

## Advisory Committee on Enforcement

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#### CAPACITY BUILDING AND SUPPORT FROM WIPO FOR TRAINING ACTIVITIES

*Contributions prepared by South Africa, the African Regional Intellectual Property Organization and Justice Louis Harms, Former Deputy President of the Supreme Court of Appeal of South Africa*

1. At the tenth session of the ACE, one of the topics that the Committee agreed to consider at its eleventh session was the “exchange of success stories on capacity building and support from WIPO for training activities at national and regional levels for Agencies and national officials in line with relevant Development Agenda Recommendations and the ACE mandate”. This document introduces the contributions of a Member State and an Observer on national and regional experiences with WIPO capacity-building activities, prepared by South Africa and the African Regional Intellectual Property Organization (ARIPO), respectively, and the contribution of Justice Harms on the perspective of an intellectual property (IP) expert working as a consultant for WIPO.

2. The contributions prepared on behalf of the Member State, Observer and Justice Harms are in the following order:

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## SOUTH AFRICA'S EXPERIENCE WITH CAPACITY-BUILDING AND TRAINING ACTIVITIES

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### ABSTRACT

Capacity building is one of the corner stones of effectively enforcing intellectual property (IP) rights. When South Africa promulgated the Counterfeit Goods Act, 1997 to implement Part III of the Agreement on Trade Related Aspects of Intellectual Property Rights (the TRIPS Agreement), it was never expected that it would become such a powerful tool to combat trademark counterfeiting and copyright piracy.

Collaboration with WIPO's Building Respect for IP Division provided a firm foundation that ensured that implementation thrived. Benchmarked success stories were continuously shared and guidance to enhance existing skill sets was incessantly offered.

Fostering close relationships with counterparts across the world facing similar problems and challenges is beneficial on many levels. Close cooperation on a global scale is essential to combat the international increase in the sale of counterfeit goods. The role of WIPO to achieve these objectives must be commended and the value added of its expert team should not be underestimated. Without the continuous support from WIPO, the same level of effectiveness would not have been possible for South Africa.

### I. THE CIPC REGULATORY ROLE AND FUNCTIONS

1. In South Africa, the Intellectual Property (IP) Office is housed within the Companies and Intellectual Property Commission (CIPC). The CIPC is an agency of the Department of Trade and Industry (DTI).
2. The CIPC through the IP divisions is mandated to fulfill the following functions:
  - Regulatory and policy input;
  - Trade marks, patents, designs, copyright and indigenous knowledge systems;
  - Enforcement of IP rights (IPRs);
  - Education and awareness;
  - Operational capacity-building activities;
  - Investigating non-compliance; and
  - Specific enforcement actions.
3. The top priorities for the CIPC include but are not limited to:
  - Promoting good governance and credible business conduct that respect the right of shareholders and IPR holders;
  - Enhancing its role in promoting South African innovation and creativity;

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\* The views expressed in this document are those of the author and not necessarily those of the Secretariat or of the Member States of WIPO.

- Facilitating commercialization of South African IP in general; and
- Fostering cooperation and building capacity both internally and with a focus on external stakeholders.

## II. THE 1997 COUNTERFEIT GOODS ACT

4. South Africa promulgated the Counterfeit Goods Act in 1997<sup>1</sup>. After some technical challenges the country was ready to implement the Act in 2000, but there has been very little capacity in the main government departments responsible for implementation of the legislation.

5. The Counterfeit Goods Act is the vehicle used to enforce IPRs and it is derived from the Agreement on Trade Related Aspects of Intellectual Property Rights (the TRIPS Agreement) and various other treaties. It aims to protect right holders against trade mark counterfeiting<sup>2</sup> and copyright piracy. The Act affords protection to owners of trade marks, copyright and certain marks under the Merchandise Marks Act 17 of 1941. It is read together with the Copyright Act 98 of 1978 (as amended), which protects the rights of authors against unlawful use or exploitation of their creative, literary and artistic works.

6. The Counterfeit Goods Act conveys powers to enforce IPRs to three main government departments: the South African Police Service (SAPS), the South African Revenue Services, the Customs Divisions, and a special category of inspectors that are currently part of the CIPC and agency of the DTI.

## III. SOUTH AFRICAN WIPO PARTNERSHIPS

7. The World Intellectual Property Organization (WIPO) invited Member States to submit and present a paper to the eleventh session of the Advisory Committee on Enforcement (ACE) on capacity-building and training activities from WIPO on building respect for IP. The purpose of this paper is to share South Africa's experiences to create and enhance a balanced approach to building respect for IP.

