Preface

Intellectual capital is the most valuable asset of many companies and economies today and will be the driving force behind future economic growth. Intellectual property is the subject of important trade and political interests, and is an area that all business leaders and decision makers need to understand. The purpose of this publication - updated every year by a team of ICC experts - is to give readers a deeper understanding of the pertinent issues in intellectual property today. The intellectual property system is evolving to address the growing needs of an economy increasingly based on conceptual products and global networks, while having to respond to societal concerns in different areas. Many of the issues being discussed today reflect this on-going debate.

A new phenomenon highlighted in the 2008 edition is the emergence - especially in the United States - of innovative trading and securitization mechanisms for intellectual property rights, such as IP auctions and security exchanges. This can be expected to enhance innovation and the financing of product development by allowing intellectual property rightholders to put their property on the market for valuation and trading. This year's roadmap also introduces an important concern for companies, the protection of the confidentiality of professional intellectual property advice in legal proceedings. The divergence of rules in different countries in this area is problematic for many companies and ICC will closely follow initiatives to work towards more harmonization in this field. The growing economic importance of sporting activities in many countries, and the role of intellectual property in this development, are also discussed for the first time in this edition. In addition, the section on domain names has been significantly updated and expanded to reflect fast moving developments in this new and increasingly important area.

Dealing with intellectual property disputes and infringement is often a challenge. Arbitration and mediation in intellectual property–related disputes, and the problems related to counterfeiting and piracy - areas in which ICC is particularly active - continue to be highlighted in this year's roadmap and are complemented in the 2008 edition by an update on the discussions on an EU patent litigation jurisdiction, an initiative closely watched by business.

As countries all over the world come to terms with the fact that ideas are driving modern economies like never before, many of them are making it a priority to create a suitable intellectual property environment. Responding to the increasing interest worldwide for information on critical IP issues, the roadmap has been translated into an increasing number of languages over the years. Last year's edition was translated into Chinese, Arabic, Spanish and Portuguese which we hope has made the roadmap accessible to more readers in all regions.
We hope that you find this publication useful and welcome any feedback and suggestions you might have.

We would like to thank the key contributors to the 2008 update of this report, as well as the many ICC members and national committees from different regions who contributed their valuable comments and ideas.

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This is the ninth edition of “Current and Emerging Intellectual Property Issues for Business: A Roadmap for Business and Policy Makers”, which was first issued in 2000. It draws upon existing ICC positions and is not intended to create new ICC policy. This publication can also be accessed on the ICC website at www.iccwbo.org/iproadmap in English and other languages. ICC policy papers cited can be accessed at www.iccwbo.org/policy/ipcommission.
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List of links

Direct links are available in the electronic version of this document to the following documents:

Automatic Content Access Protocol (ACAP)
http://www.the-acap.org

Berne Convention for the Protection of Literary and Artistic Works

Convention on Biological Diversity
http://www.biodiv.org/convention/default.shtml

EC Database Directive
http://europa.eu.int/comm/internal_market/copyright/prot-databases/prot-databases_en.htm

EU Commission Consultation on the Future Patent Policy in Europe
http://europa.eu.int/comm/internal_market/indprop/patent/consultation_en.htm

EU Office for Harmonization of the Internal Market (OHIM)
http://oami.europa.eu/

European Patent Convention

European Patent Litigation Agreement (EPLA)

Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of Their Phonograms
http://www.wipo.int/treaties/en/ip/phonograms/trtdocs_wo023.html

Hague Agreement Concerning the International Deposit of Industrial Designs
http://www.wipo.int/treaties/en/registration/hague/

Hague Convention on Choice of Court Agreements

ICANN Guidelines for the Implementation of Internationalized Domain Names
http://www.icann.org/general/idn-guidelines-20jun03.htm

ICC ADR Rules
http://www.iccwbo.org/court/arbitration/id4199/index.html

ICC Centre for Expertise
http://www.iccwbo.org/court/expertise/id4595/index.html

ICC Commission on Intellectual Property
http://www.iccwbo.org/policy/ip/id3060/index.html

ICC International Court of Arbitration Bulletin

A roadmap for business and policy makers (2008)
International Court of Arbitration
http://www.iccwbo.org/court/arbitration/

International Treaty on Plant Genetic Resources for Food and Agriculture (PGRFA)

Lisbon Agreement for the Protection of Appellations of Origin and International Registration
http://www.wipo.int/lisbon/en/legal_texts/lisbon_agreement.htm

Locarno Agreement Establishing an International Classification for Industrial Designs

London Agreement on the application of Article 65 of the Convention on the Grant of European Patents
(Translation requirements)
http://www.epo.org/topics/issues/london-agreement/implementing.html

Madrid Agreement Concerning the International Registration of Marks and its Protocol

Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the
Registration of Marks

Paris Convention for the Protection of Industrial Property

Patent Cooperation Treaty

Patent Law Treaty
http://www.wipo.int/treaties/en/ip/plt/

Rome Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations

Singapore Treaty on the Law of trademarks

Trademark Law Treaty

TRIPS (WTO Agreement on Trade Related Aspects of Intellectual Property Rights)
http://www.wto.org/english/tratop_e/trips_e/trips_e.htm

- 30 August 2003 Decision concerning implementation of paragraph 6 of the Doha Declaration
  http://www.wto.org/english/tratop_e/trips_e/implem_para6_e.htm

- 6 December 2005 Decision to amend the TRIPS Agreement:
  http://www.wto.org/english/tratop_e/trips_e/wt641_e.htm

Unicode standard
http://www.unicode.org/

WHO Commission on Intellectual Property Rights, Innovation and Public Health, CIPIH
http://www.who.int/intellectualproperty/en/

- CIPIH final report
WIPO Copyright Treaty

WIPO Second Internet Domain Name Process: Final report

WIPO Performances and Phonograms Treaty
http://www.wipo.int/treaties/en/ip/wppt/

WIPO Recommendation on Provisions on the Protection of Well-Known Marks

http://www.wipo.int/amc/en/domains/reports/newgtld-ip/

**ICC discussion papers and policy statements**

"Access and benefit sharing for genetic resources" - 29 October 2004:

"Access and benefit sharing: Special disclosure requirements in patent applications” – 25 May 2005

“European Community Patent Regulation” – 7 October 2003
http://www.iccwbo.org/id544/index.html

“Further Views on Cross Border Compulsory Licensing” – 21 November 2002

“Further views on geographical indications” – 25 June 2003
http://www.iccwbo.org/id546/index.html

“Intellectual property and medical innovation” - 28 September 2007

“Initial Views on the post-Doha Agenda of the Council for TRIPS” – 24 June 2002
http://www.iccwbo.org/id508/index.html

"Issues Paper on Internationalized Domain Names" - July 2006

“The Importance of Incremental Innovation for Development” – 27 May 2005
http://www.iccwbo.org/uploadedFiles/ICC/subWHO_CIPHI.pdf

“Making Intellectual Property Work for Developing Countries” – 19 July 2005
“Open Source Software” – 27 October 2005

“Preliminary Views on the Proposal for a Development Agenda for WIPO” – 4 April 2005
http://www.iccwbo.org/home/environment_and_energy/word_documents/Preliminary%20views%20WIPO%20development%20agenda%20proposal4April05%20(2).pdf

“Protecting Traditional Knowledge” – 12 January 2006

“Special disclosure requirements in patent applications” – 25 May 2005

“Recommendations on the implementation of the WIPO Development Agenda” - (29 November 2007)

http://www.iccwbo.org/id418/index.html

“TRIPS should not be re-opened to mandate special disclosure requirements in patent applications” – 19 October 2005
http://www.iccwbo.org/policy/ip/id4818/index.html

“Use of intellectual property registration fees” – 12 September 2002
http://www.iccwbo.org/id524/index.html

**Other ICC documents**

BASCAP
http://www.iccwbo.org/bascap/id1127/index.html

BASIS
http://www.iccwbo.org/basis/id8215/index.html

Panel discussions in WIPO on the role of intellectual property in development
- June 2005: http://www.iccwbo.org/id2930/index.html


IP Toolkit for Chambers of Commerce
http://www.iccwbo.org/policy/ip/toolkit

Privacy Toolkit - November 2003
http://www.iccwbo.org/uploadedFiles/TOOLKIT.pdf
Intellectual property basics

What is intellectual property?

Intellectual property is a creation of the intellect which is owned by an individual or an organization who can then choose to share it freely or to control its use in certain ways. Intellectual property is found almost everywhere – in creative works like books, films, records, music, art and software, and in everyday objects like cars, computers, drugs and varieties of plants, all of which have been developed thanks to advances in science and technology. The distinctive features which help us choose the products we buy, like brand names and designs, can fall within the scope of intellectual property. Even the place of origin of a product can have rights attached to it, as is the case with Champagne and Gorgonzola. Much of what we see and use on the Internet, be it a web page or a domain name, also includes or represents some form of intellectual property.

Why is intellectual property protected and who benefits?

Through a system of intellectual property rights, it is possible not only to ensure that an innovation or creation is attributed to its creator or producer, but also to secure “ownership” of it and benefit commercially as a result. By protecting intellectual property, society acknowledges the benefits it contributes and provides an incentive for people to invest time and resources to foster innovation and expand knowledge.

The intellectual property system is designed to benefit society as a whole, striking a delicate balance to ensure that the needs of both the creator and the user are satisfied. Intellectual property rights usually allow the rightsholder to exercise rights over the use of his/her work for a limited period of time. In return for granting such rights, society benefits in a number of ways.

The intellectual property system contributes to society by:

- Maintaining fair competition and encouraging the production of a wide range of quality goods and services.
- Underpinning economic growth and employment.
- Sustaining innovation and creation.
- Promoting technological and cultural advances and expression.
- Enriching the pool of public knowledge and culture.

Where suitable or sufficient intellectual property rights are not available, or are difficult to enforce, innovators and innovative enterprises may need to rely to a greater extent on other means to protect themselves from unfair competition, such as through trade secrets, contractual agreements, or technical means of preventing copying. Such means can be less effective in promoting the goals set out above.
How is intellectual property protected?

In general, intellectual property is protected by giving the creator of a work or an inventor exclusive rights to commercially exploit his creation or invention for a limited period of time. These rights can also be sold, licensed or otherwise disposed of by the rightholder.

知识产权如何得到保护？

一般而言，知识产权通过给予创作者作品或发明家独家权利来实现商业开发，这些权利在一定期限内受到保护。这些权利也可以由权利人出售、许可或以其他方式转让。

知识产权受到国家或地区的法律保护。此外，各种国际知识产权协议通过协调法律和程序，或允许在多个国家同时注册知识产权。不同类型的知识产权——文学和艺术创作、发明、品牌名称和设计，等等——以不同的方式得到保护：

- 文学和艺术领域的原创作品，如书籍、绘画、音乐、电影和记录，以及软件，通常通过版权或所谓的与之相关的权利得到保护；
- 技术性发明通常受专利保护；
- 用于区分产品或服务的独特特征——如文字、符号、气味、声音、颜色和形状——可以受商标权保护；
- 特定的外观设计，如家具、汽车部件、餐具、珠宝，可以享受设计保护；
- 地理性指示和商业机密也是知识产权的类型，大多数国家提供某种形式的法律保护；
- 防止不公平竞争的规则在商业世界中也帮助保护商业机密和知识产权的其他类型；
- 在某些国家，为植物品种等提供特定法律保护。这种保护有助于推动各种业务的多样化。

同一产品也可以同时受到多种知识产权的保护，例如在不同国家。

Copyright

Copyright exists to encourage the production of original artistic, literary and musical creations from books and paintings to movies, recordings and software. The copyright system rewards artistic expression by allowing the creator to benefit commercially from his work. In addition to granting economic rights, copyright also bestows “moral” rights which allow the creator to claim authorship and prevent mutilation or deformation of his work that might harm his reputation.

版权

版权旨在鼓励对文学、艺术和音乐作品的原创创作，从书籍和绘画到电影、录音和软件。版权系统通过允许创作者从其作品中获得经济利益来奖励艺术表达。除了授予经济权利外，版权还授予“道德”权利，允许创作者声明作者身份，并防止损害其声誉的篡改或变形。

To qualify for copyright protection, the work has to be an original creation and expressed in a certain fixed form. Copyright is automatically vested in the author once the work is created, though a few countries maintain registration systems which provide additional benefits. It can then be licensed or assigned, often to a publisher or a producer. Copyright protection gives an author exclusive rights of a certain duration, generally from the time of creation of the work until fifty or seventy years after the author’s death.

为了获得版权保护，该作品必须是原创且以特定固定形式表达。一旦作品创建，版权自动归于作者，尽管一些国家维护登记系统，提供额外好处。它随后可以被许可或转让，通常给出版商或生产者。版权保护给作者在一定期间内授予排他性权利，通常从作品创作时间起至作者去世后五十或七十周年。

A roadmap for business and policy makers (2008)
Copyright law allows the copyright holder to control certain uses of his work. These uses, which the author can authorize or prohibit, typically include reproducing, distributing, renting, recording, communication to the public, broadcasting, and translating or adapting the work. In some countries, the author does not have the right to prevent certain uses of works but still has a right to be remunerated for its use. In every country, exceptions exist that allow the public to make certain uses of works without either remunerating or obtaining the authorization of the author. An example of this could be the use of limited quotations for illustration or teaching.

Most countries provide similar protection for phonogram producers, performers and broadcasters. In some countries, performers, producers and broadcasters of copyrighted works are protected by copyright just like authors; in other countries, they are instead protected by neighbouring or related rights. Copyright has become increasingly important with the development of digital technology and the Internet, where it is a major form of intellectual property protection for content distributed on-line and where it faces difficult enforcement issues.

Several international agreements on copyright protection and related rights exist. These include the Berne Convention for the Protection of Literary and Artistic Works (1886), the Rome Convention for the Protection of Performers, Producers of Phonograms, and Broadcasting Organizations (1961), the Geneva Convention for the Protection of Producers of Phonograms against Unauthorized Duplication of their Phonograms (1971), the WIPO Copyright Treaty (1996), and the WIPO Performances and Phonograms Treaty (1996). The last two address the protection of authors’ rights in the digital world. The World Trade Organization (WTO) Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS)(1994) is the first multilateral trade-related intellectual property agreement. It covers most types of intellectual property and includes copyright and related rights.

**Patents**

A patent gives the inventor the right, for a specified period of time, to prevent others from using, making, selling, offering for sale, or importing his invention without his authorization. In return, the inventor must disclose the details of his invention in a patent document that is made publicly available. In this way, patents represent a social contract between society as a whole and inventors. An innovation which the inventor prefers to keep secret is known as know-how or a trade secret. These are protected under different rules.

In most countries, patent protection lasts for 20 years counted from the filing date and is issued by national or regional government patent offices, to which the inventor has to submit an application.

In order to be granted the patent, the invention must fulfill three conditions:

- It must be new – it should never have been published or publicly used before;
- It should be capable of industrial application – it must be something that can be industrially manufactured or used;
- It must be "non-obvious" – it should not be an invention that would have occurred to any skilled person in the relevant field.
Patent systems have been adopted by many countries over the years because:

- They encourage the disclosure of information to the public, increasing the public's access to technical and scientific knowledge. Without the assurance of a patent, an individual or corporate inventor may choose to keep the details of an invention secret;
- They provide an incentive and reward for innovation and investment in R&D and future inventions;
- The limited duration of a patent encourages the rapid commercialization of inventions, so that the public receives a tangible benefit from the invention sooner rather than later;
- By encouraging the publication of details of inventions, patents help avoid duplication of research and stimulate further research, innovation and competition;
- Patents are perceived as a sound intellectual property title, granted after a rigorous examination process.

Several international agreements on patent protection exist. For substantive issues, the most important are the Paris Convention for the Protection of Industrial Property (1883) and the WTO Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) (1994), while the main patent treaties for procedural issues are the Patent Cooperation Treaty (1970) and the Patent Law Treaty (2000). The European Patent Convention (1973) sets out rules for obtaining European Patents which, when granted, split up into national patents in the designated countries. A revised version of the Convention (EPC 2000) and Implementation Regulations came into force on 13 December 2007.

**Trademarks**

Trademarks allow consumers and businesses to differentiate between goods and services from different producers, and to select products by manufacturers whose reputation they trust.

For manufacturers or service providers who have invested the time, effort and money to build up a good brand image, trademarks are a way to prevent others from unfairly taking advantage of their reputation. This ensures fair competition between competitors in the marketplace and encourages producers to invest in the quality and reputation of their products or services.

Trademark protection can apply to brands, names, signs, symbols, and even colours, smells, sounds and shapes. In short, almost any distinctive feature attached to a product or service which distinguishes it from another can be protected as a trademark.

In most countries, a trademark has to be registered in a national or regional government trademark office for use with specific goods or services to be protected. A trademark holder can prevent others from using his trademark or a similar mark for the same or similar goods or services, if doing so is likely to cause confusion in the minds of the public. In many countries, famous or well-known trademarks also enjoy protection against uses that are considered to disparage, dilute or take unfair advantage of the reputation of the famous mark.

Almost all businesses, large and small, rely on trademarks. Trademark protection is used more than any other form of intellectual property, and in developing as well as developed economies. Trademarks serve to guarantee origin to local consumers, and readily searchable trademark registers allow businesses to avoid selecting new marks which could be confused with existing ones.
Increasingly trademarks are now also used as domain names on the Internet. Problems relating to the coexistence of the domain name and the trademark systems are still being addressed; abusive registrations of others’ trademarks as domain names are dealt with through on-line dispute resolution procedures based on the policy initially set out by ICANN (Internet Corporation for Assigned Names and Numbers).

Several international agreements on trademark protection exist. For substantive issues, the most important are the Paris Convention for the Protection of Industrial Property (1883), the Trademark Law Treaty (1994), and the TRIPS agreement (1994). The Singapore Treaty on the Law of Trademarks was adopted on March 28, 2006. For procedural issues, the main treaties are the Madrid Agreement concerning the International Registration of Marks (1891) and its Protocol (1989), and the Nice Agreement concerning the International Classification of Goods and Services for the Purpose of Registration of Marks (1957). In Europe, Regulation no 40/94 on the Community Trade Mark (CTM) allows a trademark holder to obtain a single trademark registration covering the 27 European Union Member States. The link made on October 1, 2004 between the CTM and the Madrid Protocol provides trademark owners with greater flexibility for obtaining international trademark protection.

**Designs**

Design rights protect new and original visual aspects of a product or its packaging. Requirements for protection typically borrow concepts from both patent law (novelty) and copyright law (originality). The design eligible for protection must display aesthetic features and must not be predated by a known overall identical or similar design. Designs can be expressed in two-dimensional (drawing) or three-dimensional (model) formats. Designs contribute significantly to the marketability of goods and are crucial assets in several industries, for instance textiles, fashion, automobiles and furnishing and decoration.

The regime for design protection differs from one country to another, although harmonization has been achieved within the European Union, leading to the introduction of Community design rights effective in all 27 EU Member States. In most countries, design protection is subject to registration, although there is a trend to extend protection for a short term to unregistered designs, e.g. for 3 years in the EU. Registered designs can generally benefit from protection for 25 years.

