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Scope of evidence

1. This statement is provided in pursuance to an invitation from the House of Lords EU Services Committee to submit evidence on the intellectual property provisions in the European Union's current trade deals and the Draft text of the Agreement on the New Partnership with the United Kingdom (the Draft Agreement). I was also asked to consider the implications of those provisions for professional and business service providers. I have gone further and taken into account the restraints imposed on the UK by the international treaties and the free trade agreements (FTAs) it has already concluded.

Summary of conclusions

2. I can summarise my evidence quite briefly although I have set out my reasoning fully below. The changes needed to UK law to give effect to the Draft Agreement will be very modest and have largely been made already. This is because the Draft Agreement reflects obligations the United Kingdom has from its membership of the World Trade Organisation, various World Intellectual Property Organisation (WIPO) conventions, and the FTAs it has already agreed. Furthermore, as the Draft Agreement reflects current EU law which has been fully implemented, the domestic law is already compliant. There are only a few minor exceptions to this which relate to geographical indications and border control.

3. This means that for most businesses the substantive changes in the law will go unnoticed save renewal fees will have to be paid for converted EU registrations in both the UK and the EU. However, there may be some implications arising from existing contractual arrangements where they refer to unitary rights or rely on EU exhaustion rules. I have not considered the implications for those providing legal services across borders or prosecuting intellectual property rights.[1]

4. In relation to copyright, geographical indications, patents, plant varieties, trade secrets, data exclusivity, enforcement and border controls the additional obligations imposed on the United Kingdom by the Draft Agreement are modest at best. In relation to exhaustion the draft agreement will prevent the UK adopting international exhaustion and in relation to registered designs, the Draft Agreement requires the term of registration to be twenty five years which is ten years longer than required by any other of the UK's international obligations. For both trade marks and designs there are some additional rules going beyond existing international

[1] It is obvious that the ending of the transitional arrangements will have an effect on those practising in the field of intellectual property law. British lawyers will no longer be able to conduct cases before the EU Intellectual Property Office or EU courts (many cases before the General Court relate to EU trade mark appeals and, to a lesser extent, Community designs) and the UK courts will no longer be a venue for pan-European remedies for the infringement of unitary EU rights. Some of this will be counter-balanced by more cases at the UK Intellectual Property Office and before the domestic courts.

obligations. It might be questioned why some of these are necessary to be included in the Draft Agreement, but they reflect long standing UK and EU law.

Expertise

5. I am currently the Professor of Commercial Law at Cardiff University. I am a co-author of two practitioner texts (on patent law and breach of confidence) and the leading academic textbook on intellectual property, as well as numerous monographs and articles on intellectual property and the process of legislating (historic and contemporary).[2] I was a government lawyer who advised the Patent Office[3] between 2003-2007 during which time my duties included drafting or otherwise working on the implementing legislation[4] for various EU Directives and international treaties in the field of intellectual property. I have been a practising barrister since 1998, and I continue to practice at the intellectual property bar. This evidence reflects my own opinion and the comparisons of legislation undertaken in the Appendix is solely my work.

Legal Frameworks

European law

6. The intellectual property provisions of the Draft Agreement deal with aspects of the law of copyright, trade marks, designs, geographical indications (GI), patents, trade secrets, data exclusivity, plant varieties, enforcement and border control.

7. Currently much of this law is harmonised across the EU, and so necessarily between the UK and EU. In summary, the law of trade marks, designs, GIs and data exclusivity is entirely harmonised across Europe and little discretion has been left to Member States. The law of copyright has been substantially harmonised so that in most respects little discretion remains. In respect of trade secrets and enforcement, the EU has set minimum standards and so Member States can provide more protection than that required by the Directive if it so choses (but not less). The laws protecting plant varieties is harmonised under an intentional convention.[5] The EU has not harmonised patent law, other than in relation to biotechnological inventions.[6] However, the European Patent Convention, which is not an EU agreement and to which the EU does not belong, has effectively harmonised the granting of patents (but not infringement or exceptions)[7] across its 38 member states, which includes all EU Member States and the UK.

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[2] A full list of these publications is available at https://www.cardiff.ac.uk/people/view/478875-johnson-phillip.

[3] Now using the trading name, the Intellectual Property Office.

[4] This was mainly by way of instruments made under the European Communities Act 1973, s 2(2).

[5] There is also a unitary plant variety right under Regulation (EC) No 2100/94.

[6] Directive 98/44/EC on the legal protection of biotechnological inventions.

[7] In relation to patents, there have long been attempts by the EU to create an EU (later unitary patent). These attempts began in 1960 and have led to three final agreements (1975, 1989 and 2012), while the UK has ratified all three, none have ever come into force. However, a separate agreement in 1975 required signatories to make their national law reflect the 1975 Community Patent Convention which was largely complied with despite the Convention never coming into force.

8. In the Appendix, the relevant provision of the current Directive or Regulation which relates to that in the Draft Agreement has been referenced. As this demonstrates, the Draft Agreement would not require the United Kingdom to change its law in a significant way and so businesses will experience few noticeable changes[8] in terms of intellectual property right protection when the UK moves from the Withdrawal Agreement[9] to the Draft Agreement (if adopted). However, as outlined below there may be some commercial arrangements which are affected by the UK's exit from the EU.

Free Trade Agreements

9. The EU has entered numerous trade agreements. Many of these agreements include obligations to adequately protect intellectual property and to adhere to various intellectual property treaties (for example, the agreements with the EUROMED countries). The EU has entered seven Free Trade Agreements which include substantive intellectual property law obligations. These are with Canada (CETA), the CARIFORUM countries, Georgia, Japan, Moldova, South Korea, and the Ukraine (unless the context otherwise requires all references to EU FTAs collectively are to these seven agreements).