8. WIPO and in particular the Building Respect for IP Division, has been an integral part of the capacity-building activities in South Africa and the African region for more than a decade. South Africa has had positive results with the Strategic Goal VI-approach to balance public and private interests in the protection and enforcement of IPRs.

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<sup>1</sup> Counterfeit Goods Act 37 of 1997 as amended by Counterfeit Goods Amendment Act 25 of 2001, available at: <http://www.wipo.int/wipolex/en/details.jsp?id=6121>.

<sup>2</sup> According to section (1)(1) of the Counterfeit Goods Act 1997, counterfeiting:  
“(a) means, without the authority of the owner of any intellectual property right subsisting in the Republic in respect of protected goods, the manufacturing, producing or making, whether in the Republic or elsewhere, of any goods whereby those protected goods are imitated in such manner and to such a degree that those other goods are substantially identical copies of the protected goods;  
(b) means, without the authority of the owner of any intellectual property right subsisting in the Republic in respect of protected goods, manufacturing, producing or making, or applying to goods, whether in the Republic or elsewhere, the subject matter of that intellectual property right, or a colourable imitation thereof so that the other goods are calculated to be confused with or to be taken as being the protected goods of the said owner or any goods manufactured, produced or made under his or her licence; or  
(c) where, by a notice under section 15 of the Merchandise Marks Act, 1941 (Act No. 17 of 1941), the use of a particular mark in relation to goods, except such use by a person specified in the notice, has been prohibited, means, without the authority of the specified person, making or applying that mark to goods, whether in the Republic or elsewhere. However, the relevant act of counterfeiting must also have infringed the intellectual property right in question”.

#### **IV. CAPACITY – IDENTIFYING AND ENHANCING RELEVANT SKILLS**

9. WIPO has provided guidance and advice on how to enhance skills of the law enforcement community in this area and delivered relevant and practical training. This involved customizing specific activities and adapting existing training material to serve the specific and unique needs of South Africa, taking into account the level of development and risks involving inequality currently entrenched in the market.

10. The WIPO activities were all guided by Recommendation 45 of the Development Agenda, which reads as follows: '[T]o approach intellectual property enforcement in the context of broader societal interests and especially development-oriented concerns, with a view that "the protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations", in accordance with Article 7 of the TRIPS Agreement'.

11. The WIPO Academy, the WIPO Regional Bureau for Africa, and others have provided training opportunities to learn more about IP in general, however, the hands-on approach adopted by the Building Respect for IP Division worked particularly well in addressing South Africa's needs.

12. The first workshop, held in November 2003, had the objective to foster cooperation between the various government departments and to open up the world of global enforcement to local participants. Since 2003, there have been many subsequent workshops, each one building on existing capacity or addressing a specific identified need. Activities that have been supported by WIPO took place in July 2008, November 2009, April 2011, and October 2014.

13. Moreover, in July 2008, a Consultation Workshop on the Enforcement of IPRs within the Southern African Development Community (SADC) was held. In 2009, an enforcement workshop on combating counterfeiting within SADC took place, which was followed by a workshop on combating counterfeit medicines in the South African market. In 2011, South Africa hosted an International IP Conference to showcase the value and virtue of IP in a developing world context and set a benchmark within the global IP community. Following on from these successful activities, a Colloquium on Building Respect for IP for members of the Judiciary of the SADC countries was held in 2014. The most recent Workshop on Building Respect for IP for prosecutors and senior police officers of selected countries of Southern Africa was hosted in September 2015.

#### **V. SUB-REGIONAL WORKSHOP ON BUILDING RESPECT FOR IP PROSECUTORS AND SENIOR POLICE OFFICERS OF SADC**

14. The Sub-Regional Workshop on Building Respect for IP was held on September 15 and 16, 2015. The Workshop focused on improving capacity-building for prosecutors and senior police officers of the SADC region. The theme and topics for the workshop were formulated following extensive consultation with all stakeholders. All concurred that the weakness in the enforcement chain was the lack of synergy between the SAPS investigators or CIPC inspectors and the National Prosecuting Authority prosecutors. When the IPR cases reach the court system progress is typically very slow. It was also noted that there was a lack of cooperation between the law enforcement partners, and there appeared to be a general reluctance to pursue action in criminal matters.