The owner of a protected design may prohibit the making, selling, importing or exporting of products incorporating or applying the design. Depending on the countries, the owner may concurrently avail himself of the protection of copyright, trademark, and patent law. Design protection is an area which has benefited lately from significant and promising harmonization. The Hague Agreement (1925) concerning the international deposit of industrial designs, as amended by the WIPO Geneva Act allows centralized design application filing for protection in the various countries party to the Agreement (which includes the EU). For procedural issues, the classification of goods is governed by the Locarno Agreement (1968).
Trade secrets

Trade secrets encompass various types of business information, whether technical, commercial, financial, which is not known or readily ascertainable by the relevant public and which gives a business a competitive edge (for instance, manufacturing processes, techniques and know-how, customers’ lists and profiles, distribution methods, financial information, ingredients, etc.). In general, information is eligible for trade secret protection if it is identified, substantial and secret, as reflected in Article 39 of TRIPS.

Trade secret protection is afforded without registration and can last without limitation in time, generally so long as confidentiality is maintained. When the trade secret is patentable know-how, the scope of legal protection respectively granted by patent law and trade secret status has to be carefully compared before deciding whether to patent the invention or to keep it secret. This decision will also depend on the kind of know-how involved, its contemplated use, the term of the expected competitive lead and the capability to ensure secrecy in the long run. A distinctive feature of a trade secret is the impossibility of erasing or overriding the effective transfer of knowledge once disclosed. This is why, when transferring a trade secret, its holder usually pays great attention to confidentiality provisions and to the efficiency of interim court injunctions that can be obtained locally to prevent unauthorized dissemination.

Businesses, having become more aware of the value of trade secrets, confidentiality and non-disclosure agreements, and non-compete agreements in employment contracts, now use them widely in the course of business dealings as well as in the context of employment relationships in an attempt to limit unwanted leaks and uses of valuable business information. However, trade secret protection remains weak in many countries, due partly to the lack of specific protective legislation and partly to the lack of awareness by the judiciary and other administrative bodies. Sanctions against procurement, use or disclosure of a trade secret, through application of the laws on unfair competition or practices - a branch of tort law – are also provided by Article 39 of TRIPS. Violation of a confidentiality undertaking can also be treated as a breach of contract. In limited cases, misappropriation of trade secrets can be a criminal offence such as theft or business espionage.

Communication of know-how as such, or as part of mixed patent and know-how licence agreements, is a well-known way of exploiting trade secrets of a technical nature, which are now less hindered by national restrictions affecting crossborder transfer of know-how.
Developments having an impact on intellectual property protection

Important economic, social, political and technological developments over the past few years have had a fundamental impact on how intellectual property is created, exploited and used. Existing systems of intellectual property protection are adapting to accommodate these changes, as they have since their inception. Businesses reliant on the exploitation of intellectual property assets must, to remain competitive, ensure that the means available to them to protect their intellectual property are still effective in this evolving environment.

This introduction describes the main forces changing the intellectual property landscape today and their possible impact on the creation and exploitation of intellectual property. Among these are:

1. The globalization of the economy;
2. The development of new technologies;
3. The spread of Internet connectivity and broadband penetration;
4. The growth in economic importance of non-technological business innovations and resources not protected by existing intellectual property regimes;
5. The politicization of intellectual property issues;
6. Changes in the ways businesses operate.

1. The globalization of the economy

The increasingly international scale on which businesses operate and trade is sometimes at odds with the traditionally territorial nature of most legislation, including that governing intellectual property rights. This tendency is exacerbated by the development of electronic commerce which allows more companies to operate internationally; this may raise questions concerning the applicable law and jurisdiction with respect to intellectual property transactions and infringements. Furthermore, the global nature of commerce has added challenges to registering (in the case of registered rights) and to enforcing intellectual property rights in every country where goods that are the subject of intellectual property rights may be manufactured and widely sold without the permission of the owners of those rights. This is equally true for globally active service companies such as insurance, banks and transportation companies.

These factors underpin and continue to support the rationale for harmonizing intellectual property norms internationally. Harmonization through treaties dates from the Paris Convention (1883) through to the WTO TRIPS agreement - which linked intellectual property rights to the international trading system and its sanctions mechanism – and more recently the 1996 WIPO Internet Treaties. The desire to accelerate the harmonization process as part of the growth of international trade has led to other forms of norm-setting which have become important forces for harmonization. Bilateral free trade agreements, actively pursued by the US, and to a lesser extent the EU, often contain intellectual property standards higher than the minimum standards set by TRIPS. So-called soft law instruments, such as guidelines or recommendations, can be used to define new norms which can then be made binding through integration into treaties, adoption into national law or by reference in bilateral trade agreements.
As businesses operate in more countries (or on the Internet), control over the distribution of their products in different markets becomes an increasingly important issue. The subject of exhaustion of rights has been a frequent focus of debate. How exhaustion of rights is applied determines whether the holder of an intellectual property right can control the distribution regionally or internationally of (genuine) goods which have been put on a national market by the holder or with his consent. Typically, national laws provide that the intellectual property owner loses the right to control the sale or disposal of a particular product covered by their rights, following the first sale of that product by the owner or other authorized party. In some instances, parallel importation rules operate as an exception to such doctrine. These generally provide that certain products cannot be sold in a particular territory without the authorization of the IP owner, regardless of whether the goods have already entered the market in another territory.

The great majority of ICC members believe that, in the absence of a true single global market, a regime of international exhaustion would on balance be more harmful than beneficial to international trade and investment, and to innovation. Businesses have a legitimate interest – for reasons relating to commercial strategy, quality control, brand reputation, safety, etc. – in controlling the distribution of their goods across different markets to ensure that products tailored for one market are not sold in another. There are also arguments that consumers would not be better off in terms of availability or prices of goods under a regime of international exhaustion.

2. The development of new technologies

The commercial application of new technologies – especially digital and communication technologies and biotechnology – has led not only to the development of new types of products and services, but also to new forms of distribution and methods of infringement. New technologies and business players are emerging so fast in these fields that, unless traditional business, and governmental and other organizations dealing with intellectual property rights take note and respond quickly and accordingly, they will be overtaken by such developments.

Information and telecommunication technologies (ICTs) link a multifaceted and diverse world – the information society. However - while infrastructure and information are its basic building blocks - knowledge, context, content and reflection are indispensable to foster understanding and make communication intelligible. Humans within the information society will thus continue to require encouragement and promotion of innovation and creativity. The intellectual property system lets the market reward the creation, production and dissemination of content, and is a more desirable alternative to state "patronage" or subsidies and the concomitant state influence and risk of censorship.

Furthermore, in the age of ever-evolving technologies, the role of technology itself as a means to protect and foster innovation and creativity has become more pronounced. For example, as a means to make content available in the digital environment, copyright owners have invoked various technical measures to regulate copying and use. Rightholders have also collaborated with consumer electronics, telecommunications and information technology industries to explore technological means to protect copyright content from being exploited without permission of the relevant right holders.
While intellectual property norms are still largely national or regional, ICTs are inherently global. Thus, more than ever, the chain of national intellectual property laws will only be as strong as its weakest link, and the ability to meaningfully enforce rights will be crucial. This will accentuate the need for increased international cooperation. The minimum requirements for copyright protection set out in TRIPS, the Berne Convention and 1996 WIPO Internet Treaties are important components for ensuring consistency and legal certainty in the global digital market. Voluntary codes of conduct, guidelines and contracts may well present a way to supplement national legislation in this endeavour. Many governments are encouraging such voluntary cooperation between content and service providers, as the most effective and appropriate means both to combat online piracy and to promote access to and availability of licensable content. An example, from France, is the Accord pour le développement et la protection des œuvres et programmes culturels sur les nouveaux réseaux (“Olivennes Agreement”), which was supported by a range of IP and ISP stakeholders but has also raised concerns in some quarters. Its recommendations would, among other things, legislate a graduated response regime for repeat online infringements by a user, require the testing of filtering technologies, and create a new French public authority to monitor and enforce implementation.

The on-going revolution in biotechnology offers the promise of significant improvements in quality of life and economic growth in the twenty-first century: in healthcare and medicine, sustainable industrial processes, agriculture, food, and the environment. These advances are made possible by an innovative, enabling set of biotechnologies that are transforming what is known about the world. The realization of this promise, however, depends critically on strong and effective intellectual property rights to stimulate the investment of resources needed to research and develop these innovations, to diffuse the new technologies widely, and to provide a market-oriented framework for the exchange of rights.

The increasing commercial application of new life science technologies, such as biotechnology, leads not only to the development of new types of products and services, but also to new forms of distribution and diffusion of technology and new types of public-private partnerships for achieving societal goals. Business needs to be particularly mindful of the intellectual property policy challenges presented by the growing convergence of biotechnology with information technologies and other new technologies in which information, new tools and new methods are critical to innovation.

The world is witnessing the emergence of a new field of technology called nanotechnology. “The field of nanotechnology” is essentially a catch-all phrase for various new technologies that focus on developing devices, systems, materials, biologics and other structures at the nano, or billionth of a metre, level. These fields bring together a multidisciplinary team of engineers, biologists, physicists and/or chemists to create new nano-materials for constructing miniature devices or systems of an electrical, material science or even biological “nature”.

The potential benefits of capturing the full value of such new developments are enormous. This field holds the promise of curing diseases through the manipulation of genes at the nano level using nano engineering systems, or of building new miniature computers capable of providing the processing ability of today’s systems at the nano level.

One difficulty in capturing its full potential is that some of the materials and systems that will be developed, while highly miniaturized, will provide functions that already exist in today’s materials and systems. Thus the challenge to the patent system will be to provide for adequate and balanced protection in this new emerging field. This will be absolutely critical in order to promote the investments that will be needed to bring these multidisciplinary technologies to the marketplace.

The emergence of other new technologies in the future will also have implications for intellectual property protection which may go beyond the issues being discussed today.
3. Spread of Internet connectivity and broadband penetration

The Internet remains one of the most significant breakthroughs of the last century and has literally become synonymous with both information gathering and distribution. The recent increase in broadband penetration has accelerated the proliferation of the Internet. Businesses are increasingly reliant on broadband not only for purposes of communication but also as a quick means of retrieving and distributing information. Broadband essentially refers to high-speed Internet connections that allow for transfers of information at rates far quicker than those attributable to narrow-band “dial-up” modems. The key feature of broadband is higher bandwidth – up to 50 times faster than via “dial-up” – which allows the faster transmission of data at higher volumes, creating the opportunity for compressed digital audio files (mp3 files), films, live video and diagnostics or myriad other forms of content to be distributed much faster than ever before. With the advent of broadband, the frustration of snail-paced downloading of large audio and movie files and other forms of content has become a thing of the past.

Some have asked whether existing intellectual property laws are adequate to deal with the rise in large scale piracy that can result from fast and easy access to the digital files over the Internet. Further questions have been raised about the difficulty of enforcing existing laws in light of the issues of jurisdiction, anonymity and the high volume of users of the Internet. Internet users may find it easy to breach intellectual property laws with a low risk for both detection and enforcement. With the advent of broadband and its facet of “high speed” facilitating “high volume”, matters become much more complex. Piracy and intellectual property infringement become more of a problem than ever since broadband permits greater volumes of data to be transferred at a greater speed compared with dial-up connectivity.

Another instance where high-speed connectivity has an impact on intellectual property protection has been the development of peer-to-peer (P2P) software, so-called because end users' computers connect directly with each other to facilitate the sharing of digital files over the Internet without centralized servers. P2P software has flourished through broadband connections due to the speed and ease of file sharing. On some services, digital files shared by users invariably consist of music or film, to the detriment of copyright owners of these works who receive no compensation for such distribution. In addition, high-speed connectivity has enhanced the accessibility and popularity of ‘virtual worlds’, which are basically alternative digital universes used for commercial and social networking over the Internet, and “online games,” which typically emphasize goal-oriented game play. Traditional concepts of intellectual property infringement may be implicated, for example, in the situation where vendors in a virtual world offer items for sale and such vendors have no association with the real life brands of such items.

Broadband connectivity is increasingly being augmented globally by the deployment of fibre optic lines, advanced wireless networks and network technology innovations, further increasing both bandwidth and the capacity for existing broadband connections to deliver legitimate services of even higher quality. As a result of such deployment, and enhanced by content protection measures and cross-industry cooperation, traditional content distribution models are being augmented by such capabilities as Internet Protocol-delivered television, video-on-demand, digital radio, voice-over-Internet Protocol, and real-time home medical monitoring, to name but a few new services available. In many instances, these developing markets for specific Internet Protocol-enabled services and the enhancements to protect them are made possible by commercial agreements between the parties involved in end-to-end content delivery to support greater customer choice in a range of user applications. In regions where such advanced networks have been deployed, as indicated in the most recent broadband statistics of the Organization for Economic Cooperation and Development (OECD) and broadband scorecard of the European Competitive Telecommunications Association (ECTA), the take-up of broadband connectivity has shown the greatest increase.
The inherent cross border nature of the Internet may result in multi-jurisdictional intellectual property litigation becoming more common. In addition, it may also drive increased commercial and other voluntary agreements among the parties involved in end-to-end content delivery (network operators and application and content providers) to address potential copyright infringements. Intellectual property laws also differ from country to country – a person may be infringing copyright in one country but not in another – thus adding further complexity to an already complicated issue.

(See Section B.1 Enforcement priorities)

As noted earlier, the explosive growth of the Internet has also contributed to the development of the use of domain names as significant business identifiers and to an increasing trend to monetize and use domain names as commodities for speculative gain. The enormous growth of domain names associated with trademarks that are registered by parties who have no relationship to the trademark and the use of such names for either resale or garnering online traffic revenue raises questions about the border between use and abuse.

ICANN (Internet Cooperation for Assigned Names and Numbers) is responsible for the global coordination of the Internet's system of unique indicators of the Domain Name System (DNS), including domain names. ICANN is responsible for developing and enforcing policies that ensure the DNS's security, stability, reliability and interoperability through its policy development process in which global stakeholders are involved through bodies including the Generic Names Supporting Organization (GNSO).

ICANN’s policies that are relevant to intellectual property are most clearly seen in the trademark area as increasingly trademarks are used as domain names on the Internet. The domain name system, unlike the territorial trademark system, is global in scope and does not differentiate between different categories of goods and services. Where identical trademarks for different goods and services may coexist, a domain name identical to a trademark can only be registered once under a particular Top Level Domain (TLD). A particular string of characters can only link to one particular website and the domain name is therefore unique. Recently, a form of monetizing of domain names has grown up, and third parties without rights in the trademark associated with the domain names are registering hundreds to thousands of names that are slight misspellings, or variations on a famous and well known trademark, and signing up for advertising revenue based on ‘click through’ ads. The opportunity for profit in the new monetizing industry exists because many Internet users guess domain names by typing a naming string (usually containing a trademark followed by an an extension) directly into the navigation bar on their search engine. The challenge is to reduce to a minimum the conflicts between the system of domain names and the territorial trademark system, and to limit the abusive registration or misuse of domain names.

The major IP related issues in the domain name area that are currently under discussion are the impact of domain name tasting and ‘domain name parking’, the need for change of legislation with new developments and trends in the Domain Name industry, the accessibility and accuracy of WHOIS registration details, the impact of the introduction of vast numbers of Internationalized domain names (IDNs) and the introduction of new Generic Top Level Domains (gTLDs). Associated issues also include disputes that are expected to arise when unaffiliated parties seek to register either country names, or brand names as top level domains during the upcoming opening of new top level domains by ICANN, expected to begin sometime in 2008. The general lack of awareness of the changes that are forthcoming presents significant challenges to the intellectual property community, and those who rely on trademarks.
4. Economic importance of non-technological business innovations and genetic and traditional resources

With the growth of service industries, new types of intellectual innovations are gaining in economic importance and companies look towards the intellectual property system to protect these. However, some of the new forms of intellectual property do not fall squarely within existing systems of protection, and the latter have to be adapted, or new rights created, to accommodate these new innovations.

Until now, solutions have been found either by creating new, specific sui generis types of rights or through a broader interpretation of what can be protected under traditional intellectual property rights. The protection of databases, as enacted in the European Union, is an example of the first approach. The availability of patent protection for computer-related inventions, as adopted in the US and Japan, is an example of the second approach.

Commercial interest in plant and animal species in industrializing countries, and in traditional cultural expressions and medicinal remedies have raised questions of ownership of such resources previously assumed to be in the public domain. Work is also being carried out to determine to what extent the intellectual property system can be used for situations where collective ownership has been asserted by communities over such resources.

5. The politicization of intellectual property

Long considered a technical issue, intellectual property policy is now firmly established in the political arena and is often held up to public scrutiny. Policy makers have to constantly strive to maintain the delicate balance necessary to satisfy the needs of both the creator and the user, so that the system benefits society as a whole.

The politicization of the intellectual property debate is due in part to the increasing economic importance of intellectual property. This has also made it an important issue in trade relations between states. The linkage between international trade and intellectual property is clearly exemplified by the use of the cross-retaliation mechanism under the WTO Dispute Settlement Understanding (DSU) in the area of intellectual property. Under this mechanism, if a WTO member does not comply with a WTO dispute settlement decision, the adverse party can retaliate by suspending concessions or obligations against that WTO member, usually in the same sector, but in exceptional circumstances, in another sector. Use of cross-retaliation by suspension of TRIPS concessions and obligations was granted for the first time to Ecuador (in the "banana case") against the European Communities, and requested by Brazil against the US (in the "upland cotton dispute"). More recently, Antigua and Barbuda has also threatened to suspend its obligations under TRIPS, following a finding that the US had violated WTO/GATS rules.

Another factor is the inclusion of a number of intellectual property related issues in the WTO Doha Development Agenda. Among these issues are geographical indications, the relationship between TRIPS and the Convention on Biological Diversity (CBD), and the transfer of technology to least-developed countries. While not part of the Doha Development Round, a decision was taken by WTO members on 6 December 2005 to approve an amendment to the TRIPS Agreement, making permanent the 30 August, 2003 decision by the WTO General Council. This amendment introduces cross-border compulsory licensing in the pharmaceutical sector in order to help less developed countries obtain access to critical medicines while recognizing the importance of intellectual property protection for the development of new medicines.
A further factor is the emergence of new actors taking a very active part in the debate on intellectual property related policy issues. These new actors include consumer organizations, groups in academia and other so-called civil society organizations not earlier engaged in IP issues.

Yet another factor has been the introduction of intellectual property concepts in communities and countries previously unfamiliar with them, and misunderstandings over the use of intellectual property rights in connection with culturally and socially sensitive material previously assumed to be in the public domain. Innovators have turned to new sources – such as genetic material, traditional remedies, little-known plants and animal species – in their search for new products. This has provoked emotional debates over the concept of ownership of and sharing of any benefits flowing from these resources and the products derived from them.

The intellectual property debate has been further politicized by opposition in some developing countries to proposals made by developed countries in several bilateral Free Trade agreements (e.g. United States and Chile, United States and Peru, United States and Colombia, United States and Central American countries plus the Dominican Republic – CAFTA-DR), to strengthen the protection of intellectual property. Some developing countries have recognized the benefits that will accrue to their economies from the strengthened intellectual property protection contained in these bilateral free trade agreements and have accepted them. In other developing countries, however, the inclusion of such proposals has led to national debates.

