

INTERNATIONAL INTELLECTUAL
PROPERTY – SELECTED TOPICS

SPRING 2019

LOYOLA LAW SCHOOL

Prof. Hughes

Take Home Examination

Introduction

This is a twenty-four hour, take home examination. You have 24 hours from the time you access this exam to submit your answers.

Conditions and your professional commitments

Once you have received this exam, you may not discuss it with anyone prior to the end of the examination period. Nor may you discuss the exam at ANY time with any student in the class who has not taken it. You may NOT collaborate on this work.

Professor Hughes permits you to use any inanimate resources. The only limitations on outside resources are those established by the law school for examinations. But you need no materials besides the course packs to produce “A” work for this exam.

By turning in your answers you certify that you did not gain advance knowledge of the contents of the examination, that the answers are entirely your own work, and that you have complied with all relevant Loyola Law School rules.

The examination consists of two parts. Part I is a set of true/false questions; Part II requires an answer to ONE essay question.

GOOD LUCK

Good summer to all – thanks for an enjoyable semester.

PART I

TRUE/FALSE QUESTIONS
(35 points)

This part of the exam is worth 35 points. Each answer is worth 2.5 points. Note that there are 16 questions, so in the spirit as the LSAT and other standardized tests, you can get 2 wrong and still get a maximum score on this section.

Please provide your answers to this section as a single column series, numbered 1 to 16, with “T” or “F” beside each number, i.e.,

- 20. True
- 21. False
- 22. False

Make sure these T/F answers are on a separate page from the essay answer.

If you are concerned about a question, you may write a note before your essay answer concerning that question [mark the section “True/False Comments”], but only do so if you believe that there is a fundamental ambiguity in the question.

TRUE OR FALSE

FOR THE PURPOSES OF THESE QUESTIONS, ASSUME – UNLESS TOLD OTHERWISE -- THAT ALL COUNTRIES MENTIONED IN A QUESTION ARE PARTIES TO THE TREATY OR AGREEMENT MENTIONED IN THE QUESTION.

- 01. In the 2004 Australia-United States Free Trade Agreement, both countries committed not to deny trademark registration to a mark “solely on the grounds that the sign of which it is composed is a sound or a scent.”
- 02. TRIPS Article 61 requires WTO Members to provide for criminal procedures and penalties to be applied to cases of willful infringement on a commercial scale of any of the intellectual property rights protected in the TRIPS Agreement.

03. In *United States – Section 110(5) of the Copyright Act* (DS160, 2001), the WTO Panel concluded that integration of the Berne Convention into the TRIPS Agreement did not include the Berne “acquis” and, therefore, the Berne Convention’s “minor exceptions doctrine” was not part of the TRIPS Agreement.
04. If Cambodia belongs to the WTO but not the Berne Convention, Syria belongs to the Berne Convention but not the WTO, and South Africa belongs to both the WTO and the Berne Convention, then South African law must ensure that both Syrian and Cambodian authors enjoy an “exclusive right of authorizing adaptations, arrangements and other alterations of their works” pursuant to Berne Article 12.
05. Although the WTO agreed in 2013 to extend until 2021 the period under TRIPS Article 66 for least-developed countries to apply the substantive provisions of TRIPS, a least developing country – like all WTO Members – must apply the provisions of TRIPS Articles 3, 4, and 5 in relation to whatever copyright, patent, and trademark laws the least developing country already has.
06. Because ROQUEFORT is a protected geographical indication in the European Union and a registered certification mark in the US for cheese, TRIPS Article 23(1) requires the US to prevent any manufacturer, wholesaler, or retailers from using the phrases “Imitation Roquefort,” “Roquefort-style,” or “Roquefort cave aging method” on artisanal cheeses from Wisconsin and Vermont.
07. Two different WTO panels have concluded that “legitimate interests” as used in TRIPS Articles 13 and 30, respectively, means justifiable interests and/or interests that have legitimacy from a “normative perspective” and that the phrase does not mean the precise legal rights of the party in question.
08. According to Professor Ruse – Khan, “TRIPS flexibilities” refers to the fact that, pursuant to TRIPS Article 1, WTO “Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement.”
09. Article 5 of the Marrakesh Treaty to Facilitate Access to Published Works for Persons who are Blind (2013) allows “ONCE,” Spain’s principal non-profit serving the blind, to provide special

format copies directly to blind people in Guatemala, Honduras, and El Salvador without the need to work with any non-profits or NGOs serving blind people in those countries.