10. The United Kingdom has finalised trade agreements with several countries which will come into effect once it exits the transition period. These agreements are usually the same as those the EU previously negotiated with the third country subject to some necessary modifications being made. Currently, agreements of this kind which also have substantive intellectual property provisions have been finalised with the CARIFORUM countries, Georgia, and South Korea[10] It is worth noting that if the UK adopts the EU/Ukraine FTA, in the same way, it will impose far more obligations in relation to intellectual property than the Draft Agreement.

11. Importantly, due to the *most favoured nation principle*[11] (MFN) in the Agreement on Trade related aspects of Intellectual Property (TRIPS), which is an Annex to the WTO Agreement, any "advantage, favour, privilege or immunity" granted to one WTO Member under a bilateral FTA (eg Korea) must be granted to all members (eg the EU). There are four exceptions to this rule, but only two are relevant here. The first exception relates to anything granted in accordance with the provisions of the Berne Convention for the Protection of Literary and Artistic Works or the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations authorizing that the treatment accorded be a function not of national treatment but of the treatment accorded in another country. The second exception is in respect of the rights of performers, producers of phonograms and broadcasting organizations not provided under TRIPs.

[8] Save converted EU unitary rights would have to be renewed in the UK Intellectual Property Office as well as that of the EU.
[9] Agreement on the withdrawal of the United Kingdom from the European Union.
[10] There are requirements relating to GIs in the trade agreements with both Iceland and Switzerland.
[11] TRIPS, art 4.

12. In short, this means that unless a provision of the Draft Agreement falls under an exception to the MFN principle, any rights given under the UK/Korea FTA to Koreans also must be given to EU citizens. Therefore, the UK separately agreeing it with the EU in another agreement just doubles up an existing obligation under international law. Of course, it equally applies to EU FTAs and the EU being required to provide rights to UK nationals.

13. In the Appendix, for each article of the Draft Agreement there is a reference to both UK and EU free trade agreements having the same or similar provisions. While the obligations agreed in the Draft Agreement will restrict the future legislative freedom of the EU and the UK, this is on the back of other FTAs and by reason of international treaties.

International treaties

14. There are numerous international agreements which set out minimum standards for the protection of intellectual property rights. There are currently 26 treaties administered by the World Intellectual Property Organization (WIPO), the WTO administered TRIPS Agreement, the International Convention for the Protection of New Varieties of Plants (UPOV Convention) and numerous other international agreements which relate to intellectual property, and which place international obligations upon the contracting parties.

15. The UK has long been a member of most (although not all) of these agreements. For instance, the UK became a party to the Paris Convention for the Protection of Industrial Property in 1884 and Berne Convention for the Protection of Literary and Artistic Works in 1887. Indeed, it is a party to 23 of the 26 WIPO Treaties[12] and, I understand even without the Draft Agreement, it has an intention of ratifying a twenty-fourth[13] at some point.

16. All these international treaties usually impose two types of obligation. The first is to provide *minimum standards* of protection to works, performances, inventions, trade marks, designs and so forth created by nationals of other contracting parties.

17. The second type of obligation is that of *national treatment* (or non-discrimination). Thus, an Australian author should get the same rights in the UK as are given to a British author provided the relevant rights are covered by a treaty. This rule is very complicated in relation to copyright as it leads to some works being protected, or exclusive rights being granted, when the work was created by a national from one country but not when

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[12] In respect of two of these 24 treaties the continued membership will need a new instrument of ratification as the existing ratification was by the EU on behalf of its members.

[13] The Beijing Treaty on Audio-visual Performances. In respect of the other two, the first, the Washington Treaty on Intellectual Property in Respect of Integrated Circuits has never come into force and has largely been superseded by requirements in TRIPS; and the second, the Nairobi Treaty on the Protection of the Olympic Symbol has not been adopted by many countries as it requires the revenues from merchandising the Olympic symbol to go to the International Olympic Committee rather than the national Olympic body (in the UK, the British Olympic Association).

created by a national from another.[14] So, for instance, as the United States is not a party to the Rome Convention it means broadcasts made by its broadcasters are not protected by copyright[15] in the UK, but as Ukraine is a member of the Rome Convention its broadcasts are protected. Accordingly, if at any point in the future the UK were to denounce its ratification of any of the intellectual property treaties it would restrict the ability of British persons from being entitled to apply for patents, designs or trade marks in certain foreign countries[16] or mean they did not receiving the most robust copyright protection overseas.

Minimum standards

18. There is a significant and important difference between a harmonised law (as we currently have in the EU) and minimum standards.

19. Harmonisation, or at least the appearance of harmonisation, can come from two directions. It can grow from the bottom, as a quasi-harmonisation, by setting minimum standards, such as that the term of copyright must be at least fifty years from the authors' death.[17] As long as the minimum standard is met greater protection (or more favourable protection) is permitted by individual states, such as that the term of copyright shall be the life of the author plus seventy years.[18] It can also come in from the top, as a *maximum* standards, such as the mandatory exception for quotations.[19] The two forms of harmonisation are not mutually exclusive. Some legal instruments can set both minimum and maximum standards. Even then there may be some degree of flexibility provided by the legislative space between the minimum and maximum standard. When the minimum and maximum standards actually meet, creating only *one* standard, it becomes the harmonised standard. The approach of the international intellectual property conventions has long been largely minimum standards with a splash of maximum standards.