A tension between the commercial interests of the proprietor of the intellectual property and the interests of the public in sensitive areas such as healthcare, ethics, development, the protection of the environment, competition policy, privacy and consumer protection is increasingly debated in developed economies as well as in some developing countries. Indeed, a further factor of increasing significance and complexity is that a number of developing countries feel that the intellectual property system, and particularly the patent system, does not strike the right balance between the interests of developing countries and those of developed countries, and that this needs to be rectified. This is especially manifest in WIPO, where a proposal for a Development Agenda for WIPO presented to the General Assembly in September/October 2004 was discussed during 2005, 2006 and 2007. A total of 45 proposals divided in six clusters were agreed in 2007 and confirmed by the WIPO General Assembly in October 2007. While this must be seen as a breakthrough, WIPO negotiations in other areas, especially on a Substantive Patent Law Treaty (SPLT) remain stalled because of disagreement as to whether exceptions relating to health and the environment should be built into the treaty, and because of a view that such a treaty would deprive developing countries of flexibilities available under the TRIPS Agreement.

This increasing politicization of intellectual property issues means that business - in addition to engaging in the deliberations of international organizations - must also focus on communicating to the general public effectively on intellectual property issues. In particular, business must explain the mechanisms of the intellectual property system because, in political discussions, many doubts and objections, particularly with regard to sensitive areas, are caused by a lack of insight into how the intellectual property system, and in particular patents, function as a positive tool for achieving economic growth and other societal benefits. Business must explain that intellectual property protection not only provides incentives for investments in research and development, but also enhances transparency and the dissemination of knowledge. A ban or restriction on patents will not help to prevent undesirable developments in new, sensitive technologies. On the contrary, without patents – the word originates from the Latin expression “litterae patentes” (“open letters”) – inventors could be driven to commercialize their inventions by keeping them secret and by using non-disclosure agreements. If inventions were kept secret, the public would be locked out from technological developments in sensitive areas.
In political discussions, the benefits and value of intellectual property protection for small companies are sometimes questioned. Therefore, business must highlight the important and beneficial role that intellectual property rights play for SMEs, spin-offs and start-ups in the context of co-operation, collaboration, specialization and financing. The intellectual property system is a precondition for markets for technologies and innovations that are often developed by SMEs.

Business must communicate better about these mechanisms and about the effects of intellectual property protection, and focus on encouraging education about the importance of intellectual property for society. This is essential if it is to garner public support for intellectual property rights. Such support would also greatly alleviate enforcement problems made more acute by new technologies and globalization.

6. Changes in the ways businesses operate

Intellectual property has long been used by businesses to support the marketing of goods and services. However, there is growing recognition that intellectual property (IP) is a valuable asset in itself that can bring in revenue through licensing, improve a company's balance sheet, increase stock value, or be used as collateral for loans or other financing. While valuation techniques have been developed, a degree of international coherence in this field is needed.

Product life cycles in many industries (e.g. the information technology sector) continue to shorten. The length of time and amount of investment required to obtain intellectual property rights, especially patents, can be substantial relative to the effective life of the product.

Requirements such as the need to mark products with relevant patent numbers also become impracticable when products have short life cycles and use many different technologies subject to different patents, especially when these products are miniaturized.

In the “network” economy, the perennial question arises again as to how the interests of various parties can best be balanced. These parties include infrastructure builders, system developers, service providers, information providers, etc., who are increasingly interdependent. There are many parties whose activities seem to increasingly overlap, and this makes it important to consider each party's rights and responsibilities.

Standards have always been particularly significant in telecommunications, for they are essential to interoperability (Morse code was “CCITT” standard No 1), but over recent decades similar considerations have applied to computers and other devices, software and entertainment systems. Moreover, the lifetime of technologies has shortened so that new standards are required with greater frequency. Companies which meet under the aegis of standards bodies may find that from a technical point of view it would be desirable to have a standard that cannot be implemented without licences under numerous patents belonging to various companies. However, the standard will tend to be blocked by those companies who think that they will not be able to implement it competitively because of the royalties that will be due; conversely, the companies with the patents will be seeking a just return for them.
For agreement to be reached on a standard in such circumstances, each patent owner has to be prepared to license users of the standard (of course a single company may both own relevant patents and need licences under the patents of others). Moreover, the royalty burden on users generally must not be so great as to prevent them from implementing the standard competitively, and patent owners need to feel that, overall, they are receiving a just return. The guiding principle generally adopted is that licensing should be "FRAND" ("fair, reasonable and non-discriminatory"), but of course converting this principle into precise royalty rates may not be easy.

The complexity of products, specialization and reorganization of production in order to benefit from economies of scale and reduced cost sources are leading to increasingly decentralized production. Outsourcing, co-operation and collaboration become more important. The partners involved are therefore often separate legal entities in different countries. Adequate protection of intellectual property is crucial to enable the free exchange of R&D results, creativity and inventiveness among such independent partners in different jurisdictions.

Such protection is of special importance to small research companies specialized in the development of new technologies (frequent in the biotech industry) as well as suppliers in developing countries (e.g. software companies in India).

Another fairly recent development, notably in the US, is the use of the term "patent troll" to describe certain parties who assert patents against others. The term is subjective and quite obviously pejorative (and sometimes used too freely). Some one who is in business supplying a product or service and uses his patents to prevent a direct competitor from "freeloading" on his research and development is not a troll by any one’s definition. Few people would apply the term to a University or research company that chooses not to supply products and services itself but instead to create technology for those active in the marketplace to adopt in return for royalties. The term “troll” is more likely to be applied to someone who generates “paper-invention” patents or buys up patents, and then, with little regard for their valid scope, asserts that those directly active in the marketplace should pay royalties for continuing to do what they are already doing, or else stop their operations. Crucial words in the previous sentence are “with little regard for their valid scope”, for it is dubious to criticize the owner of any asset for seeking just return. The central issue is that, in the US particularly, the cost and uncertainty of patent litigation is such that it may be easier for the prospective defendant to pay up rather than to challenge weak assertions. Among themselves, companies active in the marketplace tend to be cautious about making weak claims on each other for fear of retaliation (they may even cross-license strong patents to resolve disputes), but this is not a constraint on a patentee who has no direct involvement in the marketplace. The US Court has in at least three cases sought to mitigate this effect by refusing an injunction to a patentee who was not intending to manufacture himself.

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This brief introduction indicates that the intellectual property landscape is evolving rapidly. An overview of the key current and emerging intellectual property issues which have – or will have – an impact on business can be found in the following "roadmap" which is intended to provide an evolving framework and guidelines for businesses and policy makers in this area.
**Roadmap 2008**

### A. Current and emerging issues relating to specific intellectual property rights

#### I. PATENTS

1. **Need for harmonization of patent systems**

As business, trade and the impact of technology have become increasingly global, awareness of the value of intellectual assets has grown and the very high costs of obtaining and enforcing patents have continued to increase. Industry would find it desirable to see better harmonization of patent systems worldwide. A truly worldwide patent system, giving rise to a single patent enforceable within every country within a single legal framework, would however raise major constitutional issues (e.g. concerning a country’s right to determine what commercial acts are permissible within its borders and what its citizens are allowed to do in relation to local economic issues and imperatives). This is therefore unlikely but much can be done to harmonize patent grant and enforcement systems by resolving the issues below, and by regionalizing patenting and patent enforcement systems.

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<tr>
<th>Business action</th>
<th>Government action</th>
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<td>Business welcomed the coming into effect of WIPO’s Patent Law Treaty, PLT, on April 28, 2005. Business looks forward to a large number of states acceding to the PLT. While business will continue to support the harmonization of substantive patent law through the conclusion of WIPO’s Substantive Patent Law Treaty, SPLT, it is extremely concerned with the breakdown in 2006 of the WIPO treaty negotiations, with only informal consultations held in 2007. Business will await the technical study to be prepared by WIPO and published in the first half of 2008, as a basis for further work in its Standing Committee on Patent Law in 2008. Business remains concerned with the politicization of the patent law harmonization efforts.</td>
<td>Those governments that have not yet ratified the PLT are encouraged to do so as soon as possible. Governments must work towards resolving outstanding issues with the aim of concluding the Substantive Patent Law Treaty.</td>
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**ICC action**

ICC continues to promote the harmonization of patent law and will work towards the conclusion of WIPO’s Substantive Patent Law Treaty. ICC will examine the technical study to be prepared by WIPO. ICC will follow the parallel on-going negotiations in the so-called “extended trilateral” group of countries – the US, Japanese and European Patent Offices extended to include the so-called Group B countries, meaning the industrialized countries group in WIPO (EU member states, plus Australia, Canada, Japan, New Zealand, Norway, Liechtenstein, Monaco, Switzerland and Turkey).

However, some developing countries argue that the current draft patent law harmonization treaty must continue to be discussed as a whole so that issues important to such countries are not left out from the negotiations. These include exceptions relating to access to genetic resources, protection of traditional knowledge, the environment, nutrition, public health and other areas of public interest. Governments in both developed and developing countries must consider how to handle the situation with parallel on-going harmonization initiatives within and outside WIPO.
1.1 Basis for awarding patent rights: first-to-invent v. first-to-file

The US and the rest of the world currently rely on fundamentally different criteria for deciding to whom a patent should be granted. The US continues to award patents to the first person to invent while other countries work on the basis of who has first filed a patent application. Significant patent reform is currently under very serious consideration in the US and included in the current reform bills are provisions for a first-inventor-to-file framework. The currently pending legislation would award priority to the first applicant to file subject to a one-year grace period that would allow an inventor to publish within a year prior to filing and subject to a procedure that would award rights to the “true” inventor where an applicant derived the patented invention from a person who is not named as an inventor. While the pending legislation faces further debate before final approval, it is expected that the US will ultimately adopt a first-inventor-to-file system that will more closely align the US with other jurisdictions.

Business action

Business will continue to articulate the case for the first-to-file approach to the US Government through e.g. industry bodies, and educate the US inventor community on the long term benefits of a harmonized system for awarding patent rights. Business will urge the US government to reintroduce the bill and bring this much expected reform into force.

Government action

Non-US governments and national patent offices should provide political support to industry initiatives in this area.

1.2. National differences in patentability (e.g. biotechnology and computer software)

Some differences between countries still exist with respect to the patentability of inventions in areas of innovation at the forefront of scientific endeavour (e.g. life sciences) or where the pace of technological change is very fast (e.g. information technologies). An example is the difference between the European and Japanese approaches and the broader US approach to the patentability of computer software. Wide variations occur in the patentability of biological materials: the US allowing organisms of all kinds (humans excepted) to be patented, Europe excluding patents on plant and animal varieties, and some developing countries rejecting all patents on biological materials. Significant differences also remain concerning the precise definition of what constitutes prior art, “technical contribution” and the scope of any grace period.

Business action

Business bodies at the national/regional/ business sector level will determine the future needs of commerce and articulate to governments accordingly. While remaining sensitive to genuine ethical concerns in the biological area, business will continue to press for full implementation of the minimum standards laid down in TRIPS.

Government action

Governments should ensure full compliance with their TRIPS obligations when legislating on these issues.
1.3. Patentability of new uses for known compounds

Andean Community countries and some other countries e.g. Argentina, rely on a fundamentally different criterion for deciding whether patents can be granted with respect to second or further uses of known compounds, even if such use meets the standards of novelty, inventive level and industrial application.

In such countries, once a compound is known, and regardless of whether it is patentable or not, only the original use can be protected, as new uses for known compounds are considered to be discoveries and not inventive matter. The Andean Court of Justice has interpreted Article 27 of TRIPS as requiring countries to grant protection for inventions that are related only to products, compounds or processes. It further established that uses are a new category of inventions - different from products, compounds, procedures or processes, and therefore not necessarily patentable under TRIPS. It also held that new uses are lacking in industrial applicability.

Second uses of products can involve important and significant new applications of existing inventions. Most developed countries provide for second-use patents and a number of bilateral free trade agreements recently negotiated by the US expressly call for the patentability of all inventions.

Further, smaller enterprises which do not have the financial or infrastructural capability to undertake the development of new compounds for medicinal use may well be able to develop new uses and formulations, including those which are particularly adapted for use in local conditions. Providing for patentability of new uses and formulations will therefore encourage R&D by such enterprises with beneficial economic and health impacts.

**Business action**

Business strongly supports initiatives with the objective of improving patent protection for new uses. Business requires full protection of innovation through a system of direct protection for inventions. Companies should be encouraged to increase investment in the evaluation of known compounds in order to determine new applications of such medications, especially in life-threatening situations. Business needs to convince appropriate authorities that second or subsequent uses do not qualify as “discoveries”, that they represent innovation with industrial applicability, and that they merit full protection provided that they fulfil the statutory criteria for patentability.

**Government action**

Governments, WTO and WIPO must be made aware of the need to encourage innovation. Efforts must be made to convince governments that all types of inventions need to have access to patent protection in strict compliance with Article 27 of TRIPS, with the sole exception of inventions that may be excluded from patentability as stated in Articles 27.2 and 27.3 of TRIPS. Second uses of known products should be patentable provided the usual criteria of patentability are met.
1.4. Harmonization of patent office practices and regional patenting arrangements

The most likely outcome of a harmonized system will be a network of regional bodies charged with granting patents in a consistent way. Such an outcome will have to be reached by progressive harmonization of laws and practices within existing major national and regional patent offices. While progress has been made, especially in the area of prior art searching, much remains to be done. The cost of patenting is also perceived by business as being too high and the speed of patent office proceedings too slow (e.g. Japan and EU), especially for industries with increasingly short product life cycles.

**Business action**

Business will continue to press for enhanced cooperation, simplified patent registration procedures and greater cost-effectiveness through relevant user groups and initiatives. Business encourages regional patenting arrangements and widening these for some countries to recognize searches and examinations conducted in other countries. Business will follow the continued work in the EU on the future patent system for Europe, including the community patent and the court system.

Business supported the European Commission’s previous attempts to establish an efficient and economical Community Patent system across the EU. However, business notes the failure by the EU’s Competitiveness Council in May 2004 to agree on the system envisaged in the then applicable version of the Proposal for a Council Regulation on the Community Patent. Business welcomed the public consultation launched on January 16, 2006, by the European Commission regarding the future patent policy in Europe including an EU-wide system of protection.

**Government action**

National/Regional patent offices should build on existing cooperative ventures and current sharing of best practices. They should give much greater recognition to each other's examination, opposition and acceptance procedures, and work towards a common set of formal requirements predicated on the minimum amount of legal bureaucracy. Local laws/rules should be amended where necessary to facilitate the process. Transparency of objectives and approach to the user community should be ensured.

The development of regional arrangements, such as the European and Eurasian Patent Conventions, and the Bangui Agreement and Harare Protocol (administered by the Organisation Africaine de la Propriété Intellectuelle (OAPI) and by the African Regional Intellectual Property Organization (ARIPO), respectively) have helped reduce costs and simplify obtaining patents internationally; more countries should join regional arrangements. New regional arrangements, such as those for the ASEAN countries, should be established as soon as possible.

**ICC action**

ICC took part in the EU Commission consultation regarding the future patent system in Europe. ICC will study the proposals for a way forward that have been presented for discussion during 2007 and which continue to be discussed.
1.5. Language considerations

The issue of language will have to be addressed in the context of any regional or world patent system. From a strictly economic perspective, the cost benefits of one language for obtaining and enforcing patents are self-evident. However, the choice of language has important implications for national identity, culture and sovereignty. The political sensitivity of this issue was demonstrated during the debate which took place over the European Commission's proposal for a Community Patent Regulation and can only be exacerbated on a worldwide scale. Improvements in machine translation may gradually reduce the significance of this issue in the future.

**Business action**

Business will continue to support initiatives to build trust and understanding among the different stakeholders involved, and evaluate possible solutions to achieve an acceptable compromise among them.

Business has welcomed the signing in the year 2000 by 10 European Patent Convention member states of the Agreement on the application of Article 65 on the grant of European Patents (the “London Agreement”). This agreement, when in force, will reduce significantly the translation costs for obtaining and validating European patents. Business welcomes the acceptance by France in 2007 of the Agreement which will lead to it entering into force in May 2008.

**Government action**

Governments and patent offices should use their political weight to help build understanding between stakeholders, and press for creative solutions to the problem. While some language differences may be necessary, the number of different languages should be minimized.

1.6 Patent Cooperation Treaty

The Patent Cooperation Treaty (PCT) has been a great success since it came into force in 1978 and has by the end of 2007 reached 138 member states. It has caused a reduction in both costs and the administrative burden for applicants and has enabled them to delay making heavy payments in the patenting process until such time as the value of the invention is better known. WIPO’s attempts to improve the PCT system so that its search and examination procedures better serve applicants and the patent offices of the many member states have been successful.

**Business action**

Business as user of the PCT system has supported the system as being most beneficial and it encourages and applauds the current efforts in WIPO to enhance it.

**Government action**

WIPO, governments and patent offices are encouraged to continue their efforts to improve the PCT system.
2. Compulsory licensing and government use

The statutes of most countries provide for the authorities to work, or authorize third parties to work, a patented invention commercially without the patentee's permission. Such provisions include compulsory licensing and government use (e.g. Crown use in the UK). Generally, the statutes clearly define the relatively limited circumstances under which such working is permitted and require the payment of reasonable compensation to the patentee. Articles 27 and 31 of the TRIPS Agreement lay down minimum standards for allowing such working under compulsory licence.

In response to the problem raised in paragraph 6 of the 2001 Doha Declaration on TRIPS and Public Health, the WTO General Council agreed on August 30, 2003 on how countries with insufficient or no manufacturing capacities in the pharmaceutical sector could make use of compulsory licensing under the TRIPS Agreement. This was done through a waiver of the condition in TRIPS Article 31(f) (compulsory licensing only authorized predominantly for supply of the domestic market) thereby allowing compulsory licences to be granted solely for export of the patented product. This waiver was made permanent by a decision on December 6, 2005, by the WTO members to make a corresponding amendment in the TRIPS Agreement.

### Business action

Business is of course in favour of sick people having access to life-saving medicines irrespective of whether they are in developed or developing countries. However, the patent system encourages innovation and, if the exclusivity of the patent right is overly prejudiced, companies will reduce investment in inventing, developing and commercializing new pharmaceutical and medical technology to the detriment of everyone whether they be rich or poor. Business hopes that those implementing the August 30, 2003, Decision, including the agreed amendment of TRIPS Article 31, will keep this factor in mind.

### Government action

Governments should implement without delay the Decision of August 30, 2003 and ratify the amendment of the TRIPS Agreement decided on December 6, 2005.

More generally, loosening the conditions under which compulsory licences (which affect inventions in all fields) can be granted may end up jeopardizing individual inventors and small businesses, especially those in developing countries, in view of the acknowledged difficulty they normally face in working their patents locally within a prescribed time limit. The problem can be considerably aggravated when those inventors and small businesses are awarded patents in several countries, each requiring local working.

