Published on *The National Law Review* https://natlawreview.com

What's New in the TPP's Intellectual Property Chapter

Article By:

Gina M. Vetere

Martin Hansen

Marney Cheek

Jay T. Smith

One of the primary U.S. trade negotiating objectives, as set forth in TPA, is "to further promote adequate and effective protection of intellectual property [IP] rights." Free trade agreements (FTAs) to which the United States is a party therefore traditionally include robust IP protection and enforcement obligations. The final text of the TPP's chapter remains broadly consistent with other U.S. trade agreements. However, the chapter does include some new, different, and in some cases controversial obligations and limitations.

Pursuant to Article 1.2 (Relation to Other Agreements), TPP obligations are to "coexist" with "existing agreements." Because the United States already has FTAs in place with six of the other eleven TPP countries – Australia, Canada, Chile, Mexico, Peru, and Singapore – it is important to read the TPP's IP chapter in light of the IP chapters in these prior agreements when seeking to evaluate the scope of IP commitments between these countries and the United States. In addition, the TPP IP chapter includes four country-specific annexes (related to obligations for Chile, Malaysia, New Zealand, and Peru), two annexes clarifying obligations related to Internet Service Providers, and thirteen separate between the United States and other negotiating partners. The IP chapter also sets out transition periods for a number of countries to comply with certain IP obligations.

In general, TPP clarifies and in some cases strengthens protections for brand owners. TPP provides broad trademark protections, including for sounds, collective marks, and certification marks, as well as specific procedural protections for trademark owners. In addition, TPP requires Parties to provide for "appropriate measures" to refuse or cancel trademark registrations if the use of that trademark is likely to cause confusion with an identical or similar well-known trademark.

With respect to domain names, TPP goes beyond previous U.S. FTAs by: providing greater specificity on the elements of an appropriate procedure to settle disputes; requiring that TPP members provide online public access to databases concerning domain-name registrants, consistent with "relevant administrator policies regarding protection of privacy and personal data"; and requiring "appropriate remedies," at least in cases of cybersquatting with a bad faith intent to profit.

TPP also includes extensive provisions to improve the current level of protections for the use of common food names and to discourage the registration of inappropriate geographical indications designations. There also are a number of side letters with countries that may be considering new commitments related to geographical indications in other trade agreements.

TPP affirms long-standing international obligations to grant patents in all fields of technology for inventions that are "new," involve "an inventive step," and are "capable of industrial application." Subject to certain exceptions, TPP clarifies that Parties must also make patents available for "at least one of . . . new uses of a known product, new methods of using a known product, or new processes of using a known product."

TPP also requires the Parties to provide for patent term adjustment to compensate for "unreasonable delays" in a Party's issuance of patents. "Unreasonable delay" is defined to "at least" include more than five years from patent application filing in the territory of the Party or three years from a request for examination of the application, whichever is later. As a point of comparison to other U.S. trade agreements, the TPP rule is consistent with the U.S.-Chile FTA, while the U.S.-Australia FTA defined "unreasonable delay" as a delay in grant of four years after filing or two years from the request for examination.

With respect to pharmaceuticals, the Agreement requires that undisclosed test or other data submitted for marketing approval of a new pharmaceutical product shall be protected for "at least five years" from the date of such approval "in the territory of the Party." A "new pharmaceutical product" is defined as "a pharmaceutical product that does not contain a chemical entity that has been previously approved in that Party".

TPP is also the first U.S. trade agreement to include an explicit reference to protection for biologics. In particular, the Agreement provides that a Party provide "at least eight years" of protection "from the date of first marketing approval of that product in that Party" or for a period of "at least five years from the date of first marketing approval of that product in that Party", and "through other measures", to "deliver a comparable outcome in the market." These provisions have been as falling short of the TPA requirement that IP provisions in U.S. trade agreements reflect a "standard or protection similar to that found in United States law."