20. The contrast between minimum standards and harmonisation can be significant, Philip Allott describes a treaty as "a disagreement reduced to writing" as "the parties to a treaty….no doubt have different ideas about what has been fixed in the treaty, and different interests in relation to its interpretation and its application to actual persons and events…".[20] Likewise, John Honnold has said "Even if you get uniform laws you won't get uniform results"[21] and he goes on to note "even when outward

[14] See Copyright and Performances (Application to Other Countries) Order 2016 (SI 2016/1219).
[15] Copyright, Designs and Patents Act 1988, s 159(2); they might be protected where the broadcast was made from a Rome Convention country, eg an overseas news broadcast.
[16] While under the Paris Convention it is permissible to restrict the ability to file a patent, design or trade mark to other Paris Convention nationals many countries allow any person to apply irrespective of nationality (for instance, the United Kingdom has this approach).
[17] Berne Convention, art 7.
[18] Directive 2006/116/EC on the term of protection for copyright and certain related rights.
[19] Berne Convention, art 10(1).
[20] Allott "The Concept of International Law" (1999) *European Journal of International Law* 31, 43 (in the original he makes the same point about national legislation).
[21] Honnold "The Sales Convention In Action – Uniform International Words: Uniform Application?" (1988) 8 *Journal of Law & Commerce* 207, 207.

uniformity is achieved following the adoption of a single authoritative text, uniform application of the agreed rules is by no means guaranteed, as in practice different countries almost inevitably come to put different interpretations upon the same enacted words."[22] A similar point was made by Lord Phillips in the Supreme Court in *Assange v Sweden*:[23]

> "…the text of much European legislation is arrived at more through a process of political compromise, so that individual words may be chosen less for their legal certainty than for their political acceptability…"

21. While this flexibility is probably well-known, a study of one provision of an international convention, unrelated to intellectual property, demonstrates the potential degree of variance. The provision attracted a dozen different interpretations in thirty different decisions on its meaning.[24] Essentially, the susceptibility to interpretive variation is built into the treaty making process. Accordingly, the various international intellectual property agreements (and FTAs) were drafted to use words and phrases which might mean different things to different contracting parties; those words and phrases being acceptable to the parties for different reasons and with the possibility they might be interpreted differently by national courts. Indeed, while the Berne and Paris Conventions have mechanisms to resolve disputes these have not been invoked;[25] indeed, even TRIPS with its formal arbitration procedure within the WTO has only led to six final reports.[26] This leaves huge interpretive discretion in the hands of national courts.

22. However, while these statements are true at the international level once a treaty becomes part of the *acquis communautaire* and has been interpreted by the Court of Justice, it is its reading of the provision which applies and so the flexibility inherent in the treaty interpretation slowly dissolves away. Indeed, even where there is no formal harmonisation at EU level, such as in relation to patent law, the English courts have often sought to be consistent with other European national courts.[27]

23. By way of example, the Berne Convention provides that an *original* literary work must be protected by copyright and so it was possible for many years

[22] Mundy "The Uniform Interpretation of International Conventions" (1978) 27 *International and Comparative Law Quarterly* 450, 450.
[23] [2012] UKSC 22, [2012] 2 AC 471, [14]; the comment was based on *Craies on Legislation* (Ed Greenberg) (9th ed, Sweet and Maxwell 2008), [31.1.21].
[24] See Wijffels "Legal Interpretation of CMR: The Continental Viewpoint" (1976) 11 *European Transport Law* 208.
[25] Disputes being resolved by the International Court of Justice: Paris, art 28; Berne, art 33.
[26] Australia - *Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products* (2018); China - *Measures Affecting the Protection and Enforcement of Intellectual Property Rights* (2009); European Communities - *Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs* (2005); Canada - *Term of Patent Protection (2000); United States - Section 110(5) of US Copyright Act* (2000); India - *Patent Protection for Pharmaceutical and Agricultural Chemical Products* (1998).
[27] See *Schutz (UK) Ltd v Werit (UK) Ltd* [2013] UKSC 16, [2013] RPC 16 at [40], followed in *Eli Lilly v Actavis UK* [2017] UKSC 48, [2017] RPC 21 at [32].

for the United Kingdom to consider a work original when it involved the authors "skill, labour and judgment"[28] whereas the US courts required a "spark of creativity"[29] and the French required "the stamp of the authors personality".[30] The harmonisation of copyright across the EU now means that the standard of originality in both France and the UK is based on the author's "own intellectual creation"[31] but it remains unchanged in the United States.

24. Thus, in the context of the Draft Agreement a key factor is whether the standards are considered minimum standards and, if so, how will those standards be adjudicated. The Draft Agreement *appears* to suggest that it is applying minimum standards as greater protection is permitted: see Article IP.2(2). However, the present draft suggests that where matters involve "Union law" then adjudication should be by the Court of Justice (Article INST.16). This particular aspect of the Agreement is the most controversial and is of general application and so I will not comment further save to indicate it is unclear whether the intellectual property articles fall within the meaning of "Union law" in Art COMPROV.14. For instance, is the meaning of a copyright "work" (Article IP.7) a concept of Union law because there are Court of Justice decisions defining a "work"?[32] With these general issues in mind, I turn to the provisions of the Draft Agreement itself.

Chapter 1: General Provisions

25. Articles IP.1 and IP.2 set out the objectives and scope of the Title dealing with intellectual property. While the wording is slightly different, the general themes are replicated in all the other EU FTAs. Article IP.3 deals with definitions and Article IP.6 requires national treatment in relation to matters covered by the Draft Agreement. It therefore reflects the general rule in other intellectual property treaties requiring non-discrimination.