### ICC action

ICC contributed to the debate in the TRIPS Council by issuing a number of statements. ICC is monitoring the regional/national implementation of the August 30, 2003 decision and the ratification of the amendment in the TRIPS Agreement decided on December 6, 2005.
II. TRADEMARKS

In an increasingly global economy, especially in e-commerce, national regimes for protection of trademarks are becoming an anachronism. Global protection should be available at a reasonable cost and effort, and enforcement of such rights should be effective.

The success of the European Community trademark seems to confirm that a single regional trademark title meets the needs of businesses.

The scope of protection afforded to trademarks needs to be clarified and harmonized, for instance:

- the flexibility of registration requirements for less than conventional signs, such as colours, smells, shapes, packaging, retail sale services, etc.;
- how to assess likelihood of confusion in the context of infringement, versus a mere risk of association;
- what is “genuine” trademark use for purposes of maintaining in force trademark rights;
- what should be the scope of protection against use of a well-known trademark for dissimilar products;
- the legal and taxation implications of choosing not to record a trademark licence on the register.

The Singapore Treaty on the Law of Trademarks was adopted on March 27, 2006. This treaty harmonizes procedural rules and is applicable to all kinds of trademarks that can be registered under a given jurisdiction. In particular, the treaty:

- defines and limits formality requirements by national offices;
- prescribes model forms;
- permits electronic communications (with technical support for LDCs);
- simplifies recording of licences and establishes that non-compliance will not endanger the validity of the underlying trademark registration;
- recognizes that a trademark may consist of any form of sign;
- provides for amelioration of the results of missed deadlines;
- provides for future revision of Regulations of the Treaty.

In October 2007 the Assembly of the Madrid Union adopted an amendment to Article 6sexies (the "safeguard" clause) of the Protocol forming part of the Madrid System concerning the International Registration of Marks. This provides that, where the State of the Office of Origin of an International Application/Registration is party to both the Agreement and the Protocol, the terms of the Protocol will prevail over those of the Agreement as from September 1, 2008. This means that the International Registration may be based on an application rather than a registration at the Office of Origin and that should the original application/registration be refused/invalidated within five years of filing the International Registration, it may be transformed in the respective States into national/regional applications having the original date of filing.

The introduction in 2006 of an optional on-line facility for central payment of renewal fees for international registrations using a credit card or a WIPO account is welcomed. This enables an owner to renew a family of trademarks in a single, on-line, transaction, thereby saving costs and giving greater certainty.
Business supports the creation of a global trademark registration system which takes into account business needs. In this respect, business welcomes the recent accession of the European Community and the United States to the Madrid Protocol as well as the positive effects of EU enlargement for trademark owners. Business also supports WIPO initiatives to harmonize procedural matters and encourage states to move toward harmonizing national laws relating to trademarks.

Governments should ratify and implement the Singapore Trademark Law Treaty. At the end of 2007, the US Senate agreed to US ratification of the Treaty.

WIPO should continue to promote further international harmonization and work towards creating a truly global trademark system utilizing electronic filing and databases.

Steady progress is being made toward this with Spanish now being accepted as a third language within the Madrid System, and with both the EU and the US now processing applications under the system.

Currently, membership of the Madrid System stands at 82 participating countries. It is to be hoped that governments of the remaining WTO countries will be encouraged by these developments to accede to the system in order to facilitate registration of trademarks on a worldwide scale.

1. Use of trademarks on the Internet

The use of trademarks on the Internet raises many issues which are being resolved as the law develops.

One well-known category of issues relates to conflicts arising from contested registrations of domain names identical or similar to trademarks (See next section on Domain names).

A second category of issues relates to new uses of trademarks on the Internet, in many forms that are not all clearly perceptible.

The incorporation into websites of trademarks owned by others, either overtly or covertly (as metatags) in order to attract hits by search engines, is generally considered an actionable unfair business practice. Debates also arise from (i) the use of trademarks for advertising purposes, for instance as keywords for the purpose of search engine ranking or for pop-up displays on computer screens; (ii) the scope of permitted trademark parody, as exercise of freedom of speech, on non-commercial websites including blogs; and (iii) the linking and framing of webpages which can also be used for phishing (i.e. basically setting up bogus pages to steal users’ information).

These uses of trademarks on the Internet raise many issues of how an act of trademark infringement should be characterized, which law(s) should be applicable to trademark-related transactions and such infringements, and in which jurisdictions actions can be brought.

Judgments in national courts are setting precedents to the effect that courts have jurisdiction in the country in which an infringement of rights occurs.


Governments should integrate its provisions into national law.

2. Domain Names

Domain name registrations do not require any pre-screening and therefore may easily conflict with prior rights such as existing trademarks. In evident cases of cyber squatting, the prior right holder can often stop the hosting of the website by complaining to the ISP and obtain the transfer of the domain names via local courts or a domain name dispute resolution body. Anti-cyber squatting legislation was enacted in 1999: in the US, the Anti-cyber squatting Consumer Protection Act was established under federal law, and at the global level the Internet Corporation for Assigned Names and Numbers (ICANN) adopted the Uniform Domain Name Dispute Resolution Policy (UDRP) proposed by WIPO. The UDRP was originally designed to discourage and resolve disputes over the abusive registration and use of trademarks as domain names under Generic Top Level Domains (gTLDs) such as .com and .net. The UDRP has now become an international standard for resolving domain names disputes in a quick, cheap and effective way. A growing number of Country Code Domain Name Registries have adopted the UDRP or other Alternative Domain Name Dispute Resolution Policies (ADRs). WIPO provides not only dispute resolution services for gTLDs but for some Country Code Top Level Domains (ccTLDs) as well.

Under the UDRP, a trademark owner can file a complaint and must demonstrate that the disputed domain name is identical or confusingly similar to its trademark, that the domain name holder does not have a right or legitimate interest in the domain name and that this domain name holder registered and used the domain name in bad faith. The publication on WIPO’s website of the decisions of the UDRP panels for generic as well as many country-code domain names provides useful guidance for trademark owners. A body of case law is being built up, both under the WIPO dispute resolution procedure and elsewhere, treating each case on its particular circumstances but following the general principle that domain name registrants need to show that there is no intention to detract from, or make use of, the goodwill associated with a trademark.

Domain names of cyber squatters are often effectively transferred to the rightful owner as a result of a UDRP procedure. However, if the rightful owner does not want to maintain the domain names registration in its portfolio and decides to cancel the registration, the domain name becomes available again and will most likely be picked up by speculators through use of computer software that automatically registers expired domain names, also containing trademarks. Cyber squatting is increasingly moving from the traditional pattern of individuals registering domain names and offering them for sale to sophisticated portfolio owners testing the profitability of the domain names during the Add Grace Period and deriving income from automated registration of domain names.

In the domain name registration procedure, a full refund of the registration fee can be received by the registering party if the domain name is given up within five days of the registration. The Add Grace Period (AGP) of five days was initially created to ensure that registrars could correct typos and other errors in the registration procedure. However, in a new speculative and monetized model of massive registrations of confusingly similar forms of domain names, some registrants leverage the five day ‘grace period’ to register domain names free of charge and test their profitability by placing online “pay-per-click” advertising on parked sites linked to domain names. If the advertising traffic within the AGP indicates that the domain name will generate enough money to profit on the annual registration costs, the domain is kept – if not, it is rejected, all without cost to the registrant. This practice, known as “domain name tasting” and “domain name parking”, accounts for millions of domain name transactions per month and is an increasingly alarming problem.

WIPO recognizes that the UDRP criteria must accommodate changing new circumstances and new developments such as tasting and parking domain names. Earlier, WIPO made recommendations for extension of the UDRP to other subjects beyond trademarks to protect other identifiers such as geographical identifiers and names and acronyms of IGOs. ICANN is considering adopting rules for IGOs’ identifiers and recently decided to develop a policy procedure to tackle the domain name tasting practices.
WHOIS is a database of information that includes current registrant contact details used for a wide variety of purposes, but also used by trademark holders and law enforcement to determine who the registrant of a particular domain name is. To deal with abuse of registration of a brand online, the IPR owner needs to know who to deal with. He/she therefore relies upon access to WHOIS services which provide public access to data on registered domain names including, currently, contact information for Registered Name Holders. ICANN contracts include provisions on the requirements for registration data and accessibility of these data. However, there is an increasing trend by registrars and commercial agencies to mask the identity and contact details of domain name applicants. WIPO has also drawn attention to mass registrations often anonymously taken on a serial basis.

Currently, a discussion is ongoing at ICANN concerning possible changes to obligations relating to public access to and accuracy of WHOIS data, to take into account the need to balance considerations of privacy (for the registrant) and the Internet user’s ability to know with whom they are interacting, as well as the needs of law enforcement, IP holders, etc..

Internationalized Domain Names (IDNs) are domain names represented by local language characters, including characters from non-ASCII scripts (for example, Arabic or Chinese). At present non-ASCII characters can only be used before the dot, but with the introduction of IDNs, it will be possible to use thousands of characters as part of domain names, including after the dot (e.g. new names written in Korean, Chinese, Arabic characters after the dot).

Many efforts are ongoing in the Internet community to make internationalized domain names available, but these raise specific and complex issues, both technical and legal. From an IP perspective, the translation of a word trademark into a non-Latin script, with all its possible variants, will make it difficult for brand owners to select domain names which are valuable for their own portfolio and to assess infringing use of a prior trademark as well as bad faith registration or use. Under the auspices of ICANN, a test for 11 languages was implemented in October 2007. In 2008, an IDN working group will explore a process for developing a fast track policy/process for the introduction of IDNs.

With respect to the gTLDs, ICANN is now at a transition point, moving from completion of policy development work to a focus on implementation plans. A new round of introductions is expected in 2008.

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<th>Business action</th>
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<tr>
<td>Business will continue to ensure that its voice is heard in ICANN, the organization responsible for overseeing the generic domain name system and contribute to the formulation of policies concerning domain names. Business will continue to support the Uniform Dispute Resolution Policy (UDRP) and should continue to work with other stakeholders and WIPO to ensure that a workable modus vivendi is found between the domain names and trademark systems. Business also supports efforts to ensure a safe and reliable domain space for internationalized domain names. Business will also monitor developments and react where needed with respect to WHOIS services, new gTLDs and domain name tasting in the interest of IPR owners and business in general.</td>
<td>WIPO should continue its active role in encouraging country-code Top Level Domains (ccTLDs) to implement policies to prevent and resolve conflicts involving intellectual property rights. The establishment of a ccTLD database allowing access to information on ccTLD policies in this area will help provide transparency for users in this respect. Governments should ensure that the provisions concerning domain names in the WIPO Joint Resolution and Provisions on the Protection of Well-known Marks adopted in September 1999 are followed nationally. Governments should not overly restrict registration in their ccTLDs and should provide an expedited dispute resolution system along the lines of ICANN recommendations and the UDRP system.</td>
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**Business action (continued)**

The Business Constituency in ICANN aims to eliminate the Add Grace Period and to change the economics of domain tasting for the reasons set out in their statement on Domain Tasting (November 2007) submitted to the GNSO. The Intellectual Property Constituency’s (IPC) statement of December 5, 2007, on Domain Name Tasting elaborates on the disadvantages of the currently allowed practice.

**ICC action**

ICC is contributing business views on ICANN policies directly and through the Business Constituency in ICANN. Publications and statements of ICANN Intellectual Property Constituency are closely monitored.

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**3. Famous/well-known marks**

Since well-known marks are especially vulnerable to abuse, it has long been recognized in the Paris Convention, and reaffirmed in TRIPS, that special protection is needed for such marks. However, enhanced protection through concepts broader than mere trademark infringement may be needed, e.g. through rules of unfair competition, dilution, or “indication of connection”.

For example, in 2006, the US enacted that the owner of a famous mark may apply to the relevant court for an order prohibiting continuing, or anticipated, use likely to cause dilution by blurring or tarnishment of the famous mark regardless of likely confusion or economic injury.

**Business action**

Business supports the creation of working systems to protect well-known marks both on national and global levels and encourages the implementation of the WIPO Recommendation on Provisions on the Protection of Well-Known Marks nationally.

**Government action**

The WIPO Recommendation on Provisions on the Protection of Well-Known Marks, adopted in September 1999, provides welcome guidance to both trademark holders and competent authorities concerning the criteria for determining what constitutes a well-known mark.

The WIPO recommendation of 1999 has so far been implemented only in a few countries, and its implementation varies from establishing an official register (sometimes open only for domestic brands) to having informal lists maintained by the national authorities. The legal effects of such national implementation vary from country to country.

Governments should initiate discussions based on the WIPO Recommendation with a view to establishing an international system for recording and recognizing rights in well-known trademarks.
### 4. Searches

The lack of full, worldwide, national search possibilities using the Internet for all forms of trademarks creates uncertainty for companies wishing to register such marks as they are unable to verify if such marks are already registered.

A welcome beginning has been made with the compilation by the Office for Harmonization of the Internal Market (OHIM) of an on-line dictionary (EUROCLASS) of terms related to the classification set out in the Nice Agreement.

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<td>Business encourages the development of additional publicly accessible search facilities within trademark offices. The provision of searchable official journals and registers in electronic format is welcomed.</td>
<td>WIPO and governments should work towards developing common systems to allow searches of registered trademark databases, including on-line searches where feasible. A standard electronic format for publishing and searching official journals and registers should be developed for use of all WIPO countries. In order to facilitate access, it is essential that national offices cooperate and produce the results in a common format with, ideally, all using common software.</td>
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<tr>
<td>Business welcomes the WIPO e-commerce databases on trademarks and WIPO-UDRP panel decisions made available for public search.</td>
<td>Currently the EUROCLASS dictionary only has English and Swedish versions. It is to be hoped that other language versions will be added rapidly and cross-referenced.</td>
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III. DESIGN

1. Substantive and procedural international harmonization

National differences in substantive rules, e.g. the criteria of protectability, the procedure for granting protection, scope of protection, remedies against infringement, etc., make it difficult for design owners to obtain international protection.

The situation should improve with the possibility of applying for registration in several countries through the Hague System that was eased by the Geneva Act. Also, since April 2003, businesses have been able to apply for a single community registration covering all 27 EU member States. Accession of the European Union to the Geneva Act was implemented at the end of 2007. The US Senate agreed at the end of 2007 to US ratification of the Geneva Act.

One complex substantive issue is ensuring availability of design protection with respect to alternative or cumulative protection by trademark, copyright and, as the case may be, patent law.

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<th>Business action</th>
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<td>Business encourages discussions to begin on an international design law treaty.</td>
<td>TRIPS introduced few concrete international rules (apart from the minimum protection period).</td>
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<td>Business encourages governments to ratify and adopt the provisions of the new revision of the Hague Agreement (Geneva Act) concerning design registration procedures. The accession of Spain to the Geneva Act, which triggered the entry into force of the Hague system on 23 December 2003, should attract more countries and use by businesses of this system that allows a single international deposit of up to 100 designs per international application.</td>
<td>Governments should begin discussions on international harmonization of design law; an international design law treaty would focus and accelerate the harmonization process.</td>
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<td>At the EU level, business welcomes the accession of the EU to the Geneva Act of the Hague Agreement and hopes that this will enter into force as early as practicable. This linkage will enable applicants, through a single international application, to obtain design protection in the EU under the Community design system and in other countries of the Geneva Act inside or outside the EU.</td>
<td>Easier access to design protection can be provided at a national level by not requiring ex officio examination before registration, allowing multiple deposits and the possibility of deferring publication of the design, for a limited period.</td>
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<td>At an international level, the new revision of the Hague Agreement is an important step in simplifying international registration and meeting the needs of users. Forty seven countries so far have acceded to the Geneva Act. Governments should ratify and implement the provisions of this new revision.</td>
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2. Lack of full search possibilities for designs

Business needs easy user-friendly access to central international registration of designs. The lack of full search possibilities for designs creates uncertainty for companies wishing to register designs, as they are unable to verify if the designs have already been registered. While some countries provide easy access to protection, many others still do not do so.

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<td>Business supports the standardized development of on-line access and easy searchability of design registers.</td>
<td>WIPO is working to develop an electronic design register. Governments, and in particular the EU, should participate actively in producing a standardized system for use by all WIPO members.</td>
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IV. COPYRIGHT

The protection of copyright and related rights within the ever-changing digital infrastructure and applications is taking place within a framework of complex legal, economic and social issues. New ways of perfecting inexpensive and virtually instantaneous reproduction, distribution and display of works and other subject matter have created great opportunities and challenges for rightsholders as well as distributors and consumers. At the same time, the new technology is seen as providing opportunities for an increasing number of new players, ranging from new commercial content providers/publishers of copyrighted material and the IT, telecom and consumer electronic industries, to private persons making copyrighted material they created themselves available on the Internet.

Important contributions to the new framework are the 1996 WIPO Treaties on Copyright (“WCT”) and on Performances and Phonograms (“WPPT”) (collectively the “WIPO Internet Treaties”), which both entered into force in 2002. As of the date of this publication, 64 and 62 countries have joined the WCT and WPPT Treaties respectively. The countries of the EU are expected to ratify/accede to the WIPO Internet Treaties, which, following the deposit of the relevant notices with WIPO, will bring the number of members to more than 80. However, many countries have not yet signed these treaties, and a number of signatories have yet to fully implement the provisions of these treaties into domestic law. In addition to the WIPO Internet Treaties, discussions on updating the protection for certain categories of related rightsholders are on-going within WIPO.

The contribution of copyright-based activities to the national economies is growing. Yet, the copyright dependent nature of different commercial activities is often not generally acknowledged as such, nor is the contribution of copyright-dependent industries to the national economy understood or fully credited. Consequently there may be a lack of awareness among national decision makers and opinion leaders about the economic importance of copyright. Consequently, WIPO is working with a group of national governments from each region of the world to analyze the impact of copyright-dependent industry on the respective national economies (see WIPO studies on Canada, the United States, Latvia, and Hungary).

**Business action**

To fully exploit the possibilities of the digital revolution to the benefit of all parties while respecting the under-lying rights to intellectual property, business will intensify its work towards the common interest of promoting the protection of intellectual property in electronic commerce.

Business should make use of all opportunities available to communicate its concerns to lawmakers to provide for a legal framework that encourages creativity in the information society. Business encourages the implementation of the WIPO Internet Treaties, which take into account the legitimate interests of all stake-holders involved, while fostering creativity and investment in the relevant industry sectors. Business should continue to monitor the implementation of these treaties in order to ensure that the stated goals are fulfilled.

Business should continue to use existing copyright legislation to enforce the rights granted to rightsholders. At the same time, business should seek consensus on how copyright enforcement can be made more efficient and effective, and less costly, in the face of new forms of infringement, in compliance with the WIPO Internet Treaties, or under such national legislation as the DMCA or the EU’s Copyright and E-Commerce Directives. Business welcomes research at the national level to identify the contribution of copyright-related activities to the national economy.