15. In order to achieve positive results in criminal prosecutions, it was viewed to be important to provide prosecutors with training in the area of IP crimes and to assist them in drafting charge sheets and presenting evidence. They play a key role in demanding orders for the destruction of infringing goods. The police officers that investigate these crimes are one of the main arms of enforcement. Their success is pivotal to the enforcement of IPRs. Focusing on the relationship between the police investigator and the prosecutor is therefore of paramount importance.

16. When prosecutors were made aware of the damaging impact of counterfeiting and piracy on the economy, they were more likely to press for deterrent penalties following convictions. This would also permeate through to the judiciary, including magistrates and judges, and inform them of the seriousness of IP crimes and how to deal not only with the offenders, but also with the infringing goods and implements used in their manufacture. Sentencing should also have a deterrent effect and destruction orders prevent infringing goods finding their way back into the channels of commerce.

17. Although the high turn-over rate and lack of skilled officials was one reason to prioritize training in this area, enhancing relevant skills to enable prosecutors to successfully prosecute IP crimes was the primary reason. It is important to South Africa to deliver positive outcomes and to successfully enforce IPRs. The key outcomes of the training were:

- A new awareness among prosecutors and senior investigators of the social and economic impact of counterfeiting and piracy;
- An introduction to the WIPO Training Manual on IP Crime Prosecution;
- A thorough understanding of the policy basis for criminal sanctions and the proportionality in sentencing; and
- The acknowledgement of how important the environmentally-sensitive disposal of infringing goods is.

## **VI. SOUTH AFRICAN TRAINING MANUAL FOR IP CRIME PROSECUTION**

18. As mentioned previously, the responsibility to contribute to effective enforcement of IPRs is an underpinning factor of CIPC's strategic objectives. International benchmarking revealed that the relationship between the investigators and the prosecutors is a crucial element to the successful prosecution of IP crimes. WIPO similarly identified the necessity for training activities to address this need and commissioned an internationally recognized IP expert, the former Deputy President of the South African Supreme Court of Appeal, the Honorable LTC Harms to write a manual based on the TRIPS Agreement requirements.

19. The Manual for IP Crime Prosecution is currently used as a training tool by WIPO. It is useful as a tool for capacity building not only for prosecutors but also for all IP enforcement officials. The value that is derived from strengthening the relationship between investigators and the prosecutors of IP crimes is significant. Therefore, an adaptation of the Manual to suit South Africa's legislative environment would be useful for improving enforcement efforts and strengthening the enforcement value chain. South Africa has obtained approval from WIPO to customize the existing Manual to suit South African's needs. It is envisaged that, when the revised Manual is ready to be published, it will be launched through a "Train the Trainer" Workshop where WIPO will be invited to participate. An evaluation exercise will be conducted in order to measure the results of the Workshop, in relation to which it is anticipated that there will be a marked increase in capacity in this area. South Africa has first-hand experience of the positive impact of such Workshops in this regard.

## **VII. CONCLUSION**

20. Cooperation on issues such as information sharing and training is very valuable and can alleviate many of the problems and risks associated with trade mark counterfeiting and copyright piracy. Strong collaboration and the regular exchange of information and success stories between all involved in building capacity is a winning formula. WIPO plays a fundamental role in achieving these objectives.

## CAPACITY BUILDING AND SUPPORT FROM WIPO FOR TRAINING ACTIVITIES: THE EXPERIENCES OF THE AFRICAN REGIONAL INTELLECTUAL PROPERTY ORGANIZATION

*Contribution prepared by Mr. Fernando dos Santos, Director General, African Regional  
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### **ABSTRACT**

The African Regional Intellectual Property Organization (ARIPO) has the mandate to: establish schemes for the training of staff in the administration of intellectual property (IP) laws; organize training seminars and other meetings; promote the exchange of ideas and experiences; and conduct research studies in the field of IP. The World Intellectual Property Organization (WIPO) and ARIPO have worked hand in hand to assist Member States to develop skills in IP through engagement with capacity-building activities. The most recent example of this collaboration was the organization of a Training of Trainers Workshop with a view to creating an enduring environment for teaching IP in Police Academies of ARIPO Member States. This initiative contributes to a better understanding of IP and its enforcement by police officers in the Member States.