Treaty membership

26. One of the common features of all the EU FTAs is a list of treaties that each side has to become (or remain) a party.[33] The relevant treaties for these purposes are set out in Article IP.4. The UK is currently a member in its own right of all the listed treaties except three. The first is the Beijing Treaty on Audiovisual Performances which neither the EU nor the UK is currently a party. It largely replicates the rights for audio-visual performers which are granted to aural performers (singers) by the WIPO Performances and Phonograms Treaty (WPPT). To give effect to the Beijing Treaty the UK would have to make some minor changes to the Copyright, Designs and Patents Act 1988, most significantly extending the current moral rights

[28] *University of London Press v University Tutorial Press* [1916] 2 Ch 601.
[29] *Feist v Rural Telephone Services*, 499 US 340 (1991).
[30] Lucas and Lucas, *Traité de la propriété littéraire et artistique* (3rd Ed Litec 2006), p 343.
[31] C-5/08 *Infopaq*, EU:C:2009:465.
[32] C-310/17 *Levola*, EU:C:2018:899, [33-37]; C-683/17 *Cofemel*, EU:C:2019:721, [29-32]
[33] Indeed, a similar approach was adopted in the EEA Agreement, and the Commission took action against Ireland for failing to give effect to Berne Convention: C-13/00 *Commission v Ireland* [2002] ECR I-2943.

regime for performers to cover audiovisual performances as well.[34] The second is the Marrakesh Treaty to Facilitate Access to Published Works for Visually Impaired Persons. The EU is already a member of the Treaty and the UK has already amended its law to give the Treaty effect.[35] It would therefore require little or no further implementation to enable the UK to ratify in its own right.

27. The third is the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographic Indications.[36] The EU deposited its instruments of ratification on 26 November 2019, but the Geneva Act only came into force on 26 February 2020. The UK would need to take steps to ensure that GIs deposited under the Lisbon Agreement are protected in the UK. This would require some legislative changes albeit minor.

28. As the membership of the Lisbon Agreement prior to the Geneva Act has been limited there are only 1,135 GIs deposited. A substantial majority of these (888) are registered by Member States of the EU (565 are French; 175 are Italian; 79 are from the Czech Republic; 41 are from Slovakia; 28 are from Hungry). Accordingly, under the Draft Agreement the UK would be obliged to protect these GIs in any event (and would have to accept applications from the other countries as well). Joining the Lisbon system would of course enable British producers to seek registration under the Agreement and so give slightly broader geographical protection to current British GIs.

Exhaustion

29. One of the most controversial areas of intellectual property law is the rules that apply to exhaustion. The concept of exhaustion is sometimes more easily expressed as the "first sale" doctrine. Essentially, intellectual property laws enable right holder to control the "first" sale of their product but, in countries following international exhaustion, the buyer can then resell it freely anywhere in the world (often called parallel trade or the grey market). In jurisdictions following regional exhaustion (such as the EU) it can be resold anywhere within the region (eg the EEA), but the intellectual property right holder can sue for infringement if it is sold elsewhere (eg the United States). Finally, national exhaustion restricts the resale to the country in which it was bought.

30. In simple terms, the rules of exhaustion allow price discrimination. In countries which follow international exhaustion rules all consumers get goods very near to the lowest price for which they are available anywhere in the world[37] (and conversely the intellectual property holder may make less money). However, this rule might lead to products not being sold in poorer countries (as the right holder can make more money selling fewer

[34] Part 2 of the Copyright, Designs and Patents Act 1988 generally extends to all types of performance already.

[35] Copyright and Related Rights (Marrakesh Treaty etc.) (Amendment) Regulations 2018 (SI 2018/995) (which implemented Directive 2017/1564 and the national aspects of Regulation (EU) No 2017/1563).

[36] The First Lisbon Agreement was signed in 1958 and came into effect in 1966.

[37] There will be shipping costs and transactions costs.

items in rich countries at a higher price than selling at a lower price in both markets). While this simple dichotomy is at the centre of the dilemma, it is not the only issue with parallel traded good. Products sold in different parts of the world, which may at first glance appear to be same, may have different composition due to regulatory, cultural or geographic differences and this can make resale in other countries either unlawful or misleading.

31. The Draft Agreement proposes that the parties either adopt regional or national exhaustion of rights. It precludes international exhaustion. The EU follows regional exhaustion and the UK is currently intending to apply asymmetrical regional exhaustion.[38] In international law the rules of exhaustion are left up to individual states,[39] and in the EU FTAs with Canada, Korea, and the Ukraine there is expressed to be no restrictions on rules for exhaustion. The EU FTAs with Georgia and Moldova give the same options as presented to the UK, namely regional or national exhaustion. It is possible that this article is the most controversial in the whole Draft Agreement.

32. There are almost certainly commercial arrangements which rely on the current regional exhaustion rules in the EU/EEA. The UK adopting asymmetrical regional exhaustion means that companies bringing goods into the UK from the EU will not necessarily be affected by the ending of the transition period. However, unless the EU provides that the first sale of an article in the UK exhausts rights in the EU, commercial arrangements which exporters have relied upon might be affected. For example, a distributor buying clothing from the trade mark owner in London could no longer (absent permission) resell the goods in Germany or France. But a distributor in Germany buying clothing from the same trade mark owner in Berlin could resell them in London.

Chapter 2: Section 1: Copyright and related rights

33. The law of copyright has been gradually harmonised across the EU by a mixture of Directives and decisions of the Court of Justice. Accordingly, while there is no unitary copyright, the scope of the rights provided to a copyright owner and the exceptions for users are more or less uniform in Europe.