**Government action**

Governments should update copyright protection both in substance (by implementation of WIPO Internet Treaties) and in terms of enforcement mechanisms (by, at a minimum, implementing the terms of the TRIPS Agreement). The goal must be the establishment of a balanced and realistic framework of accountability that respects international obligations, provides incentives for increased inter-industry cooperation to deter and respond to infringements, promotes responsible business practices, does not impose unreasonable burdens on intermediaries, and preserves an appropriate role for courts.

Any legislation that deals with the applicability of copyright infringement liability rules should examine carefully how these rules apply to all stakeholders in the digital networked environment.

Any framework that provides for limitations on liability for service providers should be restricted to damages and other monetary relief. Injunctive relief and other forms of equitable relief should be available subject to the evolving laws governing such relief.
1. Collective administration and licensing

New media and technology create new ways for rightholders to distribute and exploit their works, including online, thus potentially creating additional opportunities for direct licensing. Digital rights management systems are being designed to better distribute and protect the rightholder's investment while allowing an increased variety of terms and conditions for use of those works. It is expected that increased market implementation of such systems will increase consumer choice and availability of copyright works such as software and entertainment products in digital format and permit price points better suited to increasing the options of the consumer.

**Business action**

Business supports emerging new technologies that commercialize, protect and distribute works, to the equal benefit of all interested parties. Business also supports the continuing availability of collective licensing on a voluntary basis, provided the principles of efficiency, transparency, accountability and good governance are respected. Business will continue to promote, where feasible and appropriate, the opportunities for direct licensing and non-exclusive mandates and the opportunities opened by new technologies.

**Government action**

Governments should continue to allow, while not mandating, collective licensing and administration of copyright in appropriate cases.

2. Legal protection of technological measures assisting in protecting and licensing works

The WIPO Internet Treaties require signatories to provide adequate legal protection for technological measures and effective legal remedies when they are circumvented which rightholders may employ in connection with the exercise of their rights. Such measures are necessary not only to protect against digital piracy, but also to expand consumer choices by differentiating between offerings and services. For instance, technological measures allow consumers to choose how and where they wish to experience legitimate copyright content in a secure manner, at different price points. One particular example is “demo software” which enables the consumer to test out the product—in some cases, a full-featured version—before committing to the purchase. The market continues to experiment with these innovative business models made possible by technological measures. As of 2006, 102 countries have already fully or partially implemented these anti-circumvention provisions of the WIPO Internet Treaties (or committed themselves to doing so), the vast majority of which also prohibit the act of trafficking in circumvention devices.

There is a need for multi-faceted means to commercialize and distribute copyrighted works. Systems should not be allowed to be taken over by illegal activities. Effective and balanced actions are necessary to stop international illegal exploitation of copyrighted works.

**Business action**

Business should intensify their efforts towards the adoption and practical implementation of technical protection measures and their regular updating to face new challenges to legitimate interests of rightholders. (See also Section B.I "Enforcement priorities").

**Government action**

Governments should promptly and faithfully implement the WIPO Internet Treaties, including Article 11 of the WCT and Article 18 of the WPPT relating to technological protection measures and anti-circumvention. Governments should refrain from intervening with the use and deployment of technical protection measures except in the case of market failure or to ensure compliance with industry-agreed standards, and permit industry agreements to be implemented.
3. Moral rights

Creators and performing artists are seeking reassurances that their moral rights are respected, especially by third parties, and that their works and performances are not unduly manipulated in the digital-networked environment.

**Business action**

Business is working towards practical rules that allow for the efficient and customary exploitation of works, including the creation of derivative works, which will ultimately benefit both producers and performers/authors.

**Government action**

Governments should take a reasonable approach to the issue of moral rights in a way that would prevent in particular the distortion of works and performances by third parties, while not undercutting the economic foundation and customary practices of the industry upon whose success both performers and authors depend.

4. Protection of audiovisual performers

Audiovisual performers have been seeking an update of their rights at international level since negotiations began for the WIPO Internet Treaties. A WIPO Diplomatic Conference held in December 2000 was unsuccessful in achieving the adoption of such an instrument. The discussion within WIPO is ongoing; however, no further diplomatic conference is planned at this stage.

**Business action**

Business is actively participating in these negotiations so that any new rules, while updating the protection of performers, will still allow for the orderly exploitation of audiovisual productions to the benefit of all parties involved in creating and distributing such works.

**Government action**

Governments should recognize the particular needs of film-making and distribution and the huge investments involved. Issues such as the conditions for the application of transfer of rights to producers need to be addressed.

5. Protection of broadcasters

Broadcasters have been seeking an update of their rights in response to market changes and technological developments, currently embodied at an international level in the Rome Convention. Discussions and proposals for a Broadcasting Rights Treaty have been on-going at WIPO for a number of years. Following a number of regional meetings and sessions of the relevant expert committee in 2006, the WIPO General Assembly resolved that a diplomatic conference be scheduled for late 2007, subject to progress on a number of outstanding issues to be discussed at two further meetings that were held in 2007. However, no consensus was achieved on the objectives, specific scope and object of protection during those two meetings. The WIPO General Assemblies therefore decided in October 2007 that the subject of broadcasting organizations and cablecasting organizations should be retained on the agenda for the expert committee for its regular sessions and that a Diplomatic Conference should be convened only after agreement on the three issues mentioned has been achieved.

**Business action**

Business is participating in on-going discussions of this potential updating of broadcasters’ rights.

**Government action**

Governments, through their representation at WIPO, are engaged in on-going discussions regarding recognition and protection at the international level of updated rights of broadcasters in their broadcasts.
V. GEOGRAPHICAL INDICATIONS

Improved protection of goods (and eventually services) other than wines and spirits is not only attractive for some developing countries, but also of interest for many agricultural and industrial sectors of developed countries wishing to protect local products, techniques and know-how.

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<tr>
<td>Some producers of products other than wines and spirits (e.g. agricultural and consumer goods) in both developed and developing countries have expressed an interest in using a system for the protection of geographical indications for their products. Business urges governments to carefully study the implications of such an extension, notably for the interests of trademark holders. These discussions are taking place in the TRIPS Council in order to take account of any bearing on other intellectual property rights, notably trademarks. Integration into negotiations on agricultural issues would lead to an isolated view and a risk of undue interference with established rights.</td>
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<tr>
<td>Pursuant to the Doha Declaration, the WTO is discussing both the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits, and the extension of the stronger protection accorded to wines and spirits to other products. Governments should keep discussions of the extension of the protection for geographical indications separate from the negotiations of the Special Negotiating Session on the notification and registration system for wines and spirits. The negotiations will be continued in multilateral fora such as the WTO and WIPO. After the suspension of the Doha Round, bilateral and other forms of multilateral treaties will also become more important.</td>
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**ICC action**
ICC issued “Initial views on the post–Doha agenda of the Council on TRIPS”, including geographical indications (GIs), and “Further views on geographical indications” and is continuing to follow WTO discussions on GIs.
VI. PLANT VARIETY RIGHTS

A continuous supply of new varieties of agricultural crops is essential to combat evolving pests and improve yield. Plant variety rights (PVR) protect new varieties of plants, for a term of up to 25 years. They were designed in the 1950’s to enable the breeders of successful varieties to control their reproduction, and by direct exploitation or licensing to obtain a return on the substantial investments of time and resources needed to produce them. The rights are designed to fit the needs of breeders and farmers and may coexist easily with patent rights on plant biotech inventions.

TRIPS provisions require member countries to protect plant varieties either by utility patents or by an effective sui generis system. UPOV (the international treaty regulating plant variety protection) is the most popular sui generis system of plant variety protection with 65 countries now as members.

The Convention on Biological Diversity (CBD) requires all access to national genetic resources to be individually negotiated. Such negotiations may impede use of genetic resources vital to the development of new crop varieties. The International Treaty on Plant Genetic Resources for Food and Agriculture (International Treaty) has been negotiated as a specific exception to the CBD. It provides for genetic material of listed major crops to be exchanged freely, under provisions for sharing benefits arising from the commercial exploitation of resulting products. Exchange is subject to a standard Materials Transfer Agreement (MTA).

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<tr>
<td>Business was constructively involved in discussions leading to the International Treaty. Business helped to negotiate an MTA that is believed to be both fair and practicable. Business must now demonstrate the benefits of the arrangement by accepting and exploiting genetic resources under the MTA.</td>
<td>Governments will implement the International Treaty and monitor its effects, together with those of the MTA. If all goes well, they should seek to add further crops to the agreement. If not, the Treaty and the MTA must be reviewed.</td>
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VII. TRADE SECRETS

Data exclusivity

The WTO TRIPS Agreement Article 39.3 obligates WTO members to provide a period of data exclusivity for safety and efficacy studies submitted by the research-based pharmaceutical and plant science industries to obtain regulatory clearance. During the period of data exclusivity, all proprietary information submitted to the regulatory body shall be protected from unfair commercial use. Once this period has expired, the competent national authority may grant registration through summary approval procedures but shall always protect the studies against disclosure. All WTO members, with the exception of its least developed country members, have been obligated since 1 January 2000 to implement these provisions and many WTO members, including some developing countries, have already done so. Other WTO members, however, including some newly industrializing countries (NICs), have failed to do so and are challenging the accepted interpretation of the obligations contained in TRIPS Article 39.3 through various interpretations.

Business action

Business is still waiting for all developing country members of the WTO to implement their obligations pursuant to TRIPS Article 39.3. Business urges governments to require original safety and efficacy data from all applicants for marketing approvals of regulated products, or authorization for reliance from the titleholder during the period of non-reliance. Business also urges governments to provide for specific minimum terms of protection.

In the EU, the chemical industry (CEFIC) supported by other sectors and BUSINESSEUROPE, has called for clarification of the principles underlining the protection of data, the mechanisms for disclosure if required by the public interest, and parameters used to strike a balance between the different interests at stake.

Government action

The US and the EU currently do not allow reliance either on information that is supplied to regulatory authorities for new chemical entities, or on evidence of prior approval of the product in another country requiring such information, for a period between 5-10 years, according to the industry segment. This should serve as the model for the implementation by all WTO members of their TRIPS Article 39.3 obligation, as it is currently being done through FTA Agreements.
VIII. OTHER FORMS OF INTELLECTUAL PROPERTY AND TECHNOLOGIES

1. Information products e.g. databases

Electronic databases are an integral part of a worldwide information market. The ever-increasing growth of information collected, processed and distributed by business is a valuable investment in new products and services. In certain countries, copyright protection does not protect all kinds of databases such as non-original databases. The EU has provided sui generis protection (the “Database Directive”), prohibiting unauthorized extraction or re-utilization of substantial parts of a database in which the owner has made a substantial investment. The scope of “substantial investment” in the EU has come under close scrutiny recently in the European Court of Justice. The effect of these decisions on Database Right owners in individual member states remains to be seen. The EU sui generis right does not affect the rights of creators of works incorporated in the contents of the database. The EU example has been implemented by all EU countries.

Other jurisdictions are currently exploring different approaches to database protection. In the US, for example, compilations of data or facts are accorded a degree of copyright protection if their arrangement meets minimum requirements of originality, or if the misappropriation of certain time-sensitive data constitutes unfair competition given the investment of the compiler and the unfair advantage to the user. Legislation has been introduced in the US to provide for EU-type sui generis protection, but has so far failed to gain sufficient support to become law.

Some have raised concerns that certain kinds of database protection may be so broad as to stifle the flow of and trade in information, but proponents believe that these fears can be addressed through legislation which provides appropriate access to non-original information while protecting and incentivising the investment of data compilers and disseminators. The EU Commission has recently held a series of consultations with stakeholders, the outcome of which appears to favour the status quo.

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<td>While ICC does not have a position on the need for such protection, businesses should closely follow the development of the discussion of protection of databases at the international and national level to secure adequate legal protection of databases that at the same time safeguards the legitimate interests of users, compilers and disseminators.</td>
<td>When the WIPO Internet Treaties on Copyright, Performances and Phonograms were adopted in 1996, an international instrument on the protection of non-original databases was proposed as one of the pillars of a future international framework on content protection in the information society. Nothing further has progressed in this regard, despite initial discussions on the possibility of an international agreement on the protection of databases within the relevant WIPO Standing Committee.</td>
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2. Indigenous/ community/ traditional rights

Commercial interest in plant and animal species in industrializing countries, and in traditional knowledge and remedies, has raised questions of ownership of such resources, previously assumed to be in the public domain. The existing system of intellectual property rights has been criticized for allowing individuals or entities to appropriate commercially valuable resources such as plant varieties, etc. At the same time, the holders of these resources have themselves started exploring the concept of communal intellectual property rights. To what extent can existing intellectual property rights provide an appropriate framework for the exploitation of traditional and biological resources? Is a new (sui generis) type of intellectual property right necessary? Or, is the most suitable solution to these issues found outside of the intellectual property system?

Access and benefit-sharing (ABS) are twin principles of the Convention on Biological Diversity (“CBD”), which recognizes the sovereign right of states over genetic resources. The CBD encourages bioprospectors to consult with concerned indigenous and local communities in any bio-prospecting and to agree terms with them for access to genetic resources. However, even when such consultations are pursued in good faith, new groups may subsequently emerge and challenge the authority of the groups initially consulted. More legal certainty is needed. Otherwise, the increased risk will result in lower benefits, and will discourage the access to resources that the CBD is intended to promote.

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<tr>
<td>Business is willingly participating in appropriate processes to define the relationship between traditional knowledge (TK) and intellectual property rights (IPR). The form of any new sui generis right would be largely determined by its objectives, which are not yet generally agreed. Business is open to practical proposals for the protection of communal and indigenous intellectual property, and is engaging in constructive discussion. Any sui generis system for TK must be designed to coexist effectively with conventional IP rights such as patents. Moreover, the public domain should not be defined too narrowly or encroached upon without good reason.</td>
<td>Following the Convention on Biological Diversity, several national governments have passed, or are considering passing, legislation regulating access to biological resources. There is an urgent need for more to do so. Until national legislation is in place, access to national genetic resources is hampered - an unintended and most unfortunate consequence of the CBD. National regimes must not only articulate national standards for ABS, but must also provide guidance and more legal certainty regarding appropriate consultation with indigenous and local communities. More governments should implement the Bonn Guidelines and should also ensure that any such legislation having an impact on IPR is compatible with TRIPS.</td>
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**ICC action**

ICC is participating in dialogue with other stakeholders, especially at the WIPO Intergovernmental Committee and the Convention on Biological Diversity. ICC’s discussion paper “Protecting Traditional Knowledge” sets out the advantages to be obtained and the difficulties to be faced in any sui generis system for protecting indigenous knowledge.

Countries with traditional knowledge and genetic resources can help by classifying and documenting this, e.g. in databases.
3. Biotechnology and new genetic advances

Biotechnology is a complex collection of cumulative technologies that use cellular and bio-molecular processes to solve problems in human health, agriculture, food, industrial processes and the environment. It thereby creates new products, services and information with economic and societal value. Biotechnology increasingly serves as an economic and societal driver through a set of platform technologies that depend heavily on intellectual property protection for its vitality and continued growth. Its complexity, however, also poses new sets of intellectual property challenges. For example, there is an increasing need to balance maintaining access to genetic data and cumulative research technologies (in order to encourage the diffusion of research results and the development of new technologies) with the commercial need to protect genetic inventions and tools (in order to promote innovation and capital formation, create revenue from risky R&D investments, and permit market-oriented exchanges of rights).

As new commercial and clinical applications develop rapidly in multiple directions, some of the key, current intellectual property issues in biotechnology will include 1) appropriate standards for protection (including utility); 2) terms of access; 3) public-private partnership issues; 4) the role of data exclusivity; 5) new techniques for technology diffusion; 6) research exemptions and freedom to operate; 7) licensing practices and other contractual terms; 8) adequate and effective international standards and procedures; 9) standards and procedures for generic biologics and follow-on biologics; 10) database protection and access; and 11) appropriate innovation incentives for new translational research collaborations (R&D between basic or fundamental research and clinical applications).

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<td>Business will continue to support a broad societal understanding that the realization of the promise of significant improvements in quality of life, human health and economic growth made possible by biotechnology depends critically on a transparent, balanced and effectively enforced intellectual property framework, including both IP rights and effective mechanisms for access and diffusion. Such a framework is needed: (1) to stimulate the very costly and risky investment of resources needed to research and develop these beneficial innovations from the laboratory through clinical or field trials to the market; (2) to disseminate widely the new technologies - and related products, services and information - as a means to spur incremental improvements and new breakthroughs; (3) to provide a market-oriented framework for the exchange of rights and the creation of capital; and (4) to create social and economic value from intellectual assets beyond the intellectual property rights themselves.</td>
<td>Governments must recognize that strong, predictable and timely intellectual property protection - by stimulating research, knowledge flows and the entry of new technology into markets - is a key factor for economic growth and R&amp;D in the biotechnology sector. Strong intellectual property protection is essential to the success and, in many instances, the survival of the growing number of biotechnology companies, many of which are small and medium-sized start-up companies or spin-offs from universities and non-profit laboratories. The role of government policy should be to create a legal and policy framework for intellectual property in biotechnology that: (1) stimulates innovation and economic growth; (2) focuses renewed attention on specific policies concerning scope, quality, diffusion, access and effectiveness; and (3) comprehends the intersection and interaction of intellectual property with other government tools such as competition policy, R&amp;D infrastructure, tax and capital formation, and government regulatory regimes for biotechnology. Governments, therefore, must consider carefully the appropriate balance to be achieved in the policy mechanisms and intellectual property policies needed to promote biotechnology innovation and to realize its enormous promise for society.</td>
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B. Issues common to various intellectual property rights

I. ENFORCEMENT PRIORITIES

1. Jurisdiction and applicable law

Most registered intellectual property rights are country-based rights: national authorities and laws govern their grant, scope, enforcement and validity within the national territory. The regime of regional IPR, as in the EU, is often superimposed on existing national rights.

Infringements of intellectual property rights by third parties are generally considered as torts. The general principle of international private law on torts is that jurisdiction and applicable law should be determined by reference to the place of the wrongdoing and/or the damage, which raise complex issues for infringements of intellectual property rights. International cooperation is underway to clarify these rules and to create maximum legal certainty.

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Business supports international activities aimed at designing a model system. In particular, business supported the efforts by The Hague Conference on Private International Law to establish a convention on jurisdiction and enforcement of business-to-business contracts with choice of court agreements. The final version of the Convention on Choice of Court Agreements was adopted by the 20th session of the conference held on June 30, 2005. The Convention does not apply to validity and infringement of IP rights other than copyright and related rights, except with respect to infringement where proceedings are or could have been brought for breach of contract relating to such IP rights.

Business supports the three key provisions of the Convention: (i) the court designated in an exclusive choice of court agreement has jurisdiction and must exercise it; (ii) all other courts must decline jurisdiction; and (iii) courts of contracting states must recognize and enforce judgments rendered by the designated court.

**ICC action**

ICC continues to closely cooperate with and to provide business expertise on the issues raised by the Convention to the Hague Conference through the coordinated efforts of the ICC’s Commissions on Commercial Law and Practice, Intellectual Property, and E-Business, Information Technology and Telecoms.

Governments should ratify and implement the Convention.