10. In *Canada – Patent Protection of Pharmaceutical Products* (DS114, 2000), the panel found that Canada’s “stockpiling” rule was a permissible exception under TRIPS Article 30.
11. If Singapore provides a ten (10) year term of trademark registration for foreign registrants, but only a five (5) year term of trademark registration for Singaporean registrants, Singapore will be in violation of its Most Favored Nation obligations under TRIPS Article 4.
12. Under Article 8(7) of the Dispute Settlement Understanding, if the countries in a TRIPS dispute cannot agree on the panelists within 20 days after the date of the establishment of a panel, then either disputing country may ask the WTO Director-General – in consultation with others – to determine the composition of the Panel
13. Assuming CHAMPAGNE is a protected geographical indication in France, if “champanhe” is shown to be the term customary in common language in Brazil for sparkling wine (from anywhere), under TRIPS Articles 22-24 Brazil is not obligated to stop Australian and New Zealand producers from labeling their sparkling wines sold in Brazil as “champanhe.”
14. In *Canada – Patent Protection of Pharmaceutical Products*, (DS114, 2000) the WTO panel ruled that Canada’s patent exception for use of a patented product/process to get regulatory approval was permissible under TRIPS Article 30 and did not unreasonably conflict with the normal exploitation of the patent because, absent the exception, “[t]he additional period of market exclusivity in this situation is not a natural or normal consequence of enforcing patent rights.”
15. The first modern bilateral investment treaty (or “BIT”) was between the Netherlands and Argentina in 1965.
16. In *China – Measures Affecting the Protection and Enforcement of Intellectual Property Rights* (DS362, 2009), the panel concluded that the evidence fully supported the United States’ claim that a “compulsory

sequence of steps” under Chinese law meant that Chinese customs officials lack the authority to order destruction or disposal of infringing goods in accordance with the principles set out in Article 46.

PART II – ESSAY QUESTION
(65 points --- 1,500 words maximum)

This part of the Examination requires one essay. Please make sure that the answer starts on a separate page from the T/F and please make sure you use 1.5 line spacing for ease of reading.

Please include a word count (such as “This essay is 687 words”) at the end of the essay. Professor Hughes takes on no obligation to read any one essay beyond the word limit.

YOUR MISSION

You are an intellectual property specialist working at the U.S. Department of Commerce. The Deputy Secretary, Mona L. Jaconde, will be part of the U.S. delegation to the next meeting of the G20, a gathering of the largest economies on the planet (<https://en.wikipedia.org/wiki/G20>).

Deputy Secretary Jaconde is going to meet with her counterparts from various economies. These are informal meetings, but they are occasions for the United States to express concerns about trade practices, including the protection of intellectual property.

Deputy Secretary Jaconde has asked you to prepare a short briefing paper (no more than 1,500 words please !) to help her understanding the potential TRIPS and any other international intellectual property problems related to a new European law.

Earlier this month, the European Council gave final assent to a new “directive” substantially revising the copyright laws of the 28 member states of the European Union. The new law is called the “Digital Single Market Directive” (DSM Directive). A “directive” requires each EU member to revise its domestic law to follow the

requirements of the directive; each EU Member State will have two years to “transpose” all the provisions of the DSM Directive into domestic law (Finnish law, Dutch law, French law, etc.)

The binding provisions of a directive are its “articles” while the legislative history explaining how the law is intended to work is expressed in a directive’s “recitals.”

The DSM Directive has many components, but Deputy Secretary Jaconde wants you to brief her on Article 15. Basically, the Deputy Secretary wants to know if DSM Article 15 is TRIPS-compliant, taking special account of TRIPS Articles 1, 3, 4, and 9-14 as well as Berne Article 10(1).

Article 15 establishes a new “protection of press publications concerning online uses.” The right is clearly in response to complaints from European newspapers that Google News and other internet news aggregators are using newspaper headlines and summaries of newspaper stories in a way that draws traffic away from the newspapers themselves.