Exclusive rights and rights to compensation

34. The first three articles of Section 1, Article IP. 7 to IP.10, set out the exclusive rights that must be granted to authors, performers, phonogram producers and broadcasting organisations. They reflect provisions in numerous Directives as set out in the Appendix.

35. The Georgian, Japanese, and Moldovan EU FTAs all have similar provisions to Article IP.7 to IP.10 save they do not extend to rental right. The EU/Ukrainian FTA also extends to rental right. The EU/Canadian FTA requires only the recognition of an exclusive right for live broadcasts of a

[38] Intellectual Property (Exhaustion of Rights) (EU Exit) Regulations 2019 (SI 2019/265).
[39] TRIPS, art 6.

performance whereas the EU/Korean FTA[40] requires recognition of three of the five exclusive rights given to broadcasting organisations but nothing for authors, producers or performers. The EU/CARIFORUM FTA makes no relevant provision.

36. In any event, these countries have international obligations under multi-lateral treaties to provide similar rights to those in Articles IP.7 to IP.10. To reiterate the point, assuming both the United Kingdom and the EU accede to the Beijing Treaty, the rights granted to authors, performers, phonogram producers and broadcasting organisations by Article IP.7 to 10 all have minimum standards attached under international treaties. In addition, Article IP.7(a) to (c), IP.8(a), (b) and (e), IP.9(a) and (d), IP10(a) to (c) are in the UK/Georgia FTA[41] and are subject to the most favoured nation principle (MFN).

37. Accordingly, irrespective of whether provision is included in the Draft Agreement or not, the UK will have an international obligation to provide the said same rights to citizens of EU Member States. Thus, the key issue is how the scope of those minimum standards will be interpreted in any dispute resolution. As already mentioned, this is unlikely to happen at the international level.

38. Article IP.11 requires a single equitable remuneration to be provided to performers and phonogram producers. A similar requirement exists in both the Rome Convention and the WPPT. Nevertheless, the obligation to provide such a remuneration has been included in all the EU FTAs with the exception of that with Japan, where the obligation is to "consider" adequate protection only. It is likewise covered by the UK/Georgia and UK/Korea FTA but is excepted from the MFN principle.

Term of protection

39. Article IP.12 deals with the term of protection for copyright and related rights. Term is one of the most controversial areas in copyright law. The article reflects current EU (and so UK) law on term. It also provides for longer terms to be granted should a party wish to do so, but what cannot be provided is a shorter term. Putting aside exceptions for a moment, the international treaties require copyright to last for the life of the author plus 50 years (50 years pma); performers and producers rights to last 50 years from creation or dissemination of the fixation; and broadcasters to receive 20 years from when the broadcast is made.[42] Therefore, under current EU law and Article IP.12, authors and performers receive 20 years more than required by multilateral treaties and broadcasters 30 years more.

40. The EU FTA with the Georgia, Moldova, and Ukraine are largely the same as Article IP.12. The only difference being due to a slight change in EU law

[40] The Korean FTA also requires recognition of the related right of film producers. In the United Kingdom this interest is protected by copyright in the film work.
[41] Article IP.10(a) and (c) are also in the UK/Korea FTA.
[42] Berne, art 7; TRIPs, art 12 and 14; Beijing, art 14; WPPT, art 17; Rome, art 14.

relating to how term is calculated for musical works with lyrics.[43] The EU/Japan FTA adopts largely the same rule as proposed in Article IP.12 whereas that with Korea is less prescriptive but still requires term of 70pma and 50 years protection for broadcasters. There is no provision with either the CARIFORUM countries or Canada. The UK/Georgia FTA includes is essentially the same obligations as Article IP.12 which means that unless the EU reduces its copyright term,[44] the United Kingdom will have to provide the benefits of the provision to nationals of the EU Member States in any event.

Resale right

41. The United Kingdom strongly resisted the introduction of resale right in 2001. Nevertheless, Article IP.13 provides an obligation to retain resale right albeit not the current mechanisms or scales of payment provided for in the Resale Right Directive.[45] A substantive requirement for a resale right exists in the EU FTAs with Georgia, Korea, Moldova, and the Ukraine. It is also required in the UK FTAs with Georgia and Korea. There is no requirement under any intellectual property treaty to have a resale right, but where a country does have such a right then it must be granted to artists on a reciprocal basis with any other country having a resale right.[46] As the UK must have resale right under its FTAs with Georgia and Korea it has to grant the same protection to all other members of the Berne Convention with such a right (including EU Member States).

Collecting societies (collective rights management)

42. It is very common for copyright royalties to be collected by a collecting society. In simple terms, these societies work by authors authorising (or transferring) their rights to a collecting society and that society licensing the works on behalf the author. Thus, if somebody wishes to use music at an event, a licence can be obtained from the collecting society to cover every work it deals with rather than approaching each musician separately and seeking permission. The UK has numerous collecting societies, some compete for author and artist members, others are the only society for a particular type of use.

43. The requirement in Article IP.14 requires cooperation, transparency and rapid payments. Currently, there are very detailed rules in the EU dealing with collective management[47] and so in comparison the obligations being retained in the Draft Agreement are very light touch. Similar light touch provisions, encouraging cooperation, were provided for in the EU FTAs with CARIFORUM, Georgia, Korea, and Moldova. The FTA with Canada included no related provision and that with Japan simply recognises the importance of collecting societies.

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[43] Made by Directive 2011/77/EU amending Directive 2006/116/EC on the term of copyright, art 1.
[44] Under the Berne Convention, there is a restriction of term for foreign works where they are no longer protected in the home country.
[45] Directive 2001/84/EC on resale right, art 3 and 4.
[46] Berne Convention, art 14ter; it is not covered by the most favoured nation rule in TRIPS.
[47] See Directive 2014/26 on collective management of copyright.