With respect to agricultural chemical products, ten years of protection is provided. A "new agricultural chemical product" is defined as "one that contains a chemical entity that has not been previously approved in the territory of the Party for use in an agricultural chemical product."

TPP requires that Parties provide a minimum term of protection for copyrighted works of life-plus-70-years, with caveats for New Zealand (which is provided an eight year transition period with certain exceptions) and Japan (pursuant to its side letter with the United States). While this 70-year term is consistent with some of the United States' more recent FTAs, it goes beyond other international agreements, including NAFTA. TPP also mandates that Parties adopt or maintain laws requiring central governments to use only non-infringing software.

As in previous agreements, TPP affirms the internationally-recognized "3-step test" for copyright exceptions and limitations. The TPP also includes a provision, based on a , stating that the Parties "shall endeavor to achieve an appropriate balance" in copyright, "giving due consideration to legitimate purposes such as, but not limited to: criticism; comment; news reporting; teaching, scholarship, research, and other similar purposes". TPP further explains that "[f]or greater certainty, a use that has commercial aspects may in appropriate circumstances be considered to have a legitimate purpose."

Consistent with prior U.S. FTAs, the TPP's provisions on technological protection measures

(TPMs) require TPP members to provide measures that prevent circumvention of TPMs while permitting exceptions in order to enable non-infringing uses. In addition, similar to prior U.S. trade agreements and consistent with the U.S. Copyright Act, TPP includes detailed provisions related to limitations on Internet Service Provider (ISP) liability while also seeking to address online copyright infringements effectively. TPP expressly provides that eligibility for these liability limitations "shall not be conditioned on the [ISP] monitoring its service or affirmatively seeking facts" of infringement. Several annexes relating to these provisions, however, provide certain clarifications relating to the application of the TPP rules in certain countries.

TPP provides the most robust trade secret protections of any U.S. FTA, including by providing protections against unauthorized disclosures to or by "state-owned enterprises." It is also the first such agreement to require criminal penalties for trade secret theft, including cyber-theft. However, the Agreement also allows Parties significant latitude to impose limitations on the availability of such remedies.

Building upon the IP enforcement commitments in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and later agreements, TPP requires member countries to provide a range of IP enforcement mechanisms, including civil and administrative procedures and remedies, provisional measures, border measures, and criminal procedures and penalties. Obligations of note include:

: TPP permits seizure not only of infringing products but also of "assets derived from, or obtained through, the alleged infringing activity".

: TPP requires parties to provide pre-established and/or "additional" damages" for copyright infringements and trademark counterfeiting. This commitment goes beyond some of the United States' older trade agreements, including NAFTA, and TRIPS.

TPP Parties are required to allow the initiation of border measures with respect to suspected

counterfeit trademark or confusingly similar trademark or pirated copyright goods that are imported, destined for export, or in transit. In the alternative, with respect to goods in transit, the Agreement provides that Parties shall "endeavour to provide" … available information regarding goods "transhipped through its territory and destined for the territory of the other Party, to inform that other Party's efforts to identify suspect goods upon arrival in its territory."

: TPP is also the first U.S. FTA to clarify that most of these enforcement measures (except for border measures) are available "in the digital environment."

: TPP makes criminal penalties mandatory for infringements that are done "willfully and for purposes of commercial advantage or financial gain." TPP is also only the second U.S. FTA to include obligations related to unauthorized camcording in theaters, by requiring that "each Party shall adopt or maintain measures, which shall at a minimum include, but need not be limited to, appropriate criminal procedures and penalties." Similar to other U.S. FTAs, TPP requires criminal and civil penalties against the interception of encrypted program-carrying satellite signals, as well as against the manufacture or distribution of equipment for that purpose. TPP goes beyond existing FTAs with TPP parties by also providing for criminal or civil penalties against the interception of encrypted program-carrying cable signals, as well as against the manufacture or distribution of equipment for that purpose.

National Law Review, Volume V, Number 328