The 2003 proposal of a European Regulation on the law applicable to non contractual obligations, known as the “Rome II” Regulation, was adopted on 11 July 2007 and will come into force on 11 January 2009. Pursuant to Article 8, the law applicable to infringement of an IP right will be the law of the country for which protection is claimed, and when a unitary Community IPR is involved, the law of the country in which the infringement was committed will apply to questions not governed by the relevant Community instrument.
2. International inconsistency

Inconsistency in national approaches to IP protection and the lack of recognition of other national rights and systems have resulted in forum shopping and uncertainty. Manifestations of inconsistency include:

- differences in the presentation of evidence (with or without cross-examination, electronic discovery);
- differences in the interrelationship between protection of exclusive IP rights and competition laws;
- the availability of interlocutory relief – injunctions – seizure orders, etc.;
- differences in available procedures (civil, criminal, customs), their costs and recoverability, length and outcome.

In Europe, difficulties associated with litigating national patents issued from a European patent in different national courts have for many years been a subject matter for discussion between the EU Commission, the Member States and stakeholders. During the latter part of 2007 discussions have been focused, not on the European Patent Litigation Agreement (EPLA), but on new proposals for discussions submitted by the Portuguese presidency. The proposals, that are changing as the discussion goes on, presently (January 2008) recommend an exclusive EU patent jurisdiction dealing with validity, infringement and inter-related proceedings concerning European patents and future Community patents, which would be an integrated system effective in all Member States. The system would comprise of a first instance with local and regional divisions as well as one central division, plus a second instance and a Registry. All divisions would form an integral part of a unified Community jurisdiction with uniform procedures; the divisions would be specialized and distinct bodies, but be linked to the European Court of Justice (ECJ). Some of the more discussed features of the proposals are the introduction of a bifurcated system like that in Germany, separating infringement cases and validity cases and the language provisions at first instance in infringement cases.

The Slovenian Presidency has scheduled a number of meetings for spring 2008 with the Council’s Working Group, but no final decision is expected before the French Presidency in autumn 2008.

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<td>Business will determine and articulate its needs and support international activities aimed at designing a model system.</td>
<td>Governments should provide support to initiatives to harmonize court procedures (e.g. standards for disclosure), and to develop existing concepts (e.g. Brussels/Lugano Regulations/Conventions), taking into account business concerns.</td>
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<td>Business will follow the continued work in the EU on the future patent system for Europe, including the community patent and the court system. Business urges European Member State governments to closely follow the development of a system for a European Patent Litigation Jurisdiction and listen to well-founded concerns expressed by business.</td>
<td>Governments should promote greater use of information technology to facilitate rapid exchange of information and files, consolidation and mutual recognition of &quot;methods of proof&quot;, e.g. use of independent expert witnesses. They should also ensure the availability of interim relief to provide effective emergency IP protection.</td>
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<tr>
<td><strong>ICC action</strong></td>
<td>European Member State governments should continue to support the implementation of a system for a European Patent Litigation Jurisdiction that fulfils the needs of business.</td>
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<tr>
<td>ICC will study issues relating to the European Patent Litigation Jurisdiction and other patent litigation issues during 2008.</td>
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3. Enforcement on the Internet

The ease and speed of reproduction and transmission of digital content on the Internet have made it difficult for rightholders to control the distribution of their copyrighted works and to enforce their rights in the digital context, consequently raising the risks of rolling out legitimate on-line services. While initially the music sector was particularly affected, most rightsholders suffer substantial losses as a result of digital piracy. In response, such rightsholders have taken a broad range of measures, including the roll-out of legitimate services, public awareness campaigns, the use of technological protection measures, and legal enforcement action against the most detrimental infringements of their rights. Still, infringers are resourceful and have tried to structure their services in such a way so as to make it more difficult for rightholders to enforce their rights, for example by using remote servers to avoid jurisdiction. The importance of websites as a communication and trading interface with consumers and business partners has also provided new opportunities for abuses of trademark rights (through misuse of domain names, metatagging, etc.).

The global nature of the Internet also exacerbates issues of jurisdiction and enforcement because Internet activity, due to its worldwide reach, may expose parties to litigation in any country of the world where arguably the tort occurs or the injury is suffered. Infringement of IPR on the Internet raises complex issues of localization of the components of the infringing acts. In addition to jurisdictional issues, rightholders have difficulties in tracing infringers operating on the Internet, because of the lack of reliable information on the identity of persons operating websites or holding domain names. Moreover, the transient nature of the bulk of the content circulating on the Internet renders evidence collection more difficult.

Also, with the growing number of electronic documents that may be needed or discoverable in litigation, questions of admissibility of digital evidence raise complex issues, such as authentication of identity, content and time, confidentiality, and archival policy including deleted files.

**Business action**

Several private sector initiatives have been launched to work on technical solutions to limit infringements and assist in enforcing intellectual property rights on the Internet. Business will closely monitor and, where appropriate, support these initiatives. In the area of domain names, business will continue to support ICANN’s Uniform Dispute Resolution Policy while calling for better consistency of decisions being rendered. Business notes that a consensus could not be reached on the extension of the UDRP to business identifiers beyond trademarks, but supports continued efforts to improve the operation of the UDRP or like procedures for blatant violations of IPR on the Internet. Business welcomes WIPO’s actions to make available databases on trademarks, UDRP decisions and ccTLD registrations, which should facilitate searches of prior rights or precedents. Business will press for appropriate access to information sufficient to identify and locate IPR infringers and providers of unlawful content in order to facilitate criminal investigations and legitimate law enforcement activities.

(see also Trademarks and Copyright sections)

**Government action**

Governments should promptly and faithfully implement the 1996 WIPO Treaties, both in force, including appropriate legal frameworks for effective technological protection measures and providing effective legal remedies against circumvention, related activities and devices (see Section A, IV.) Governments should encourage ICANN to allow for reasonable access, through an accurate WHOIS database, to information sufficient to identify alleged intellectual property rights infringers and providers of unlawful content in order to facilitate criminal investigations and legitimate law enforcement activities. At EU level, a European Network and Information Security Agency was established in 2004 to enhance the ability of the European Union and the member states to respond to network and information security problems.

(See also Trademarks and Copyright sections)

**ICC action**

ICC is working through the ICANN Business and Commercial Users Constituency (BCUC) to advocate business needs in ICANN with respect to the formulation of policies on domain names, including registration conditions. The ICC Counterfeiting Intelligence Bureau and Cybercrime Unit also carry out data gathering and enforcement activities.

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_A roadmap for business and policy makers (2008) – 48 –_
II. RESOLUTION OF INTELLECTUAL PROPERTY DISPUTES BY ARBITRATION OR MEDIATION

With the expansion of international trade in recent years, there has been a proliferation of disputes involving an increasing number and variety of intellectual property rights. The effective protection of these rights requires a dispute resolution mechanism adapted to the special characteristics of international intellectual property disputes. Intellectual property disputes are not fundamentally different from other disputes. There are, however, special characteristics that need to be taken into consideration in view of the unique character of each type of intellectual property. Both arbitration and mediation offer advantages which make these mechanisms particularly appropriate for the resolution of intellectual property disputes.

1. Arbitration

Arbitration has notably four fundamental features: (i) it is a private mechanism for dispute resolution; (ii) it is an alternative to national courts; (iii) it is selected and controlled by the parties; and (iv) it is the final and binding determination by an impartial tribunal of the parties’ rights and obligations.

Parties choose to go to arbitration rather than to a national court for various reasons. First, due to its international nature, arbitration provides the parties with the possibility of choosing a neutral forum as well as the rules of procedure and the language to be applied by the tribunal. Second, as the arbitration award is final and binding, there should be no appeals and the award will be directly enforceable under the New York Convention in over 140 countries. Third, the autonomous nature of the arbitration process allows the parties and arbitrators the flexibility to freely determine the procedure best suited for the particular case, without being bound to detailed and rigid national court procedures. Fourth, the parties may select arbitrators with expert knowledge and from certain legal backgrounds. Another advantage of arbitration, particularly pertinent for disputes involving secret intellectual property processes and rights, is the private and confidential nature of arbitration and the award.

Disputes concerning intellectual property typically may involve the ownership, validity, enforcement, infringement or misappropriation of an intellectual property right. There are many situations where arbitration of these disputes may be appropriate. This includes disputes involving intellectual property licences, agreements for the transfer of intellectual property (e.g. in the context of a business or company acquisition) or agreements in connection with which intellectual property is developed (e.g. research or employment contracts).

In the absence of a pre-existing agreement containing an arbitration clause, arbitration normally is not possible unless the parties agree, after a dispute has arisen, to submit the dispute to arbitration. Arbitration of intellectual property disputes may also be inappropriate in situations where immediate injunctive relief is needed or where legal precedent is necessary.

Even where an arbitration agreement exists, some intellectual property disputes may not be referred to arbitration, because the dispute is not arbitrable. This means that legally the dispute is not capable of being resolved by arbitration. In many legal systems there are some types of subject-matter which cannot be removed from the normal national court jurisdiction and submitted to arbitration.

In some countries there are restrictions as to whether certain types of intellectual property can be referred to arbitration. This is because the existence of an intellectual property right often requires the registration with a governmental or quasi governmental agency which alone can grant, amend or revoke the right and determine its scope. Therefore, disputes directly affecting the existence or validity of an intellectual property right may not be arbitrable. This is most obviously the case with the validity of a patent which is issued by a national or European patent office, the only competent authority in which to challenge the validity of such act. On the other hand, disputes concerning the exercise of an intellectual property right are generally considered to be arbitrable. Even where validity is in question, the contractual rights between the parties can be referred to arbitration.
Today, intellectual property disputes are arbitrable in most countries. The general acceptance of the arbitrability of intellectual property rights is also evidenced by the significant number of ICC International Court of Arbitration cases involving principally intellectual property disputes. Further, certain organizations have created specific intellectual property arbitration procedures and have established lists of potential arbitrators.

One generally recognized problem relates to the use of injunctive interim or conservatory relief where there is an arbitration agreement. It is now well recognized, in most legal systems, that national courts retain the right to intervene in a dispute to grant interim relief despite an arbitration agreement. Where intellectual property rights exist and need to be protected pending determination of the parties’ substantive rights, until the arbitral tribunal is fully established the parties are generally free to seek this relief in either an appropriate national court or from the arbitration tribunal. Frequently, national courts will grant interim relief and make it subject to being continued by the arbitral tribunal within a certain period of time after it is established and can convene and hear the parties on the specific relief sought. Relief provided by a national court is a support for the arbitration process and the arbitration agreement.

### Business action

Businesses should take the following points into account when considering arbitration of intellectual property disputes:

- To facilitate enforcement and to help to obviate the problems created by arbitrability, it may be useful to add a clause whereby the parties agree to enforcement;
- Where parties consider expertise in intellectual property issues to be essential, they should provide in the arbitration agreement that the arbitrators have suitable qualifications and/or experience;
- In situations where interim relief (frequently required in intellectual property cases) is sought from the arbitral tribunal, it is preferable for the arbitrators to make these orders rather than the courts. However, the support of the courts will be necessary in extreme cases, or where parties are unwilling to recognize the authority of arbitrators;
- National laws concerning confidentiality - of great importance in intellectual property cases - are not uniform, and there is no certainty of complete confidentiality of papers in arbitration. Secrecy provisions in the underlying substantive contract will hold good for the arbitration procedure, subject always to matters which may be referred to the court. Both parties and arbitrators need to make specific provisions to ensure secrecy as appropriate. This may be in the form of additional contract clauses or a procedural order by the tribunal or in the terms of reference.

### Government action

While intellectual property disputes are arbitrable in most countries today, some countries are more liberal than others. Switzerland and the United States accept the arbitrability of almost all intellectual property disputes. In most other countries a distinction is drawn between intellectual property rights which have to be registered (e.g. patents and trademarks) and those which exist independently of any national or inter-national registration (e.g. copyrights). Intellectual property rights belonging to the former category may be arbitrable, but an award rendered may not affect the rights of third parties. Intellectual property rights which are not subject to any registration are freely arbitrable.

The reduction in the number of countries applying a strict or even restrictive approach to arbitrability is to be welcomed and encouraged. Continuing support from international institutions with specialist knowledge including UNCITRAL with its Model Law, and ICC, WIPO, and WTO, will greatly facilitate the final resolution of this problem.

Governments should take the following actions:

- Ratify the New York Convention on Recognition and Enforcement of Arbitral Awards 1958. Over 140 countries have already done so and efforts should be made to persuade the remaining states to ratify.
- Adopt the UNCITRAL Model Law on International Commercial Arbitration 1985 or a modern arbitration law.

### ICC action

Every year, about 10% of the contracts giving rise to an ICC arbitration relate to intellectual property.

1.1 Mediation

Mediation may be defined as “a process whereby a mediator, i.e. a neutral third party, works with the parties to resolve their dispute by agreement, rather than imposing a solution”. The mediator assists the parties in isolating points of agreement and disagreement, exploring alternative solutions and considering compromises in order to find a mutually satisfactory settlement of their dispute. Mediators cannot make binding adjudicatory decisions. They assist the parties in reaching a compromise that is only binding contractually.

The strength of mediation is that it allows the parties to negotiate their own resolution of their dispute. The parties may negotiate a solution based on their future needs and interests. The mediator, unlike a judge or arbitrator, is not limited to applying a certain set of rules to past facts in order to determine the legal situation between the parties. Other advantages are that mediation is confidential and that the mediator may assist the parties to achieve any type of solution which they consider acceptable; arbitrators and judges are limited to remedies available at law.

Like arbitration, mediation is consensual. Only intellectual property disputes covered by a mediation agreement can be submitted to mediation. Further, the purpose of mediation being the negotiation of a compromise, situations where no negotiation and cooperation between the parties is possible (e.g. cases of deliberate counterfeiting or piracy) are inappropriate for mediation.

On the other hand, mediation of intellectual property disputes may be particularly appropriate in situations where the maintenance of confidentiality of the dispute or the preservation or development of business relationships between the parties is important.

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<tr>
<td>The International Trademark Association is promoting the use of mediation to resolve international trademark disputes.</td>
<td>The Federal Courts of the US and the German Patent Court have both recently set up mediation schemes and judges in the US are increasingly referring parties in patent disputes to mediation before taking a decision on such cases.</td>
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<tr>
<td>ICC ADR Rules are available and suited to intellectual property disputes. Technical intellectual property disputes can also be referred to the ICC Centre for Expertise which can propose and appoint experts, and administer proceedings relating to such disputes. ICC encourages cooling-off periods in contracts with an ADR clause.</td>
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III. COUNTERFEITING AND PIRACY

Once a problem associated with CDs and luxury goods, piracy and counterfeiting today are seriously damaging an enormous range of industries. From food and drink, pharmaceuticals, electronics and textiles to software, music, television, and film sectors, piracy and counterfeiting are a drain on virtually every industry. This illegal trade, valued in the hundreds of billions of dollars annually, is stripping economies of much-needed investment, resulting in substantial job losses across many sectors. Moreover, piracy and counterfeiting are a serious risk to public health, particularly with fake medicines, unsafe toys or faulty spare parts for cars or airplanes. The theft of intellectual property on the scale being witnessed today is stifling the innovation and creativity at the heart of today’s knowledge-based economy. Piracy and counterfeiting are undermining the livelihood of creators and innovators, as well as millions of other people working in the intellectual property sector. This illegal activity is robbing governments of millions of dollars in tax revenues needed to provide essential services. The international police agency, Interpol, has also warned how organized crime syndicates are using piracy to bankroll other illegal activities such as drugs and arms trafficking.

Both developed and developing countries are affected by mass-scale piracy and counterfeiting. Up to 60 per cent of drugs in developing countries are counterfeit, according to estimates from the World Health Organization (WHO).

Statistics can give an idea of the scale of the problem, but cannot convey the full extent of the damage done to both the world economy and society. International industries are less likely to invest in production or transfer advanced technology to countries where they are likely to have their products copied or technology stolen. Local business trying to manufacture and market legitimate products in developing countries see their efforts undercut by piracy and counterfeiting. Competition in the marketplace is distorted as legitimate business cannot “compete” with pirates who take a free-ride on the work of others, without contributing to research, development, or social costs for their workers.

Piracy and counterfeiting interfere with the virtuous cycle of investment, whereby revenues from existing products are re-invested in developing new creativity and innovation. This widespread illegal activity ultimately reduces the diversity and quality of creative products and other goods available for consumers.

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<td>Industries based on intellectual property have been proactively working to combat piracy and counterfeiting in all its forms. Many sectors have been working closely with law enforcement agencies to investigate and prosecute the theft of intellectual property.</td>
<td>A 2005 ICC/Ifo study revealed that more than 70% of corporate and academic economists polled in 90 countries agree or strongly agree that theft of intellectual property is among the most pressing problems in the country. No less than 94% of the experts considered that governments should make greater efforts to prosecute theft of intellectual property. Yet government resources allocated to combating piracy and counterfeiting are often woefully inadequate compared to the scale of the problem. Specifically, ICC’s BASCAP initiative has called for governments to:</td>
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<td>Collaboration between Internet intermediaries and the content sector is developing to offer legitimate online content services meeting users’ expectations and needs, and address the issue of piracy. In addition, several sectors are also actively educating governments and the public regarding the otherwise legal role of intermediaries, applicable liability limitations, and the legal processes necessary for their effective assistance in piracy investigations. There are also on-going efforts on the part of businesses to educate the public and raise awareness about the damage done by this illegal activity.</td>
<td>■ strengthen and/or create legal frameworks to ensure implementation and effective enforcement measures against copyright piracy and trademark counterfeiting;</td>
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Such is the enormity of the problem, it has brought together diverse industries to pool resources, exchange information and jointly press for greater government commitment to combating piracy and counterfeiting. Such efforts must include exchanging information among stakeholders to target those who initiate illegal piracy and counterfeiting activities, while recognizing the legitimate business interests, rights and responsibilities of infrastructure builders, system developers, service providers, and information providers in the networked economy.

**ICC action**

Recognizing that the protection of intellectual property rights (IPR) is vital to sound economies and the health and safety of consumers, ICC established BASCAP (“Business Action to Stop Counterfeiting and Piracy”) to take a leading role in the fight against counterfeiting and piracy. BASCAP unites the global business community to more effectively identify and address intellectual property rights issues and petition for greater commitments by local, national and international officials in the enforcement and protection of IPR.

The work of BASCAP aims to:
- increase both awareness and understanding of counterfeiting and piracy activities and the associated economic and social harm;
- compel government action and the allocation of resources towards improved IPR enforcement;
- create a culture change to ensure intellectual property is respected and protected.

This initiative now involves over 800 companies and trade organizations worldwide. The BASCAP Global Leadership Group, a high-profile group of business leaders from a wide range of sectors and several different continents met most recently in New York in March 2008 to urge greater cooperation between governments and industry to combat piracy and counterfeiting. They called for greater respect for intellectual property, rigorous enforcement of intellectual rights and more government commitment to tackling the problem.