Exceptions

44. Article IP.15 sets out what is commonly called the "Three-Step" test, which is used to set the maximum scope of copyright and related rights exceptions.[48] It is a test which exists in most international conventions dealing with copyright exceptions, and most importantly, in TRIPS.[49] Similar wording was used in the EU FTAs with Georgia, Japan, Korea, Moldova and the Ukraine, but not with Canada or CARIFORUM. In addition, and unlike the Draft Agreement, the Georgian, Moldovan, and Ukrainian EU FTAs also have specific exceptions required in each party's law. Further, as the UK/Georgian FTA is the same as that it has with the EU, in accordance with the MFN principle, a similar exception will be needed in UK law in any event.[50]

45. In the UK, there have been suggestions from government commissioned reviews[51] that more flexible copyright exceptions should be adopted (sometimes the short hand is used that a "fair use" defence should be introduced). This is currently not possible as there is a list of permissible copyright exceptions set out in EU Directives. There is also debate over whether a flexible copyright exception is permitted under the three-step test,[52] but in addition to fair use long existing in the United States[53] some countries have adopted flexibility in recent years[54] either because of trade deals with the United States or on the policy's own merits. The Draft Agreement would allow the United Kingdom to follow suit should appropriate legislation be introduced.

Technological measures and rights management information

46. The Draft Agreement includes requirements to prevent the circumvention of technical measures and to preserve rights management information. The former essentially prevents a person removing the copy protection from BluRays, PDFs and so forth and the latter means that metadata cannot be removed (enabling copies to be traced more easily).

47. Similar obligations are required in numerous international treaties[55] and are included in EU FTAs with Canada, Georgia, Korea, Moldova, and the Ukraine.

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[48] This test was the subject of the only WTO Panel decision on the copyright provisions in TRIPS: see Johnson "One Small Step or one Giant Leap? How has the WTO Panel Decision on Section 110(5)of the United States Copyright Act changed our understanding of the Three Step Test?" [2004] European Intellectual Property Review 265.

[49] Berne, art 9(2); TRIPS, art 13; Beijing, art 13; WPPT, art 16; WIPO Copyright Treaty (WCT), art 10.

[50] It is an exception based on Directive 2001/29/EC, art 5(1); currently implemented as Copyright, Designs and Patents Act 1988, s 28A.

[51] *Gowers Review of Intellectual Property* (HMT 2006), Recommendation 11; *Digital Opportunity: A Review of Intellectual Property and Growth* (May 2011), Recommendation 5; it was also proposed by the Whitford Report in 1977 (1977 Cms 6732), [676-7].

[52] See Halpern and Johnson, *Harmonising copyright law and dealing with dissonance: a framework for convergence of US and EU law* (Edward Elgar 2014), pp 148-159 where it is argued it is permitted and the arguments against are addressed.

[53] United States Copyright Act, s 107.

[54] For instance, Israeli Copyright Act, s 19 , Malaysian Copyright Act 1987, s 13; Singapore Copyright Act 1987, s 35; South Korea, art 35-3.

[55] WCT, art 11 and 12; WPPT, art 18 and 19p Beijing, art 15 and 16.

Provisions not included in the Draft Agreement

48. The Draft Agreement does not include a requirement to retain database right.[56] This is a right in the investment creating a database rather than in the individual entries (which might attract normal copyright). It also does not include a requirement to retain publication right (that is an exclusive right for 25 years in relation to old works which are first published after copyright had otherwise expired–for example, publishing historical manuscripts). The EU/Ukraine FTA includes obligations in relation to both these things and in relation to satellite broadcasting. Indeed, the EU/Ukraine FTA requires compliance with certain other rules of EU copyright law of less significance. The Canadian, Korean, and Ukrainian EU FTA also replicate the E-Commerce Directive safe harbours for internet service providers,[57] which is not provided for in the Draft Agreement. However, the effective scope of these has been curtailed by the recent Digital Single Market Directive[58] and so the approach adopted in those FTAs is probably not appropriate.

Conclusion on copyright provisions

49. In summary, due to the interwoven international framework for copyright and related rights (including in particular, the most favoured nation principle) the provisions of the Draft Agreement reflect, save in a few small respects, obligations the UK and the EU already have under international law. The one significant exception relates to collecting societies. However, it is difficult to see a basis upon which either party would be pushing against transparency, quick payment and cooperation. In short, little additional legislative freedom is lost by the copyright provisions of the Draft Agreement due to other international obligations.

Section 2: Trade mark law

50. The law of trade marks is harmonised across the European Union,[59] and in addition, there is unitary trade mark, the European Union trade mark, which enables one registration to give protection across the whole of the European Union. Under the Withdrawal Agreement, any existing EU trade marks will be converted to domestic marks at the end of the transitional period.[60]

51. The ending of the unitary trade mark might affect both trade mark licences and coexistence (consent) agreements. The UK has provided a legislative solution to this issue by construing documents referring to the EU Trade

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[56] Existing holders have to be protected until the term expires: Withdrawal Agreement, art 58.
[57] Directive 2000/34 on certain legal aspects of information society services, in particular electronic commerce, art 12 to 34.
[58] Directive 2019/790 on copyright and related rights in the Digital Single Market, art 17.
[59] Trade mark law was originally harmonised in Directive 89/104/EEC to approximate the laws of the Member States relating to trade marks, which was implemented by the Trade Marks Act 1994. The Community (later EU) trade mark was originally created by Regulation (EEC) No 40/94 on the Community trade mark.
[60] Withdrawal Agreement, art 54(1); implemented by the Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/269).