### **I. BACKGROUND**

1. The African Regional Intellectual Property Organization (ARIPO) was established by the Lusaka Agreement<sup>1</sup>, which was adopted by a Diplomatic Conference held in Lusaka, Zambia, on December 9, 1976, under the name “English Speaking African Regional Industrial Property Organization” (ESARIPO). The name of the organization was changed in December 1985 to “African Regional Industrial Property Organization” (ARIPO), to reflect its new Pan-African outlook. On acquiring the mandate on Copyright and Related Rights, Traditional Knowledge and Folklore the name was again changed, this time to its current name, “African Regional Intellectual Property Organization”, to embrace the entire spectrum of intellectual property (IP).
2. ARIPO was created in order to pool the resources of its Member States for the purposes of promotion, development and harmonization of IP laws and policies. Among the other functions defined in Article III of the Lusaka Agreement, ARIPO is to establish schemes for the training of staff in the administration of IP laws, organize conferences, seminars and other meetings, promote the exchange of ideas and experiences, encourage research and studies, promote and evolve a common viewpoint and approach of Member States on IP matters, and assist Member States, as appropriate, in the acquisition and development of technology.
3. There are currently 19 African Member States of ARIPO, namely, Botswana, the Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Rwanda, São Tomé and Príncipe, Sierra Leone, Somalia, the Sudan, Swaziland, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe.

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<sup>1</sup> Lusaka Agreement on the Creation of the African Regional Intellectual Property Organization (ARIPO), as amended on August 13, 2004; available at: [http://www.wipo.int/wipolex/en/other\\_treaties/details.jsp?group\\_id=21&treaty\\_id=202](http://www.wipo.int/wipolex/en/other_treaties/details.jsp?group_id=21&treaty_id=202).

4. The World Intellectual Property Organization (WIPO) played a key role in the establishment of the ARIPO and has continued to provide support in relation to both its management and in the form of technical assistance to enable ARIPO to perform its functions. WIPO and ARIPO have worked hand in hand to assist their common members to develop IP policies, strategies, and legislation, in addition to providing capacity-building activities on IP.

## **II. ARIPO CAPACITY-BUILDING INITIATIVES ON BUILDING RESPECT FOR IP**

5. On February 15, 2006, ARIPO established the ARIPO Regional Training Centre (later re-designated the ARIPO Academy). The Academy was established with the view to strengthening the capacity-building activities of ARIPO for the benefit of the Member States. The function and aims of the Academy were based on the WIPO Development Agenda and the Millennium Development Goals of the United Nations, which seek to re-balance the IP system and address IP rights in a holistic manner by incorporating development policies. Within this framework, initiatives undertaken by the Academy are always designed to ensure that the training courses offered meet the needs and expectations of the Member States.

6. In order to ensure that the training activities meet the expectations of the Member States, the Academy developed a tool that allowed the Member States to submit their country-specific IP training needs. The proposals that were received were consolidated into training programs that were subsequently implemented at the national and regional levels.

7. Among the needs presented by the Member States it is worth highlighting two in particular: awareness creation and the training of enforcement agencies. The following paragraphs describe some of the programs that have been organized by the ARIPO Academy in collaboration with WIPO and other partners to build respect for IP.

### **A. SUB-REGIONAL SEMINAR FOR HEADS OF COPYRIGHT OFFICES, LUSAKA, ZAMBIA, MAY 9 TO 12, 2011**

8. In collaboration with WIPO, ARIPO organized a Sub-regional Seminar on Copyright and Related Rights. The Seminar took place in Lusaka, Zambia, from May 9 to 12, 2011.

9. The objective of the Seminar was to develop strategies for the implementation of ARIPO's mandate on Copyright and to develop collective management societies in Member States.

10. The seminar was attended by the heads of the Copyright Offices of the following ARIPO Member States: Botswana, The Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Namibia, Rwanda, the Sudan, Swaziland, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe. Represented Observer States included Mauritius, Nigeria, and Seychelles.

### **B. REGIONAL WORKSHOP ON THE ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS FOR THE JUDICIARY AND LAW ENFORCEMENT OFFICIALS, LUSAKA, ZAMBIA, JULY 26 TO 27, 2012**

11. In cooperation with ARIPO and the Zambian Patents and Companies Registration Agency (PACRA), and with financial support provided by the United States Patent and Trademark Office (USPTO), WIPO organized a Regional Workshop in Lusaka, Zambia, on July 26 and 27, 2012.

12. The objectives of the Workshop were: to consider the value of IP protection and enforcement to the social and economic development of the participating countries; to examine the minimum standards and flexibilities contained in Part III of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement); to review topical issues, including consumer awareness raising as a preventive measure and the equitable disposal of infringing goods; and to envisage national and regional strategies for effective cooperation and capacity-building needs.

