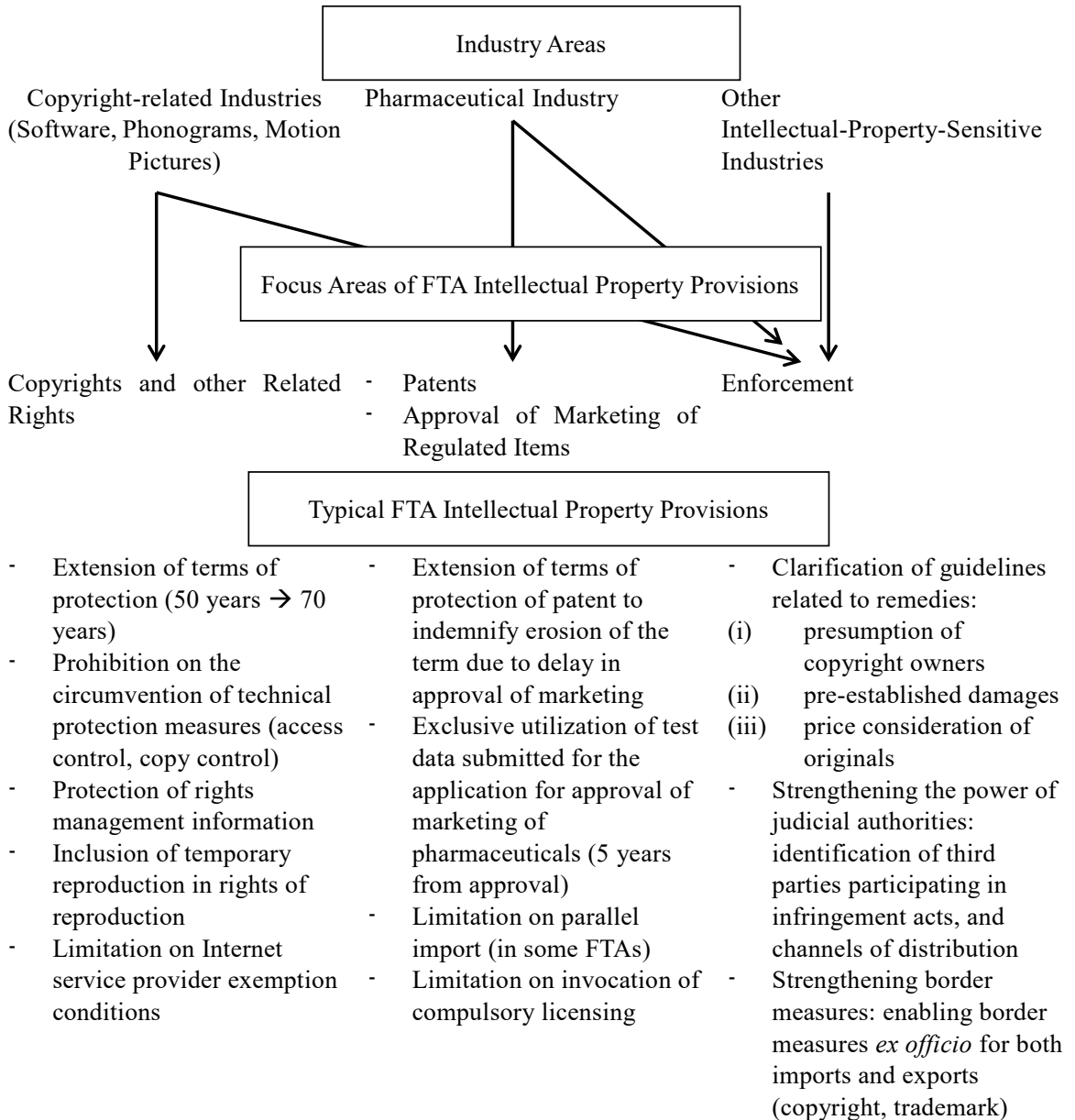
Each Party shall adopt or maintain procedures with respect to import shipments under which its customs authorities may act upon their own initiative to suspend the release of goods suspected of infringing rights to trademarks and/or copyrights and related rights, and shall ensure that the importer and the right holder are promptly notified of the suspension and provided with all the information available about suspected goods.