Mark to be referring to the comparable UK mark.[61] However, this does not necessarily assist businesses where there are overseas elements of the transaction and applicable law questions arise.

Requirements for registration / validity

52. The Draft Agreement includes some substantive obligations regarding the registrablity and validity of trade marks. First, there is a definition of a trade mark in Article IP.19. This follows the current EU and UK definition of a trade mark.[62] While there is a definition for a trade mark in TRIPS[63] it is not as complete as that in the Draft Agreement. There is no similar obligation replicated in any other FTA.

53. Secondly, there is a requirement for both the UK and the EU to provide that a mark may be declared invalid (or an application refused) where it was made in bad faith (Article IP.25). This reflects current EU law,[64] but it not required in any international treaty or any of the other FTAs.

54. Thirdly, Article IP.21 requires both parties to have a registration system for trade marks, and decisions to be communicated in writing and subject to appeal. The Paris Convention requires all members to have a registration system,[65] and even if (for some reason) the United Kingdom wanted to abolish the current mode of appeal, judicial review would be available which would probably satisfy the requirement of Article IP.21. The other requirements of Article IP.21 require third party oppositions and a publicly available electronic database. The UK had third party oppositions long before the harmonised trade mark system and the EU had them from the beginning in relation to EU (formerly Community) trade marks.

55. TRIPS requires publication of trade mark applications and registrations.[66] The Draft Agreement goes further as it requires it to be on an electronic database. However, it is difficult to imagine either the EU or UK would want to return to paper publishing. A largely similar provision to Article IP.21 is included in all but the EU/Japanese EU FTAs. It is also included in the UK FTAs with Korea, Georgia and CARIFORUM and is subject to the MFN principle.

Exclusive rights

56. There is a definition of the exclusive rights conferred by a trade mark in Article IP.20(1). It replicates two types of trade mark infringement in EU law: identity infringement and similarity infringement.[67] It does not require

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[61] The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 insert paragraph 19 of Schedule 2A to the Trade Marks Act 1994.
[62] Directive 2015/2436 to approximate the laws of the Member States relating to trade marks, art 3.
[63] TRIPS, art 15(1).
[64] Directive 2015/2436, art 4(2); Regulation (EU)1001/2017 on the European Union trade mark, art 59(1).
[65] Paris, art 6(1); TRIPS requires all enforcement decisions relating to appeals to be reviewable by a judge and preferably to be in writing: art 41(3) and (4). This does not apply to registration proceedings as such.
[66] TRIPS, art 5.
[67] Directive 2015/2436, art 10(2)(a) and (b).

either the EU or the UK to retain a right to prevent what is commonly called trade mark "dilution".[68]

57.The obligation in the Draft Agreement requires it to be an infringement of a trade mark to use a sign which is identical to the registered mark in relation to goods or services which are also identical. Following current EU law there is no requirement of confusion.[69] This goes beyond TRIPS which only requires it to be an infringement where there is confusion.[70] The EU/Ukraine FTA has the same obligation as the Draft Agreement and the EU/Japanese FTA has a somewhat looser requirement. The other FTAs have no similar provision.

58.The other type of infringement in Article IP.20(2) and (3) is new to EU law having been introduced by the 2015 Directive.[71] It is intended to enable a trade mark owner to prevent goods which infringe a trade mark passing through a jurisdiction physically when they do not enter the customs zone (commonly called goods in transit). The proposed Article IP.20(2) and (3) are not replicated in any other FTA.

59.The Draft Agreement requires members to apply the WIPO Joint Recommendation on Well-Known marks (Article IP.22). The United Kingdom has long applied this recommendation to determine whether a mark was well-known.[72] The requirement is also included in the CARIFORUM, Georgian, Japanese, and Moldavian EU FTAs and in the UK FTAs with the CARIFORUM and Georgia. Whether applying this recommendation falls under the MFN principle is uncertain[73] but it would probably fall under the national treatment requirements in the Paris Convention in any event.

Exceptions and grounds of revocation

60.Article IP.23(1) replicates the trade mark version of the three-step test found in TRIPS[74] (and which is included in all seven of the EU FTAs). Paragraph (2) and (3) represent exceptions to infringement which currently exist in EU trade mark law.[75] They are not replicated in any of the other EU FTAs.

61.The Draft Agreement provides at Article IP.24(1) a ground of revocation for non-use. This replicates the current rule in EU trade mark law that a trade mark can be revoked if, after a period, of five years it has not been used in

[68] Directive 2015/2436, art 10(2)(c). This is where a third party trades on the reputation of an earlier trade mark. It only applies where the earlier mark has a sufficient reputation.
[69] In practice, the Court of Justice has relaxed the rule somewhat as the use has to interfere with the functions of a trade mark to be an infringement.
[70] TRIPS, art 16(1).
[71] Directive 2015/2436, art 10(4).
[72] *Hotel Cipriani SRL v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [237-238]
[73] If a mark is well-known under the Recommendation, but not under the normal domestic rules it would be protecting one mark and not another which would be an "advantage, favour, privilege or immunity" but if it was the other way around or protected both ways it would not be.
[74] TRIPS, art 17.
[75] Directive 2015/2436, art 14.

respect of any particular good or service.[76] Under the TRIPS Agreement there is a similar requirement albeit the period of non-use is three years.[77] Only the EU/Ukraine FTA deals with revocation and it provides something similar to the Draft Agreement.

62. The remainder of the article deals with the revocation of generic trade marks (the classic example of a generic trade mark is Aspirin which was a trade mark of Bayer; other examples include escalator and cellophane) and the revocation of trade marks, which through their use, have become misleading. These requirements are also in the EU/Ukraine FTA but not elsewhere. Removing trade marks from the register which have become generic or misleading is common to most trade mark systems.