13. The workshop targeted high court judges and senior law enforcement officials from the police and customs administration. It was attended by 43 participants, representing 19 countries, including Botswana, the Gambia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, Sierra Leone, South Africa, the Sudan, Swaziland, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe.

#### C. TRAINING WORKSHOP FOR HEADS OF POLICE ACADEMIES OF THE MEMBER STATES, HARARE, ZIMBABWE FROM JULY 9 TO 11, 2014

14. In collaboration with WIPO and the International Criminal Police Organization (INTERPOL), ARIPO hosted a Training Workshop for heads of police academies of ARIPO Member States from July 9 to 11, 2014. The Workshop was held in Harare, Zimbabwe.

15. The workshop was attended by 12 Member States, namely Botswana, Ghana, Kenya, Liberia, Malawi, Mozambique, Namibia, Swaziland, Uganda, the United Republic of Tanzania, Zambia and Zimbabwe.

16. The main outcome of the Workshop was a recommendation to organize a Training of Trainers Workshop for the Member States of ARIPO to help national Police forces develop the necessary skills to address IP enforcement.

#### D. TRAINING OF TRAINERS WORKSHOP ON THE TEACHING OF INTELLECTUAL PROPERTY IN POLICE ACADEMIES OF THE ARIPO MEMBER STATES, HARARE, ZIMBABWE, JUNE 8 TO 12, 2015

17. The Training of Trainers Workshop was jointly organized by ARIPO, the Office for Harmonization in the Internal Market (OHIM) (now the European Union Intellectual Property Office (EUIPO)) and WIPO. The Workshop took place in Harare, Zimbabwe, from June 8 to 12, 2015, and brought together instructors from the Police Academies or Colleges in the ARIPO Member States.

18. The objective of the Workshop was to equip instructors from Police Training Academies with knowledge and skills for teaching IP in Police Training Colleges and Academies, with a view to creating a resource for police dealing with IP crime issues and the enforcement of IP rights.

19. The Workshop was attended by 34 Police instructors (trainers) representing 17 countries, including Botswana, the Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Rwanda, Sao Tome and Principe, Sierra Leone, the Sudan, Swaziland, the United Republic of Tanzania, Zambia, and Zimbabwe.

20. As a result of this initiative, participants committed to initiating the teaching of IP in Police Academies in their home countries as soon as possible. Participants also indicated that there was a need for continuous support from ARIPO and WIPO to work towards a simplified manual for teaching recruits in Police Academies.

**E. USPTO/ARIPO IP ENFORCEMENT WORKSHOP, ACCRA, GHANA, SEPTEMBER 16 TO 18, 2015**

21. The IP Enforcement Workshop was jointly organized by ARIPO and USPTO. The Workshop was held in Accra, Ghana, from September 16 to 18, 2015.

22. The Workshop was attended by 21 participants, representing eight countries, including Botswana, Ghana, Lesotho, Liberia, Malawi, Mozambique, Swaziland and Uganda. Participants included copyright inspectors, prosecutors, revenue and customs officials from Ministries of Justice and Constitutional Affairs, Registrar General's Offices, Copyright Offices and the Centre for Peace and Recognition.

**III. OBSERVATIONS AND LESSONS LEARNED**

23. While there has been great interest in building respect for IP by ARIPO and its Member States, initiatives undertaken in this area have been very limited due to scarcity of resources. ARIPO has only been able to undertake initiatives with the support of partner organizations, including WIPO, INTERPOL, USPTO and OHIM (now EUIPO).

24. Support provided to ARIPO for initiatives undertaken from 2012 to 2015 have yielded commendable results. Those results are demonstrated by not only the number of participants, but the range of agencies and countries represented.

25. In total, 112 participants from all ARIPO Member States (with the exception of Somalia, due to the prevailing situation) benefitted from the initiatives. Participants were drawn from the main IP enforcement actors of the Member States, namely the Judiciary (Judges and Prosecutors), the Police (including Police Training Colleges and Academies), Customs and IP Offices.

26. In this regard, WIPO has played a leading role in organizing activities, providing funding and experts or identifying partner organizations to support initiatives. The collaboration between ARIPO, WIPO and other partners has proven to be very fruitful and ongoing collaboration should be encouraged.