## ***4. TRENDS OUTSIDE OF JAPAN***

### **1) SUMMARY OF CHAPTERS ON INTELLECTUAL PROPERTY RIGHTS IN FTAS ENTERED INTO BY THE US**

The US strategy for intellectual property rights in FTAs appears to be aimed at ensuring in the counterparty country the protection level set forth under the domestic laws of the US (as illustrated by the Trade Act of 2002). The provisions on intellectual property rights in US FTAs may be put into three categories, as illustrated in Figure III-4-1, which reflect the industrial sectors of the US that are highly competitive and have concerns regarding intellectual property (*i.e.*, copyright-related industries and the pharmaceutical industry).

**Figure III-4-1 Overview of US Strategy for Intellectual Property in FTAs**



Characteristics of bilateral agreements are that they occasionally make mandatory certain items which are optional under the TRIPS Agreement, or introduce new disciplines regarding such items.

The US FTA intellectual property rights provisions actively promote this characteristic. The TRIPS Agreement provides for most-favored-nation (MFN) treatment. With respect to intellectual property rights that are the subject to the TRIPS Agreement, FTA/EPA provisions on intellectual property rights must be applied not only to nationals of the counterparty country to the FTA/EPA, but also to the nationals of all other WTO Members. However, with respect to intellectual property rights that are not the subject of the TRIPS Agreement and rights that are definitively specified as being an exception to MFN, the MFN treatment shall not be applied to them. Below are specific examples of provisions under FTAs entered into by the US that imply treatment beyond that of the

TRIPS Agreement.

### ***(1) Extension of Term of Protection of Copyright***

Article 7 of the Berne Convention, which is cited in Article 9, paragraph 1 of the TRIPS Agreement, provides for a term of protection of 50 years after the author's death. For the performers and producers of phonograms, Article 14, paragraph 5 of the TRIPS Agreement provides for a term of protection of at least 50 years computed from the calendar year in which the fixation was made or the performance took place. However, the US-Australia FTA provides for 70-year protection on copyrights, performers and producers of phonograms.

### ***(2) Protection of Test Data***

Article 39, paragraph 3 of the TRIPS Agreement states, "Members, when requiring, as a condition of approving the marketing of pharmaceutical or of agricultural chemical products which utilize new chemical entities, the submission of undisclosed test or other data, the origination of which involves a considerable effort, shall protect such data against unfair commercial use." The US FTAs, however, include provisions that are clearer and more specific, such as expressly stating the term of exclusive utilization for the submitted data.

### ***(3) Prohibition on Circumvention of Technical Protection Measures***

In order to prevent copyright infringement, disciplines for prohibiting the circumvention of copy control measures (which technically prevent unauthorized reproduction) and access control measures (which limit the act of watching and listening by means of a code) are introduced in US FTAs.

### ***(4) International Exhaustion***

Article 6 of the TRIPS Agreement provides that for the purpose of dispute settlement, the provisions of the TRIPS Agreement must not be applied to address the issue of international exhaustion (permission of parallel imports), except for the most-favored-nation and national treatment provisions. However, in the US-Australia FTA, for example, provisions to restrict the parallel import of patented pharmaceuticals are set forth.

## **2) SUMMARY OF CHAPTERS ON INTELLECTUAL PROPERTY IN FTAs OF THE EU**

The approach in chapters on intellectual property rights for EU FTAs in the past was different from those for the US. Many of those provisions were simple, focusing on general provisions and obligations to accede to treaties. However, in FTAs that have been signed in recent years, specific and detailed stipulations are being included (*See* FTA with Korea and FTA with Canada). How the EU will proceed with future FTAs is worthy of attention. As discussed in Part III "Overview," the EPA negotiation between Japan and the EU is ongoing.

Many provisions under the FTAs entered into by the EU that impose obligations beyond the scope of the TRIPS Agreement overlap with those of the US FTAs. However, there are some distinguishing provisions as follows.

### ***(1) Protection of Geographical Indications***

Article 22 of the TRIPS Agreement provides protection for geographical indications against “consumer false confusion”. Regarding geographical indications, Article 23 of the same Agreement provides more powerful protection (additional protection) especially for wines and spirits. The FTA entered into by the EU, on the other hand, expanded this and provided additional protection to agricultural products and food products in addition to wines and spirits. Also, in the EU-Korea FTA, the protection for geographical indications covers 162 items in the EU and 64 items in Korea, and the provision also stipulates that the scope of protection can be expanded upon mutual agreement.