In addition, ICC has called upon G8 leaders to act on a short list of concrete recommendations, including:
- abolishing known counterfeiting markets;
- prohibiting transhipment of counterfeits through free trade zones;
- endorsing the World Customs Organization framework standards;
- assessing the capabilities to stem counterfeiting and piracy of G8 and key developing country governments and allocating indicated resources; and
- fortifying criminal sanctions.

ICC has joined the International Trademark Association (INTA) in providing support and specific recommendations to the group of governments embarking on the negotiation of an Anti-Counterfeiting Trade Agreement (ACTA).
IV. EXHAUSTION OF INTELLECTUAL PROPERTY RIGHTS

The issue of how IPR should be used to control distribution of products put on the market by the intellectual property owner or with its consent, through the doctrine of exhaustion of rights (parallel imports), becomes more acute with the globalization of the economy and the development of Internet commerce. While many believe that international exhaustion would severely undermine IPR and distribution networks, some argue that international exhaustion is a necessary and logical result of globalization, trade liberalization and electronic commerce. Views on this topic vary according to the type of right in question and the business sector involved. It is nevertheless relatively clear that in countries that encourage local working of patents, international exhaustion operates contrary to this goal, insofar as it affects the ability of patentees to control the importation of legitimate goods by third parties in direct competition with a local licensee or exclusive distributor. There are also arguments that consumers would not be better off in terms of availability or prices of goods under a regime of international exhaustion. The issue of parallel imports has also been raised recently in the context of discussions on access to medicines.

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<td>Business will continue to contribute its views and experience to the debate on the exhaustion of rights which is of interest to many countries and regions, and is also discussed in international fora. However, legitimate rights should not be undermined by the facilitation of parallel importation.</td>
<td>When determining their policy on the exhaustion of intellectual property rights, policy makers should take into account the absence of a true single global market. This means that a regime of international exhaustion is on balance more harmful than beneficial to international trade and investment, and to innovation in the long term.</td>
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<td>Businesses have a legitimate interest – for reasons relating to commercial strategy, local (re)investment and employment, quality control, brand reputation, safety, etc. – in controlling the distribution of their goods across different markets to ensure that products tailored for one market are not sold in another.</td>
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V. VALUING, TRADING AND SECURITIZING INTELLECTUAL PROPERTY RIGHTS

Intellectual property rights are now recognized as valuable assets in businesses. In principle, their valuation can help businesses to better exploit their intellectual property through licensing and other means of trading (e.g. in the form of securities), to increase their asset value, to obtain financing and to take informed investment and marketing decisions. Company reporting requirements and assessment for taxation may require such valuation. However, the available methodologies seem to work best with individual major patents and brands, and it is unclear whether methodologies exist (or can exist) that are of general applicability.

Recent efforts to find general market-based approaches to valuation include live multi-lot IPR auctions, an American Stock Exchange equity index based on the value of corporate IPR, and plans for an intellectual property exchange in Chicago to enable investor and company participation in a broad spectrum of IP-related financial products such as qualified equity listing/co-listing, IP related indexers, futures and options, IP-backed debt instruments, patent rich company IPOs, and, new IP-based exchange-traded products.

In conducting due diligence studies of IPR, businesses and the financial community are becoming increasingly sophisticated about the importance of evaluating IPR not only from a financial perspective but also a legal perspective, considering issues such as validity, enforceability, scope of IP rights, potential revenue from infringement by others, and potential liability from infringing the IPR of others. As a result, such studies provide more reliable information about the financial value of the IPR as well as information useful in setting business direction and strategy.

In 2007, the German Institute for Standardization, DIN, published PAS 1070 “General Principles of Proper Patent Valuation” (SAB) to assess the quality of valuation reports and expert appraisals. DIN then formed a working committee and initiated an international standardization project on patent valuation at the International Organization for Standardization, ISO, which will appoint a committee to develop an ISO-standard for patent valuation if all relevant and concerned groups express interest to ISO through their national standardization bodies.

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<td>There are now an increasing number of professionals specializing in IPR valuation, especially of brands and patents, who use different valuation methodologies. A new international accounting standard will lead to brands being recognized in balance sheets in more countries.</td>
<td>An increasing number of governments have established programmes to encourage their enterprises to exploit their intellectual property assets. The valuation of intellectual property is seen as an important tool for enterprises in this context. Government bodies in several countries now provide services to help companies to do this. To increase transparency for financial and technological markets, several governments including Denmark, Germany and Japan, as well as the European Commission, are also encouraging companies to report their intellectual assets through guidelines and recommendations.</td>
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<td>Concerns have been raised by business and intellectual property organizations that some of the provisions concerning IP assets in the UN Commission on International Trade Related Laws (UNCITRAL) draft Legislative Guide on Secured Transactions – due to be adopted in May 2008- might have negative unintended consequences on IP licensing practices and trade.</td>
<td>Intergovernmental organizations such as WIPO, the OECD and the UN Economic Commission for Europe organize seminars and compile resources on this issue. UNCITRAL has included IP assets in the scope of its draft Legislative Guide on Secured Transactions. This will make recommendations as to how country laws can be harmonized internationally to cut across legal restrictions on the availability of low cost finance and credit. UNCITRAL has been attentive to concerns raised by business and IP organizations that the current language of the Guide might be counterproductive with regard to the availability of IP financing. Working Group VI of UNCITRAL has been entrusted with the establishment of an IP Annex to the Guide.</td>
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<td>UNCITRAL is now working on an IP Annex whose purpose shall be to clarify certain areas of the Guide in its application to IP. This is in response to concerns that the Guide does not adequately differentiate between IP and other kinds of property, such as tangible property.</td>
<td>Brand value was recognized in the WIPO Recommendation on Provisions on the Protection of Well-Known Marks (September 1999) as a criterion for determining whether a mark is well known and therefore subject to special protection. The recommendation requires a solid and transparent methodology to give reliable information to trademark authorities.</td>
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VI. DIVERSION OF INTELLECTUAL PROPERTY REGISTRATION FEES

Although this is apparently a declining problem in some countries, a substantial portion of the fees collected by the local intellectual property office is diverted or retained by governmental authorities for purposes which have no relation to the operation of the office, raising the following concerns:

- this jeopardizes the operation of the office and the quality of its services, and forces it to work on a reduced budget; and
- it undermines all the international efforts currently directed towards reducing the costs of intellectual property protection.

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<td>Because this issue is very sensitive from the political standpoint, users of the patent system must coordinate efforts through relevant associations (not only those normally engaged in intellectual property matters but also federations of industry and others) to make the relevant authorities aware of the deterioration in the quality of patent examination, caused to a large extent by an insufficient budget and the lack of autonomy of patent offices to take appropriate action.</td>
<td>Changes in the Patent Cooperation Treaty (PCT) as to the equalization of the time limit to enter national phases under Chapters I and II have resulted in more PCT applications entering national phases without an international preliminary examination. Governments must ensure that their national offices are ready to deal with an increasing number of applications which have not had the advantage of such a preliminary examination. This will require the allocation of the appropriate budget to national offices. Therefore, governments – in particular of PCT member states – should allow their patent offices full independence to administer the fees they collect from applicants.</td>
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To take into account the desire of the governments of some developing countries to integrate the development dimension into intellectual property discussions, business supports the use of part of the revenues from intellectual property offices - particularly in developing countries - to help local companies and persons make better use of the intellectual property system and/or facilitate the transfer of technology.

**ICC action**

ICC issued a statement on "The use of intellectual property registration fees" in September 2002 and will seek to implement this by coordinating its efforts with other international associations.
VII. CLIENT PRIVILEGE AND IP PROFESSIONAL ADVISORS

Over the past years, it has become obvious that the lack of uniform laws in the various national laws and legal systems relating to the application of privilege to communications to and from IP advisers and their clients is causing IP owners to risk losing confidentiality in advice they obtain from IP advisers. If privilege is not recognized, a party may be obligated to make that advice public in that country. Consequently, privilege will also be lost through this publication in another country where it would otherwise have existed. This will – in the long run – inevitably lead to problems in doing business based on IPR and in enforcing such rights internationally.

In July 2005, AIPPI submitted to WIPO a paper suggesting a treaty which would provide for minimum standards for the recognition, observance and protection of communications to and from IP advisers as confidential information. The proposed solution would, in particular, require that the protection of privilege in one country should be extended by that country to an IP adviser in any other country. The privilege should, among other things, cover all communications between an IP adviser and client arising out of the professional relationship, on technical and legal matters and should extend to professional IP advisers alike, irrespective of whether they are permitted or qualified to appear before the court or whether they work as in-house legal advisers or external counsel (for details see www.aippi.org under Questions/Committees Q163).

Business action

Business should consider the proposal for a treaty and determine what needs it has in this area.

ICC action

ICC will study the proposal for a treaty in 2008.

Government action

WIPO is planning, together with AIPPI, to hold an informational/definitional symposium, including representatives of NGOs, in Geneva on 22 and 23 May 2008.
C. Interaction between intellectual property and other policy areas

Previously confined to the technical domain, intellectual property issues have become increasingly politicized, due in part to the increasing economic importance of intellectual property, the inclusion of a number of intellectual property-related issues in the WTO Doha Development Agenda, the introduction of intellectual property concepts in communities and countries previously unfamiliar with them, and misunderstandings over the use of intellectual property rights in connection with culturally and socially sensitive material previously assumed to be in the public domain (e.g. genetic material, traditional remedies, etc.). A tension between the commercial interests of the proprietor of the intellectual property and the public interest in sensitive areas such as health, ethics, development, the environment and consumer protection has also been perceived in certain communities.

**Business action**

Business will also need to focus on communicating effectively on intellectual property issues to defuse political opposition and obtain public support for IPR. A dialogue should be developed, where possible, between rightholders and the various communities hostile to IPR. Business is supporting initiatives by intergovernmental organizations, such as WIPO, WTO, and the UN Economic Commission for Europe, to raise awareness of the benefits of IPR in different parts of the world.


**ICC action**

ICC prepared a publication on “Intellectual Property: Source of Innovation, Creativity, Growth and Progress” to explain the rationale behind IP protection. ICC is developing a dialogue with delegates to WIPO on how the intellectual property system can be used to help countries achieve their developmental goals.

**Government action**

Governments must develop their own understanding of the issues, in particular through coordination between departments. Consistency should be ensured between the objectives of intellectual property policy and policies in other areas, such as health, agriculture, the environment, trade and industry.

Governments should ensure consistency between their own efforts devoting resources to the development of local knowledge and innovation on the one hand, and intellectual property protection on the other.
I. PROPER USE OF INTELLECTUAL PROPERTY RIGHTS FOR ECONOMIC DEVELOPMENT

While not new, the argument that intellectual property rights systems only benefit developed countries and foreign companies - and indeed may counteract economic development for developing and least developed countries and prevent access by local populations to technology - continues to resonate in certain countries and among some groups. This is in particular manifested in the discussions on the proposal for a Development Agenda for WIPO.

The value of the TRIPS Agreement for developing and least-developed countries has been questioned in the context of this debate. Issues raised include the availability of medicines at reasonable prices linked with compulsory licensing, protection of data submitted to obtain marketing approval, and pharmaceutical product patent protection; enforcement of intellectual property rights; the availability of copyrighted material in textbooks and journals for education; access to, use of and protection for genetic resources, traditional knowledge and folklore; effects of IPR on transfer of technology from developed countries; and the extension of protection relating to geographical indications to sectors other than wines and spirits. By earlier WTO decisions, the least-developed countries have been given an extension until January 1, 2016, for providing patent protection for pharmaceuticals and an extension until July 1, 2013, to implement all other parts of the TRIPS Agreement.

An important facet of the relationship between intellectual property and development - which has received much less media attention - is the positive role that the intellectual property system can play as a tool to stimulate economic development. An example of this is the role of intellectual property in modern sports.

Since the early eighties, the use of IP to finance sporting events has been growing substantially in both developed and developing countries, leading to economic benefits in such countries. Major sporting events such as the Olympic Games, the Football World Cup, regional games, the America’s Cup, and tennis and golf tournaments, among others, have moved substantial amounts of money. The last twenty-five years have shown that IP in sports is a fundamental element of economic development, being used by all countries regardless of their level of development. IP issues arising out of marketing, merchandising, licensing and franchising in the field of sports include trademarks, service marks, designs, copyright, domain names, image protection, counterfeiting and piracy and ambush marketing.

### Business action

Business will continue to develop and put forward the case that strong intellectual property rights will encourage research and development and business development in local communities, and that intellectual property rights are a key factor for promoting trade and FDI also for developing and least-developed countries. Business will continue to promote the full and effective implementation of TRIPS.

Business should take an active part in the discussions in WIPO, especially in the newly set up WIPO committee to implement the agreed proposals in the Development Agenda, and should support ongoing studies in the OECD and in WIPO on linkage between developments in IPR and developments in trade, FDI and economic performance.

Businesses should avoid taking a confrontational stand on these issues, particularly with governments of developing nations, but instead try to comprehend these issues and create “win-win” situations wherever possible.

### Government action

Governments should recall that the Doha Ministerial Declaration on Implementation-related issues reaffirmed the importance of TRIPS provisions for developed countries to provide incentives for technology transfer to least developed countries.

Technical assistance should continue to be provided by WTO, WIPO and individual countries to facilitate TRIPS implementation in all countries. Technical assistance should be focused on development areas, training of technical and legal persons to translate good ideas into patentable inventions, and at the same time promoting and respecting the traditional knowledge of nations.

Governments and relevant intergovernmental organizations should coordinate with industry organizations to help local businesses better understand and use the intellectual property system to improve their competitiveness.
**Business action (continued)**

**ICC action**
ICC is contributing to discussions on the relationship between intellectual property protection and development related issues and took an active part in WIPO meetings in 2006 and 2007 on the Development Agenda for WIPO. To help negotiators better understand how the intellectual property system can be used in practice to stimulate development, ICC organized a series of panel discussions in Geneva in June 2005, February 2006, May 2006 and April 2007 to demonstrate how developing countries can harness the intellectual property (IP) system for development. ICC papers issued include “Preliminary Views on the Proposal for a Development Agenda for WIPO” (4 April 2005), “Making Intellectual Property Work for Developing Countries” (19 July 2005), and “Recommendations on the implementation of the WIPO Development Agenda” (29 November 2007). Presentations and other information from the panel discussions can be accessed at [http://www.iccwbo.org/policy/ip/id2479/index.html](http://www.iccwbo.org/policy/ip/id2479/index.html).

ICC is taking an active part in the work of the newly set up WIPO Committee on Development and Intellectual Property.

ICC, with its chamber of commerce network worldwide, has developed a toolkit to help chambers of commerce and other business organizations to educate their members about using the intellectual property system to develop their businesses.

ICC also supports BIAC work in the context of the OECD project on IPR, innovation and economic performance.

**Government action (continued)**

Governments should put measures into place that improve the innovative potential of enterprises and their capacity to recognize and integrate new technologies. Governments must also raise awareness that the future of a country and the well-being of its population are greatly determined by those who invent and innovate. Governments should support OECD studies to obtain economic evidence on the importance of intellectual property rights for increased trade and FDI.
II. ENVIRONMENT AND BIOLOGICAL DIVERSITY

Increasingly, the world community acknowledges the importance of the natural environment, for many reasons, both moral and economic. The Convention on Biological Diversity (CBD) is one consequence. The objects of this treaty are to conserve biodiversity, to promote its sustainable use, and to share fairly the benefits of this use. The CBD recognizes the sovereignty of member countries over genetic resources found within their boundaries, and sets out principles upon which access to genetic resources are to be provided.

A total of 189 countries, and the European Union, are now Parties to the CBD. The US is the only significant country that has not ratified it. However, few parties have so far passed laws on access and benefit-sharing requirements. Those seeking access are not clear how to obtain it, or with whom they should negotiate (particularly when indigenous peoples are involved). This inhibits the access that the CBD seeks to promote.

Developing countries control important genetic resources. Some perceive the patenting of inventions based on such resources as undermining national sovereignty, and as encouraging unsustainable use and “biopiracy”. These perceptions, aggravated by profound differences in history and culture, have led to allegations that intellectual property rights are both unjust and incompatible with the protection of the environment. TRIPS, it has been said, conflicts with the CBD, and must therefore be amended.

In particular, there is pressure to provide in patent specifications more information about genetic resources (and perhaps also other biological materials) which they use and to make patentability of such inventions dependent on such information: both information about the source of these materials, and confirmation that the resources have been obtained legally under the CBD (i.e. with PIC).

A group of developing countries is seeking negotiations to amend the TRIPS Agreement to mandate the disclosure of the source or origin of biological materials referred to in patent specifications. Failure to disclose might invalidate the patent. Ministers at the WTO Hong Kong Ministerial Meeting in December 2005 agreed to intensive discussions on the issue and set a timetable: however, with the suspension of the Doha Round, no progress has been made. While international agreement on such disclosure seems far off, many national laws are being adopted. Countries having disclosure requirements, or considering them, include not only developing countries such as the Andean Pact, India, China and South Africa, but also developed countries including Norway and Switzerland. The European Union has made a proposal to WIPO for the introduction of a mandatory international disclosure requirement for genetic resources.

Another way proposed for dealing with these concerns is by a system of "certificates". The idea is that all biological materials should have certificates, which would serve like passports as evidence that the materials they related to had been obtained legally (or at least in conformity with CBD provisions). The implications of any such scheme are unclear, but could be far-reaching, and potentially damaging to business and society at large.

**Business action**

Business, especially in environment circles, will continue to contend that intellectual property rights are compatible with the protection of the environment and can promote the objectives of the CBD, such as sustainable use of genetic resources and equitable sharing of benefits. Business will also continue to attempt to defuse emotional issues, reduce inflated expectations and rationalize the debate, especially in the media. ICC has issued a paper “TRIPS and the Biodiversity Convention: what conflict?” arguing that TRIPS and the CBD are mutually supportive rather than in conflict. Business will seek to comment constructively on proposals for disclosure of origin and compliance certificates.

**Government action**

Governments should ensure coordination between their policies on the environment and on intellectual property, as well as on trade. Policy makers should carefully consider the evidence and consult fully with business and intellectual property circles before introducing any legislation intended to protect the environment that could undermine intellectual property rights. In particular, governments should deal with the issue of disclosure of origin in patent applications in a sensible way: promoting the specific objectives of the CBD without imposing unreasonable burdens on innovators.
Business action (continued)

Business supports suitable compensation for use of genetic resources, in line with the CBD. On disclosure of origin, business generally opposes using the patent system to enforce unrelated obligations. Business particularly deplores the proliferation of inconsistent requirements in this area. These will increase costs and deter development of sustainable uses of biodiversity. Business will argue that the CBD can neither mandate nor justify disclosure of the source of biological materials.

ICC action

ICC is actively contributing to discussions on access and benefit sharing in the CBD, WIPO and the WTO and has issued several papers on related issues. ICC will seek to propose practical solutions to these problems, being sensitive to cultural differences. ICC has participated in key WIPO and CBD meetings and acted as the business voice in expert discussions in Peru in January 2007 on Certificates of Origin.

Government action (continued)

Parties to the CBD must promptly put in place effective access legislation, making it clear who has the right to grant access, and who must be consulted, how and in what circumstances. Without such laws, users are confused, access is inhibited and respect for the CBD is undermined.