27. Capacity-building activities organized at the regional level provided participants with a unique opportunity to exchange ideas and experiences in dealing with IP enforcement issues. Participants were able to learn from each other about the initiatives undertaken in different countries, allowing them to enrich their experiences and to improve their own national systems.

28. While experts on enforcement were able to deliver the contents of the courses efficiently, it was felt that the involvement of the private sector could improve the overall quality of the course and would provide additional technical insight and tips on how to identify counterfeit products. On this basis, it was recommended to encourage active involvement of the private sector in future initiatives.

29. It is worth highlighting the initiative that brought together the heads of Police Colleges and Academies, which resulted in the Training of Trainers Workshop and the commitment to establish the teaching of IP in the Police Academies of ARIPO Member States. If this commitment is honored, it may prove to be an efficient way of disseminating knowledge on IP and building respect for IP. This initiative has the potential to be actively supported if it can be shown to be of benefit to targeted countries.

30. The success of these initiatives suggests that more training activities should be undertaken and more participants should be invited. It was highlighted by attendees that capacity-building initiatives should include other modalities, such as summer schools, in order to facilitate networking and the development of consistent and durable relationships among participants originating from different countries.

31. It was recommended that tailor-made programs should target a specific group at a time, for example, prosecutors, judges, customs and police, in order to explore and focus on issues that are particularly relevant to each category in further detail.

32. The issue of training materials was also highlighted. Member States felt that a specific IP manual should be developed for use in the Police Academies, taking into account the specific circumstances of the Member States. To that end, it was recommended that appropriate support be provided to facilitate the customization of the manual for each Member State. Following this recommendation, WIPO developed a manual serving for training the police officers and prosecutors on investigating and prosecuting IP crime (“Investigating and Prosecuting IP Crime – Training Materials for Law Enforcement Authorities and Prosecutors”, authored by Judge Louis Harms). The manual consists of a template which could be adapted or customized to the legal framework of Member States which would benefit from using such a training tool. Making other training materials available online was also encouraged.

33. Finally, the role of ARIPO in providing IP training activities, notably through the Master’s Degree in IP, which is jointly organized by ARIPO, WIPO and Africa University in Mutare, Zimbabwe, was recognized. More than 200 students from all ARIPO Member States and other African countries have graduated since the inception of the Master’s Program in 2008. It was recommended that graduates of the Master’s Program be identified and encouraged to be involved in teaching IP in the Police Training Academies in their respective countries.

## A BALANCED APPROACH TO BUILDING RESPECT FOR INTELLECTUAL PROPERTY (IP) AND TO IP ENFORCEMENT IN PARTICULAR

*Contribution prepared by Justice Louis Harms, Former Deputy President of the Supreme Court of Appeal of South Africa, Extraordinary Professor at the University of Pretoria, South Africa, Honorary Bencher of the Middle Temple, London, United Kingdom of Great Britain and Northern Ireland*

### ABSTRACT

Intellectual property rights (IPR) have to be justified in order to be recognized, respected and enforced. It is necessary to consider IPR enforcement in a social context, to have regard to legitimate public rights, interests and concerns, and to move away from counter-productive enforcement. The paper discusses the approach adopted at capacity-building and training activities by the WIPO Secretariat, through its Building Respect for IP Division, in developing countries in relation to the adoption of a balanced approach to building respect for IP and to IP enforcement in particular by the judiciary and law enforcement officials. Balancing is discussed with reference to fair dealing/use in copyright law; justification of IP crimes; law enforcement priorities; prosecutorial discretion and sentencing.

### I. FRAMEWORK

1. The purpose of this paper is to give some information on the approach adopted during training and information sessions presented by the WIPO Building Respect for IP (BRIP) Division for members of the judiciary and other enforcement agencies.
2. In principle, the approach is not that intellectual property rights (IPR) trump everything else but that IPR should be seen holistically as something that serves the public and not the rights holders only. In other words, there must be an appropriate balance between public rights and interests and those of rights holders.
3. The BRIP Division organizes and delivers capacity-building activities only at the request of WIPO Member States. The target audience, in respect of criminal enforcement, is the judiciary, law enforcement officers and customs officials. Civil enforcement issues are directed at the appropriate judiciary (not all judges have civil jurisdiction in intellectual property (IP) cases).
4. Countries that request the assistance of the BRIP Division are developing (also least developed) countries in Africa, the Caribbean, the Middle East, South East Asia and the Far East.<sup>1</sup>
5. IP law has both national and international dimensions. This leads to the assumption that the laws and relevant “public policy” considerations for the protection of IP rights are universal. However, they are not.