### ***(2) Protection of Unregistered Industrial Designs***

Regarding unregistered industrial designs (design), as to which there are no provisions in the TRIPS Agreement, legal measures to prevent such use must be taken.

### ***(3) Expansion of the Scope of Border Measures***

Article 51 of the TRIPS Agreement deals with border measures for goods that infringe trademarks or copyrights. The FTA entered into by the EU expanded the scope of border measures to patent, industrial designs, geographical indications and breeder’s right on new varieties of plants.

## ***5. ECONOMIC ASPECTS AND SIGNIFICANCE***

As mentioned in Section II, Chapter 13, the appropriate protection of intellectual property internationally will serve as a precondition for companies from countries that possess technological capabilities to invest with ease in foreign markets. Even for developing countries which do not possess such technological capabilities, this will provide benefits in the long term, since they can expect economic development through the promotion of smooth technology transfer.

## ***6. MAJOR CASES***

There is no case where Japan has been urged to amend specific laws and regulations or notifications due to EPA obligation provisions regarding intellectual property. This means that, from Japan’s perspective, the intellectual property rights provisions of EPAs function to strengthen the intellectual property systems of counterparty countries. In addition, the dispute settlement procedures under EPAs for the rights and obligations relating to intellectual property may serve as a basis upon which to inquire about the implementation of obligations of the counterparty country. It is believed that when the number of specific cases rises, the practicality of the foregoing could be further ascertained.

## **COLUMN: INTERNATIONAL TREATIES RELATED TO INTELLECTUAL PROPERTY RIGHTS**

### **WORLD INTELLECTUAL PROPERTY ORGANIZATION (WIPO)**

WIPO is a specialized agency of the United Nations dealing with intellectual property rights (*i.e.*, patent rights, industrial design rights, trademark rights, and copyrights). WIPO internationally promotes intellectual property protection by: i) developing treaties which aim to harmonize the systems of the WIPO member states; ii) raising protection levels in developing countries through technology cooperation; and iii) promoting information sharing. WIPO also administers and operates treaties and international registration systems regarding intellectual property rights. WIPO's headquarters are in Geneva, and it currently has 188 member states (as of January 2016).

The treaties administered by WIPO include those listed below; there are EPAs/FTAs which provide the requirement to accede to such treaties. (*See the Agreements mentioned in the Reference.*)

#### **1) Intellectual Property Protection**

- Paris Convention for the Protection of Industrial Property (1883)
- Berne Convention for the Protection of Literary and Artistic Works (1886)
- Madrid Agreement for the Repression of False or Deceptive Indications of Source on Goods (1891)
- International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (Rome Convention) (1961)
- Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms (Phonograms Convention) (1971)
- Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite (Brussels Convention) (1974) (Japan is not a member)
- Nairobi Treaty on the Protection of the Olympic Symbol (1981) (Japan is not a member)
- Treaty on the International Registration of Audiovisual Works (Film Register Treaty) (1989) (Japan is not a member)
- Treaty on Intellectual Property in Respect of Integrated Circuits (1989) (The treaty is still pending) (Japan is not a member)
- Trademark Law Treaty (TLT) (1994)
- WIPO Copyright Treaty (WCT) (1996)
- WIPO Performances and Phonograms Treaty (WPPT) (1996)
- Patent Law Treaty (PLT) (2000)
- Singapore Treaty on the Law of Trademarks (2006)
- Beijing Treaty on Audiovisual Performances (2012) (Not yet effective)
- Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled (tentative title) (2013) \*Not yet effective (Japan is not a member)

#### **2) Global Protection Systems**

- Madrid Agreement Concerning the International Registration of Marks (1891) (Japan is not a member)
- Hague Agreement Concerning the International Registration of Industrial Designs (1925)
- Lisbon Agreement for the Protection of Appellations of Origin and their International Registration (1958) (Japan is not a member)
- Patent Cooperation Treaty (PCT) (1970)
- Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure (1977)
- Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (1989)

### **3) Classification**

- Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks (1957)
- Locarno Agreement Establishing an International Classification for Industrial Designs (1968)
- Strasbourg Agreement Concerning the International Patent Classification (IPC) (1971)
- Vienna Agreement Establishing an International Classification of the Figurative Elements of Marks (1973) (Japan is not a member)