The 2002 CBD Bonn Guidelines on Access to Genetic Resources and Fair and Equitable Sharing of the Benefits Arising from their Utilisation are an important tool to aid countries in thinking through the task of framing national regimes.

In addition, the WIPO Intergovernmental Committee is developing Intellectual Property Guidelines for Access and Benefit Sharing Contracts as another tool for countries that may contribute to R&D and ultimately to the perfecting of intellectual property rights dependent in part on such resources.
III. PUBLIC HEALTH

Inadequate healthcare systems and epidemics of serious diseases, especially in developing and least-developed countries, have led to pressure on governments and on industry. This was evidenced in the long-standing and ongoing debate on intellectual property and public health. Part of this debate concerns the role the intellectual property system, in particular the patent system, could or should be attributed in efforts to help facilitate access to medicines. These issues have been taken up in a number of fora, including in multilateral organizations such as WIPO, WTO, WHO, and other UN organizations.

The WTO decided in 2005 to formally amend the TRIPS Agreement to introduce the possibility of compulsory licensing for export of pharmaceutical products to countries which lack manufacturing capacity in that sector. This was based on its August 30, 2003, decision arising from paragraph 6 of the 2001 Doha Declaration on TRIPS and Public Health. The WTO also decided in 2002 to extend the deadline for the introduction of full patent protection for pharmaceutical products and data protection by least developed countries (LDCs) till 2016. It further decided, in 2005, to extend the deadline for full implementation of TRIPS by LDCs to 2013. However at the same time, the importance of the patent system has been emphasized. This is expressly stated in the 2001 Doha Declaration on TRIPS and Public Health. The WTO General Council Chairman’s Statement made in the context of the decision to amend the TRIPS Agreement also states that implementation of that amendment should be done in good faith to protect public health, and not be an instrument to pursue industrial or commercial policy objectives.

The WHO decided in 2006 to set up an Intergovernmental Working Group (IGWG) with a primary goal to develop, by May 2008, a global strategy and plan of action to support R&D into diseases that disproportionately affect developing countries. These will be based on the recommendations in the 2006 report of the Commission on Intellectual Property Rights, Innovation and Public Health (CIPIH) set up by the WHO in 2003. The IGWG held its first meeting in December 2006 and its second meeting in November 2007, to be continued in late April 2008.

In WIPO, the issue of access to medicines comes up from time to time in different contexts, such as in the discussions on a Development Agenda for WIPO.

A further factor in the debate on intellectual property and public health is the call from some quarters for extensive use of compulsory licensing as a means for achieving access to medicines.

The issues surrounding access to medicines, for example as addressed in the WHO CIPIH report and in the IGWG process, are complex and emotive. This is perhaps particularly true for the debate on intellectual property aspects which tends to focus on perceived negative effects arising from the current system. This is evidenced for example by some recommendations in the CIPIH report and in some proposals in the IGWG process. There is a risk that the positive effects of an intellectual property system, including in the context of medical innovation, are being forgotten in this debate, even though clearly recognized in the WTO decision to amend the TRIPS Agreement as well as in the WHO decision in 2006 to set up the IGWG.
Business will need to work to ensure that actions by governments, by WTO, by WHO, and by other international organizations on questions of interpretation and implementation of the TRIPS Agreement arising from the WTO Doha Development Agenda focus on how to achieve improvements in public health in developing and least-developed countries without eroding the strength of intellectual property rights. This is required in order to avoid a reduction in incentives for research and development.

Especially, business will need to follow closely the national and regional implementation of the 2005 WTO decision on an amendment of the TRIPS Agreement on cross-border compulsory licensing. It is important to ensure that the benefits of that decision will come to patients in need in developing and least-developed countries, while maintaining the safeguards for rightholders provided in the decision.

Business participates in a number of public private partnerships as well as in private sector initiatives for researching and supplying needed drugs to developing countries (see ICC paper “Further views on cross border compulsory licensing”). Business is also providing free or affordable access to biomedical products and healthcare information by institutions in low-income countries through public-private initiatives.

Business will also continue to promote awareness in international organizations and in all countries of the essential role of IP protection in stimulating research and innovation in medicines and health technologies. Business will continue to follow and contribute to the work of the IGWG to ensure that it delivers for the world’s poorest.

ICC took an active part in the debate leading to the WTO decision August 30, 2003, on cross-border compulsory licensing for export of pharmaceutical products, and submitted several statements. ICC is following the national and regional implementation of the 2005 TRIPS Amendment. ICC submitted an Issues Paper to the CIPIH: “The importance of incremental innovation for development”, dated May 27, 2005. ICC submitted a paper “Intellectual Property and Medical Innovation” dated September 28, 2007, in the WHO IGWG web-based consultation. ICC will carefully follow the work of the IGWG and its final report.

Business would like to see coherence and coordination between healthcare and IP policies. Governments must recognize that public health problems in developing countries are complex and varied and must be tackled with different means adapted to the particular context of each situation. Many factors other than patented pharmaceutical products play a role in a health strategy, for example, living conditions, medical facilities, nutrition, and means for the distribution and administration of medicine. The fundamental importance of intellectual property protection as a stimulus for medical innovation should not be forgotten when defining healthcare strategies.

When formulating policies which affect intellectual property rights, international organizations dealing with health policy, such as WHO, should work more closely with and seek the direction of WIPO and WTO. The IGWG must work so that interests of all stakeholders are heard and taken into account. In this regard, the role of governments in the provision of healthcare and sustainable access to medicines, including the products resulting from intensified innovation, for the world’s poorest is critical.

Governments should ensure coordination between their policies on public health and on intellectual property, keeping in mind that the WTO Doha Declaration on TRIPS and Public Health as well as the WHO decision setting up the IGWG recognize that intellectual property protection is important for the development of new medicines. This means ensuring that all relevant government departments are consulted.

Especially, governments must work, at the national level as well as in the TRIPS Council, to ensure that the national and regional implementation of the 2005 WTO Decision on an amendment of TRIPS to introduce cross-border compulsory licensing will be done in good faith so that the benefits of that decision will come to patients in need in developing countries, while maintaining the safeguards for the rightholders provided in the decision. Governments should, however, understand that more general loosening of the conditions for compulsory licensing risks jeopardizing the incentivising effect of patents, including for individual inventors and small businesses in developing countries, as such measures would have to apply to all rightholders, including domestic rightholders.
IV. COMPETITION POLICY

1. General issues

Tensions naturally exist between competition law (“antitrust law” in the US) and intellectual property rights. TRIPS Articles 8.2 and 40 allow WTO members to adopt measures to control anti-competitive practices based on intellectual property rights. WTO, OECD and UNCTAD have set up groups to study such practices but the major activity has been in the US and the EU as described below.

Competition authorities have identified over the years three distinct ways in which intellectual property may prove anticompetitive:

(i) A dominant position resulting from ownership of intellectual property may be abused by its owner.

(ii) A licensor may impose restrictive licensing terms on his licensee which secure inappropriate reward for his intellectual property (for instance by licensing a patented process on the condition that an unpatented starting material is purchased from him – so-called “tying”).

(iii) If a Patent Office grants patents of low quality (even though the patents are later challengeable in Court) and if the law is generally uncertain, competitors of patentees may choose to respect them rather than to ignore or challenge them.

In the US, issue (i) was addressed in a preliminary way by an October 2003 report of the Federal Trade Commission and at more length in an April 2007 report of the Federal Trade Commission jointly with the other US agency enforcing anti-trust law, namely the US Department of Justice through its Antitrust Division. The view taken was that intellectual property rights only rarely create monopolies in the antitrust sense. European Commission officials have historically taken a less relaxed view.

Issue (ii) is addressed in the US by Guidelines, and has been discussed further in the 2003 and 2007 reports. The reports took a relaxed “rule of reason” approach. In the case of tying and bundling, the FTC and the DoJ suggested that they would not pursue the use of tying and bundling by “businesses lacking in market power” if their use resulted in economic efficiencies. However, anti-competitive cases of their use would be pursued. In Europe, there is a voluminous and complex Technology Transfer Block Exemption Regulation; this might be difficult for national courts to apply consistently, especially where some rather low market share thresholds in the Regulation were exceeded.

Issue (iii) was raised in the 2003 US report. This recommended specific changes to US patent law and procedure, which have as yet not been enacted. The issue seems not to be a live one in Europe because the patent law differs in key respects.

(The issue of “Exhaustion of rights” is dealt with in Section B.III).

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<td>Business will provide input to discussions on the interface between intellectual property and competition at OECD, UNCTAD and WIPO as appropriate. Business will review US developments as they occur and comment. Business will monitor the practical effect of the EU Regulation.</td>
<td>Key patent legislation is still before the US Congress. The EU has for the present completed its major work in the area of competition law and IP.</td>
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2. Special situations

In the European Union, the European Commission has limited, or sought to limit, the exercise of intellectual property rights in special market situations: listings of television programmes; structuring of market research results; and waste recycling. A concern for business is that such cases may be decided in such a way as inappropriately to prejudice the exercise of intellectual property rights in other contexts. The licensing of the use of technical information has been a major issue in the European Commission’s proceedings against Microsoft.

Standards are of great importance in telecommunications. Businesses working through standards bodies have to resolve the issue of what payment if any is due to relevant patentees when a standard is proposed which cannot safely be adopted without the assured availability of licences from the patentees. In 2005, the European Commission expressed concern about the rules that applied within the leading European telecommunications standards-setting body, ETSI. However, it seems to have been satisfied when ETSI decided (i) to strengthen the requirement for companies to disclose the existence of patents essential for the implementation of a standard, and (ii) to set up a group to investigate other possible changes to its rules.

(See Section 6 “Developments having an impact on intellectual property protection”.)
V. INFORMATION SOCIETY

Digital high speed (broadband) networks enable the distribution of digital content and other cultural goods, both in streaming and on-demand formats. Content owners and authorized distributors are rapidly using high speed networks to provide services and content offerings on different delivery platforms using a variety of business models. However, the growth of such services is still challenged by the slow development and application of mechanisms to protect the distribution of content in the high-risk digital environment. Despite a general recognition that intellectual property protection is an essential pillar for the development of electronic commerce and the integration of information and communication technologies, there is still the false perception by some that access to information, content, and cultural goods could be secured through the limitation of intellectual property rights, primarily, in the case of the Internet, copyright and neighbouring rights, and trademark rights in the context of domain names.

At the heart of these arguments lies a fundamental misconception: that the free flow of ideas could somehow be inhibited by copyright protection, and hence should be "free of charge". This is not correct. First, copyright protection does not apply to information, facts, or ideas – only the particular form in which they happen to be expressed. Furthermore, granting copyright protection provides an incentive for creators and producers to distribute their works, which contain facts, ideas, and original expression – since the creation, production, and dissemination of content require time, skill, effort, and investment. It is also important to note that copyright protection is not absolute – copyright is limited in time, and certain exceptions to copyright protection exist. Such exceptions are established in accordance with relevant international law and are determined at the level of national laws. Even with regard to uses where exceptions are not applicable, voluntary solutions – such as flexible licensing of new or pre-existing intellectual property rights – are evolving in forms that preserve the rights granted to the copyright holder while facilitating wider access to such works. With this in mind, it is essential to recall that one of the primary purposes of copyright protection is actually to promote public availability of works that would otherwise not be shared with the public at large without a guarantee of the ability to protect them, and receive a return on the investment, time, effort, and skill required for their production and distribution.

Evolving issues in the area of copyright law have an impact on how content is distributed and made available to the public, and these are canvassed more fully in Section A, IV, Copyright.

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<td>Business will continue to actively participate in the formulation of Internet policies that have an impact on intellectual property rights and promote the message that IP protection fosters the creativity necessary for the development of the Internet, as well as the creation and dissemination of further works to the benefit of the public. Development of business models as well as reliable technical protection continues.</td>
<td>Governments should adopt policies to foster innovation and creativity on the Internet – that include the protection of intellectual property rights. A practical and effective way to achieve this is for governments to ratify/accede to the Berne Convention, TRIPS and the WIPO Internet Treaties and to implement and enforce the provisions of these instruments effectively. The Government Advisory Committee to ICANN should encourage ICANN to adopt policies to foster electronic commerce, including furthering the protection of intellectual property. Governments should support effective enforcement of intellectual property rights and partnerships that permit secure and legal access to content on the Internet.</td>
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Businesses have engaged in numerous ventures to make significant amounts of content more widely available in a secure manner over the entire array of new media platforms. An example of this is the Automated Content Access Protocol ("ACAP").
ACAP is a technical specification developed by a cross-sectoral industry group including publishers, other content industries and search engines that will inform search engines of the uses that they can make of content publicly available on websites and enable new business models. In the future more sophisticated machine-to-machine permissions transactions are anticipated, communicating usage permissions and policies electronically. ACAP successfully completed a “proof of concept” pilot project during 2007. It was accordingly launched officially in New York on November 29, 2007 and will now move on to an ongoing process of development and extended implementation.

Business should continue to explore opportunities to increase safe and legal accessibility of materials. Business encourages a dialogue focusing on systems for technically secure on-line distribution of works, and digital rights management (“DRM”) technology to protect such distribution and foster innovation and creativity.

ICC action
ICC launched the Business Action to Support the Information Society (BASIS) initiative in mid-2006 to represent business interests and provide business experience to global forums including the Internet Governance Forum (IGF), the Global Alliance for ICT and Development (GAID), the post-WSIS follow-up and implementation activities.
VI. USE OF OPEN SOURCE SOFTWARE

Open source software, that is, software developed or licensed in such a way that its users have access to its source code and can execute, copy, distribute or modify it, provided they comply with the license’s terms and conditions is used by both private individuals and companies alongside proprietary, in house and other types of software. Open source software, much of which is sold commercially, is one strand in a diverse software ecosystem encompassing a variety of licensing and business models. Indeed, companies in the software industry use a variety of development and licensing practices, recognizing that there is not a “one size fits all” approach to software development, licensing, and distribution.

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<td>The IT marketplace is experiencing a growing level of collaboration between open source software and proprietary software schemes. Business urges the promotion of freedom of user choice as to whether to adopt open source software or use any other models, both in private and governmental sectors. Business also encourages policy and regulatory frameworks that promote technology neutrality with respect to user choice. This freedom should, however, entail respect for the copyrights and patents of third parties. Business should continue to innovate in response to market demand, promote high standards of security in both proprietary and open source software, and continue to promote interoperability between products and services that need to share information.</td>
<td>Governments should recognize the respective advantages and disadvantages of all software products and services, whether based on open source, proprietary or mixed models, and avoid policies which favour one model over another. Many governments provide funding to government and academic institutions so they may undertake basic software research. The interest of these public institutions in research and development is often to use the created innovations for the benefit of society and is frequently the foundation of many commercial products. Such public funding should not favour any particular model of software development. Software companies using any model of development should be able to continue to benefit from commercialization of publicly funded innovations.</td>
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ICC action
VII. DATA PRIVACY

In many countries and regional frameworks, rules on the protection of privacy - many of which are based on the consent of the individual to the collection, and/or use, and/or circulation of his personal data – permeate many aspects of business activity, including the protection and licensing of intellectual property rights. One example is the EU directive on protection of personal data and privacy in the electronic communications sector, and a more recent effort has been the creation of the APEC Privacy Framework.

Personal data (i.e. any information that directly or indirectly allows the identification of individuals to which it refers) has become an economic resource that many businesses need and use for the supply of their products and services. As raw information, personal data is not protected by intellectual property rights.

Policies protecting data impact the licensing of IPR to the extent that personal data, inter alia:
- may be easily collected thanks to new technologies without the person being aware, and thereafter sold, licensed or used to create new IP-protected products (CRM software for instance);
- is incorporated in databases whose use is thereafter licensed, possibly as part of a broader IP package;
- may be needed for research/study programmes (for instance in the medical field) whose results are expected to be protected by an IPR (patent or copyright mainly);
- is indispensable information for Internet-based services (i.e. services using GPS).

Policies for data protection may also have the unintended consequence of hampering efforts to enforce intellectual property rights. Tensions between data protection and intellectual property rights enforcement have surfaced in debates and litigation over how much access should be allowed to ICANN’s WHOIS database (which contains data on domain name registrants) and the extent of any obligations of technical intermediaries to supply data on alleged infringers.

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<td>Business will work to ensure that present or future policies on privacy issues will appropriately respond to the needs of businesses to identify alleged infringers so as to enforce their IPR and to allow legitimate electronic collection and use of personal data. Business will continue to balance the interests of individuals, rightholders and communication service providers in this area.</td>
<td>Governments should adopt a flexible and responsive approach to the protection of personal data, including the acceptance of self-regulatory solutions and technological innovations that empower the user, and balance those interests with other public policy objectives, such as the fight against cybercrime and counterfeiting and piracy.</td>
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**ICC action**

ICC endorsed the OECD 1980 Guidelines for the Protection of Privacy and Transborder Flows of Personal Data, and is committed to implementing fair information practices and transparent procedures consistent with these guidelines. ICC advocates use of and improvements to model contracts and internal control procedures to satisfy requirements of legislation restricting export of data to third countries that do not provide a level of protection considered to be adequate or sufficient by the source country. ICC’s Commission on E-Business, Information Technology and Telecoms has produced the **ICC Privacy Toolkit** which details the many advantages of a self-regulatory approach to data privacy.

Governments should work to ensure that data protection policy does not impede the legitimate protection of intellectual property rights. This should be achieved through a balanced approach that protects the rights of content providers and interests of individuals and other stakeholders in the digital-networked environment.
The International Chamber of Commerce

ICC is the world business organization, a representative body that speaks with authority on behalf of enterprises from all sectors in every part of the world.

The fundamental mission of ICC is to promote trade and investment across frontiers and help business corporations meet the challenges and opportunities of globalization. Its conviction that trade is a powerful force for peace and prosperity dates from the organization's origins early in the last century. The small group of far-sighted business leaders who founded ICC called themselves "the merchants of peace".

ICC has three main activities: rules-setting, arbitration and policy. Because its member companies and associations are themselves engaged in international business, ICC has unrivalled authority in making rules that govern the conduct of business across borders. Although these rules are voluntary, they are observed in countless thousands of transactions every day and have become part of the fabric of international trade.

ICC also provides essential services, foremost among them the ICC International Court of Arbitration, the world’s leading arbitral institution. Another service is the World Chambers Federation, ICC’s worldwide network of chambers of commerce, fostering interaction and exchange of chamber best practice.

Business leaders and experts drawn from the ICC membership establish the business stance on broad issues of trade and investment policy as well as on vital technical and sectoral subjects. These include financial services, information technologies, telecommunications, marketing ethics, the environment, transportation, competition law and intellectual property, among others.

ICC enjoys a close working relationship with the United Nations and other intergovernmental organizations, including the World Trade Organization and the G8.

ICC was founded in 1919. Today it groups hundreds of thousands of member companies and associations from over 130 countries. National committees work with their members to address the concerns of business in their countries and convey to their governments the business views formulated by ICC.

For information on how to join ICC, visit the ICC website (www.iccwbo.org) or contact the ICC Membership Department in Paris.

April 2008