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<sup>1</sup> And Latin America, as well as transition countries in Europe and Central Asia, though I have not been involved in capacity-building activities in such countries and cannot speak about them. The laws of the countries where capacity-building activities have been held and in which I was invited to participate are principally based on English common law although some have a civil law or mixed law tradition.

6. There are legal and cultural differences; differences between so-called free market economy forces and the more socially orientated forces. There are differences between societies that believe in the supremacy of the individual, and those that have a communal approach to life and property.
7. Geographically the division is between the North and the South; otherwise it is between rich and poor; between developed and developing countries. These labels are often misleading.
8. There are different interests involved. No one ever complains about patent protection in relation to a furnace or a cell phone or copyright protection in a painting. The focus of the attack on IP rights is principally in the field of pharmaceuticals and information technology. In other words, the problem that faces IP is the general belief that (full) IP protection in these areas is overly broad and that it does not serve the public interest.
9. The Building Respect for IP Division in its standard two-day workshops for the judiciary and law enforcement agencies generally concentrates on the enforcement requirements of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS); basic IP principles; basic enforcement provisions; and criminal enforcement (counterfeiting and piracy).
10. The adoption of TRIPS flexibilities is a matter for local statute. Law enforcers have little say on the issue because the flexibilities are mostly something for the legislature and not for the judiciary. There are two types of flexibilities: substantive and enforcement flexibilities.
11. One of the challenges is that developing countries (even in the same region) may have different IP law and enforcement levels: some are TRIPS compliant; some are TRIPS minus; and others, sometimes unexpectedly, TRIPS plus.
12. Law is about balance – the scales of justice blindfolded. It has to balance the relationship between subject and subject, as well as that between the State and subject. But laws often fail to provide proper balance because of temporary or semi-permanent political and/or economic issues; as the result of unintended consequences; or, especially in an esoteric field like IP, due to legislative inertia.
13. Why the concern about balance in IP law and enforcement? On the one hand, countries bound themselves to international norms and rules. TRIPS Article 7 provides that the protection and enforcement of IPRs should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.
14. On the other, there may be local issues that impact on the balance: adoption, interpretation and enforcement are subject to local law and custom; IP law in the broader sense may be foreign or new to many societies; and there may be lack of exposure, legal education and experience.
15. The promises of TRIPS Article 7 are not (always) visible or true in the developing (and even the developed) world and may conceivably create more false hopes and misplaced expectations than material benefit. This has serious consequences and leads to IP-phobia especially because IP is considered to be “special” and “difficult”, and courts and law enforcers may be over-awed by technology. In consequence, enforcement may be out of balance. Non-existent rights may be acknowledged (e.g., plagiarizing, grey goods and generics are often, erroneously, held to be infringing) while real rights might be denied, especially if irrelevant considerations are taken into account.

16. Balancing covers every aspect of IP Law but a few will be highlighted that are especially relevant to the Building Respect for IP Division.

## **II. BALANCING OF COPYRIGHT**

17. Copyright laws provide (or are supposed to provide) a balance between promoting the public interest in the encouragement and dissemination of works of the arts and intellect *and* obtaining a just reward for the author. The problem is how to obtain this balance. One of the ways is the provision of “fair use” exceptions.

18. Article 9(2) of the Berne Convention for the Protection of Literary and Artistic Works permits “fair use” exception in national legislation: (a) in defined special cases, (b) if the reproduction does not conflict with the normal exploitation of the work and (c) if it does not unreasonably prejudice the legitimate interests of the author. Although it is generally accepted that these requirements are cumulative, some see them as discrete. (The US approach is to permit fair dealing generally and not strictly according to Berne norms). The conventional approach is that “fair use” exceptions are limited because the author’s rights are supreme.

19. However, a new approach is developing, recognizing the right of the public and to balance it against the right of the author and not to consider the “exceptions” as exceptions in the legal sense but as rights of the public: fair use is not just excused by the law, it is authorized by the law; the fair use of a copyrighted work is permissible because it is a non-infringing use; and fair use is not an infringement to be excused, but a right.

## **III. JUSTIFICATION OF IP CRIMES**

20. Although IPRs are private rights and their infringement basically a matter for civil law, the problem is that civil law is in this regard ineffective to protect owners. There are also a number of public policy considerations justifying criminalizing IP infringement: protecting property rights (intangible) of owners; promoting public health and safety; protecting and gathering tax, and customs and excise income; protecting local and regional industries; promoting foreign investment and investor confidence; protecting international trade relations; preventing corruption and organized crime; and complying with international standards and obligations.