## **COLUMN: THE HISTORY OF THE ACTA (ANTI-COUNTERFEITING TRADE AGREEMENT) AND ITS SIGNIFICANCE**

### **HISTORY**

The Anti-Counterfeiting Trade Agreement (ACTA), a new international legal framework to enforce the exercise of intellectual property rights, was proposed in Japan at the G8 Summit in 2005, and was negotiated by Japan, the US, the EU, Switzerland, Canada, Korea, Mexico, Singapore, Australia, New Zealand, and Morocco. After eleven negotiation meetings, the outline was agreed upon in October, 2010. The ACTA was released for signing on May 1, 2011. In October of same year, a signature ceremony was held in Tokyo, and the agreement was signed by eight countries -- Japan, the US, Canada, Korea, Singapore, Australia, New Zealand, and Morocco. The EU and the EU member states (22 of its 27 member states) in January 2012, and Mexico in July of the same year, signed the agreement in Tokyo. Japan deposited its document of acceptance on October 5, 2012 and became the first signatory country of ACTA. ACTA will enter into force 30 days after the 6th ratification is deposited.

In the EU, however, ACTA was rejected by the European Parliament in July 2012, and since then, none of the countries has taken action to ratify the ACTA. As of February 2016, Japan is the only country that agreed to ACTA. Therefore, the required number of acceptances to put ACTA in force has yet to be achieved.

### **THE BACKGROUND OF THE ACTA: THE GLOBAL PROLIFERATION OF COUNTERFEIT AND PIRATED GOODS AND A NEW INTERNATIONAL APPROACH**

The global proliferation of counterfeit and pirated goods is becoming a direct threat to the safety and health of consumers, due to the circulation of such items as automobile parts with low durability and lithium batteries with a risk of ignition. Furthermore, there is also the possibility that the production and circulation of counterfeit and pirated goods is becoming an easy source of funds for criminal organizations. These problems cannot be addressed sufficiently through domestic or bilateral endeavors, and participation by as many countries as possible is required. Although the TRIPS Agreement provides existing multi-international discipline for intellectual property rights protection, the infringement of intellectual property rights by mainly pirated and counterfeit goods has increased due to the sophistication of methods of intellectual property rights infringement and the development of digital technology that took place in recent years. Therefore, there has been increasing recognition of the necessity of the construction of a more effective legal framework for the enforcement on intellectual property rights. As a result, at the G8 Gleneagles Summit in 2005, Japan advocated the necessity for the formulation of legal frameworks for the prevention of counterfeit and pirated goods. Afterward, the negotiations on the ACTA as a Japan-US joint initiative commenced.

### **THE CONTENT OF THE ACTA**

The ACTA has further developed the framework for enforcement contained in the TRIPS Agreement, and provides for civil enforcement, border measures, criminal enforcement and intellectual property rights enforcement in the digital environment. For example, under “Border Measures”, while the TRIPS Agreement only mentioned port checks as a discretionary provision, the ACTA makes the procedures for the customs authorities to halt the release of products suspected of infringement using their official powers mandatory, with regard to the import and export of merchandise suspected of being counterfeited trademarks or pirated copyrighted goods. Furthermore, the ACTA does not only stop with the construction of an effective legal framework, but also contains provisions for the strengthening of execution capabilities of counterparty countries and international cooperation between counterparty countries.

### **SIGNIFICANCE OF THE ACTA**

The significance of the ACTA lies firstly in the strengthening of the legal framework concerning intellectual property protection of the counterparty countries. Secondly, the strengthening of enforcement structures and the improvement of their quality through cooperation between counterparty countries, such as the establishment of committees for harmonizing views between counterparty countries and the sharing of best practices, can also be expected. Thirdly, the ACTA is expected to assume a role in the strengthening of international intellectual property rights enforcement, beyond the boundaries of ACTA signatory countries, by having the content of the ACTA become a new standard model for international discipline, and having it incorporated into various international agreements such as EPAs/FTAs. As the only ACTA signatory country now, Japan should foster better understanding of the contents of the ACTA among non-counterparty countries and make use of the ACTA as the foundation for strengthening rules for enforcement of intellectual property rights, through various avenues, such as bilateral and multilateral discussions.