The new right(s) for newspapers appears to be “layered” on top of existing copyright rights – originating in the work of journalists, photographers, and editors, then traditionally transferred to the newspapers. While the new right seems to have the scope of copyright protection, it appears that it can only be asserted against “information society service providers.”

Article 15 of the new DSM Directive provides as follows:

Article 15

Protection of press publications concerning online uses

1. Member States shall provide publishers of press publications established in a Member State with the rights provided for in Article 2 and Article 3(2) of Directive 2001/29/EC for the online use of their press publications by information society service providers.

The rights provided for in the first subparagraph shall not apply to private or non-commercial uses of press publications by individual users.

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The rights provided for in the first subparagraph shall not apply in respect of the use of individual words or very short extracts of a press publication.

2. The rights provided for in paragraph 1 shall leave intact and shall in no way affect any rights provided for in Union law to authors and other right holders, in respect of the works and other subject matter incorporated in a press publication. The rights provided for in paragraph 1 shall not be invoked against those authors and other right holders and, in particular, shall not deprive them of their right to exploit their works and other subject matter independently from the press publication in which they are incorporated.

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4. The rights provided for in paragraph 1 shall expire two years after the press publication is published. That term shall be calculated from 1 January of the year following the date on which that press publication is published.

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5. Member States shall provide that authors of works incorporated in a press publication receive an appropriate share of the revenues that press publishers receive for the use of their press publications by information society service providers.

Article 2(4) of the DSM Directive gives a definition of “press publication” that applies to traditional newspapers and magazines that “provid[e] the general public with information related to news or other topics.” The definition of an “information society service provider” is established in older EU laws and includes any company providing information via websites – Amazon, eBay, Facebook, Google Books, Bing News, LinkedIn, Netflix, Pinterest, Yahoo!, Zillow, etc.

And what are the rights being granted to “press publications”? Directive 2001/29/EC is a directive from 2001 “on the harmonisation of certain aspects of copyright and related rights in the information society.” It was a major step in harmonizing copyright law in the different EU member states. Article 2 and Article 3(2) of Directive 2001/29/EC are here:

Article 2**Reproduction right**

Member States shall provide for the exclusive right to authorise or prohibit direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part:

- (a) for authors, of their works;
- (b) for performers, of fixations of their performances;
- (c) for phonogram producers, of their phonograms;
- (d) for the producers of the first fixations of films, in respect of the original and copies of their films;
- (e) for broadcasting organisations, of fixations of their broadcasts, whether those broadcasts are transmitted by wire or over the air, including by cable or satellite.

Article 3**Right of communication to the public of works and right of making available to the public other subject-matter**

1. Member States shall provide authors with the exclusive right to authorise or prohibit any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them.

2. Member States shall provide for the exclusive right to authorise or prohibit the making available to the public, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them:

- (a) for performers, of fixations of their performances;
- (b) for phonogram producers, of their phonograms;
- (c) for the producers of the first fixations of films, of the original and copies of their films;
- (d) for broadcasting organisations, of fixations of their broadcasts, whether these broadcasts are transmitted by wire or over the air, including by cable or satellite.

Finally, Recital 57 of the 2019 DSM Directive describes the new Article 15 right as follows:

(57) The rights granted to the publishers of press publications under this Directive should have the same scope as the rights of reproduction and making available to the public provided for in Directive 2001/29/EC, insofar as online uses by information society service providers are concerned. The rights granted to publishers of press publica-

tions should not extend to acts of hyperlinking. They should also not extend to mere facts reported in press publications. The rights granted to publishers of press publications under this Directive should also be subject to the same provisions on exceptions and limitations as those applicable to the rights provided for in Directive 2001/29/EC, including the exception in the case of quotations for purposes such as criticism or review provided for in Article 5(3)(d) of that Directive.

Again, Deputy Secretary Jaconde wants to know if the new DSM Article 15 is TRIPS-compliant, taking particular account of TRIPS Articles 1, 3, 4, and 9-14 as well as Berne Article 10(1). You may also want to consider what questions the Deputy Secretary might have about how EU countries will “transpose” Article 15 into their national laws.

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END OF EXAMINATION MATERIALS
International Intellectual Property
Spring 2019/Professor Justin Hughes