## **IV. LAW ENFORCEMENT PRIORITIES**

21. Law enforcers have to prioritize their enforcement activities and this depends on the nature and level of general criminality within any particular jurisdiction. In exercising the discretion to enforce, regard must be had to comparable economic crimes. The nature of the particular instance must determine its priority. For example, with counterfeit drugs public health is at stake.

22. IP crimes are committed by different persons with different degrees of moral blameworthiness. Culpability of the offenders forming part of the supply chain normally depends on their proximity to the source of the illicit goods. The target ought to be the mastermind. The final link in the distribution chain is usually the easiest to target but may be the person with the least moral blameworthiness.

## V. PROSECUTORIAL DISCRETION

23. Different interests are at stake and different factors impact on the seriousness of the crime. It is accordingly necessary for prosecutors in exercising their discretion (in jurisdictions where they have discretion) to identify and weigh in each individual case the state interest, public interest, private interests, the scale of infringement, the loss to the state and rights holder, and the effect on victims.
24. Regard must be had to complementary, overlapping or alternative charges, which might be easier to prove and may carry heavier sentences. Some that spring to mind are: fraud; customs; tax; racketeering and money laundering; drug and food legislation; standards; false labelling – merchandise marks; labour related legislation; and aiding, abetting and attempt.
25. Pirated goods usually have counterfeit trademarks and if it is easier to prove counterfeiting than piracy, it might be sensible to concentrate on counterfeiting instead of piracy.
26. Anti-counterfeiting laws may also be useful in combating crimes such as dealing in fake medicines.
27. The flipside is that some use the trademark register to stifle competition and not for its statutory purpose, a practice which gives IP Law a bad name.
28. Another problem is that rights holders may use the threat of criminal proceedings as leverage to obtain a civil settlement but, once settlement is reached, not assist the prosecution. It is an open question whether this amounts to an abuse of the legal system.

## VI. SENTENCING

29. Since sentence levels and sentencing attitudes differ from legislature to legislature, from society to society and from judge to judge, it is impossible to make any sensible comparisons or to draw any meaningful conclusions from different prescribed sentences or sentencing approaches where sentencing is discretionary.
30. A study by Irina D. Manta suggested that harsh sanctions for copyright infringement may be ineffective in promoting lawful behaviour; that strong-armed enforcement tactics may induce strong anti-copyright aversion; that excessive sanctions can prove counterproductive; and that there is no evidence that increasing criminal penalties encourages innovation<sup>2</sup>. In other words, proportionality is the essence of sentencing.
31. The legislative justification for severe sentences is based on the perceived harm to the public. But harm depends on the nature of the counterfeiting and generalizations are inapposite. The type of goods involved, as well as the nature and degree of deception perpetrated should be considered, as must the level of moral culpability and economic harm. As one judge said, someone who sells a USD 25 luxury watch is not in the same category as one who sells a USD 25 sugar pill to an unsuspecting AIDS patient.

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<sup>2</sup> Manta (2011) *The Puzzle of Criminal Sanctions for Intellectual Property Infringement* 24(2) Harvard Journal of Law & Technology 269.

32. The deterring effect of sentences depends on the certainty of detection and conviction. Unless the police are properly equipped and able to investigate all crime within a reasonable time and bring the case to court and unless the court system is effective no sentence can have any deterrent value. A criminal commits a crime on the supposition that he or she will not be caught. The more realistic this supposition, the more motivation there is for ignoring laws and committing crimes.

## VII. CONCLUSION

33. There has been a noticeable change of centre of gravity in the enforcement of IPRs in many jurisdictions. Rights have to be justified to be recognized, respected and enforced. It is necessary to consider IPR enforcement in a social context and to have regard to legitimate public rights, interests and concerns, and to move away from counter-productive enforcement. As Voltaire once said,

”If the death penalty is imposed for both small and considerable thefts, it is obvious that offenders will try to steal a lot. They may even become murderers if they believe that this is a means not to be detected. This proves the profound truth that a severe law sometimes produces crimes”.<sup>3</sup>

[End of document]

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<sup>3</sup> As quoted in Rahmatian (2004) *Trade Mark Infringement as a Criminal Offence* 67(4) *Modern Law Review* 670–683.