Conclusions on trade marks

63. The Draft Agreement goes further than international law in numerous ways, including a more precise definition of a trade mark, requiring identity infringement, invalidity for filings in bad faith, and a five-year revocation period. However, there is no suggestion or reason why the UK or the EU would want to modify the law away from these standards.

Section 3: Designs

64. The law of registered designs is entirely harmonised in the EU,[78] and there is currently a unitary registered Community design and unregistered Community design right.[79] Under the Withdrawal Agreement any existing registered Community design will become a national registered design[80] and any existing unregistered Community designs will continued to be protected under domestic law until they expire.[81] There is also a provision to construe references to Community designs to include the converted comparable UK right. Despite the extensive harmonisation and the provisions in the Withdrawal Agreement, there are very few provisions dealing with designs in the Draft Agreement.

65. Article IP.26(1) and (2) are essentially the same as the requirements under TRIPS.[82] Paragraph (3), reflects a current EU rule,[83] and is widely adopted in the other EU FTAs. The duration of a registered design is set to be 25 years under the Draft Agreement, which reflects the current maximum term under EU law.[84] Under TRIPS, the minimum permissible term is 10 years[85] and some of the other EU FTAs make no reference to duration or adopt shorter minimum terms, such as the EU/Korean FTA which has a 15 year minimum. The UK/Korean FTA also has a 15 year minimum and this would be subject to the MFN principle.

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[76] Directive 2015/2436, art 16.
[77] TRIPS, art 19(1).
[78] Directive 98/71/EC on the legal protection of designs
[79] Regulation (EC) No 6/2002 on community designs.
[80] Withdrawal Agreement, art 54(1)
[81] Withdrawal Agreement, art 57; Designs and International Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/638).
[82] TRIPS, article 25(1) and article 26(1).
[83] Directive 98/71/EC, art 3(3).
[84] Directive 98/71/EC, art 10.
[85] TRIPS, art 26(3).

66. Article IP.28 requires the adoption of an unregistered design right. It is assumed that this is meant to replace the existing unregistered Community design right. Currently, this right protects almost exactly the same subject matter as registered Community designs save protection is limited to copying and its duration is restricted to three years.

67. The United Kingdom, however, has two forms of unregistered design right. One "national" unregistered design right was created under Part 3 of the Copyright, Designs and Patents Act 1988. The unregistered Community design right came into being in 2002. The subject matter of the two rights is different and the UK currently intends to maintain unregistered Community design right as a new "supplementary unregistered design right"[86] but it appears that maintaining only "national" unregistered design right would satisfy Article IP.28. This may or may not have been intended. In any event, the CARIFORUM, Japanese, Korean, Moldovan and Ukrainian EU FTAs all require some form of unregistered design right to be created or maintained as do the UK FTAs with Korea and the CARIFORUM. Critically, the UK/Korean FTA requires the UK to maintain something equivalent to unregistered Community design and so any flexibility from the Draft Agreement is lost.

68. Article IP.29(1), which sets out the maximum scope of exceptions to design right, is the same as the rule in TRIPS,[87] and it is also duplicated in all but the EU/Canada and EU/Ukraine EU FTAs and in all the UK FTAs. The rest of the article, which restricts protection for technical and functional aspects ("must match" and "must fit"), is an expansion of a permission in TRIPS. Furthermore, while some rules restricting technical designs are included in other EU FTAs the rule is usually less prescriptive than that in the Draft Agreement. Indeed, considering the lack of detail in the rest of the design provisions such a prescriptive rule is somewhat out of place.

69. The final provision in this section relates to the relationship between copyright and designs. Essentially, Article IP.30 provides that if something is protected as a design it is not precluded from protection under copyright. The UK law had, for a very long time, struggled to divide out protection between copyright and registered (and later unregistered) designs.[88] Attempting to separate instances where an article would infringe copyright but not the registered design or visa-versa.

70. On the other hand, the Court of Justice has come down firmly against this division[89] and now whether something is protected by copyright is not

[86] See Designs and International Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/638).
[87] TRIPS, art 26(2).
[88] As to the protracted history, see *Lucasfilm v Ainsworth* [2009] EWCA Civ 1328 and [2011] UKSC 39.
[89] C-168/09 *Floss*, EU:C:2011:29; C-683/17 *Cofemel*, EU:C:2019:72; C-388/18 *Brompton Bikes*, EU:C:2020:461.

connected to whether it is also protected as a design.[90] The purpose of Article IP.30 is to preserve this rule. However, the proposed wording provides significant flexibility as the "extent" of protection and the "conditions" can be restricted (so it could have a shorter term for instance). This provides much greater flexibility than currently required under EU law albeit it is far from an unfettered right to exclude copyright protection when something is protectable as a design. In any event, there is a rule dealing with this issue in all but the Japanese EU FTA; likewise, a similar rule exists in the UK/Korean and UK/Georgian FTAs and would be subject to the MFN principle. Therefore, the UK must apply it to nationals of EU member states in any event.

Conclusions on designs

71. The Draft Agreement goes beyond the UK's international obligations by requiring a term of 25 years for registered designs. There is also a more prescriptive rule for must fit/must match in the Draft Agreement than the UK need otherwise adopt.

Section 4: Geographical Indications

72. The protection of Geographical Indications in the European Union is provided by various Regulations dealing with agricultural and foodstuffs,[91] wines,[92] aromatic wines,[93] and spirits.[94] While GIs are commonly described as intellectual property, and are included in that definition in the Draft Agreement, they are very different in one key respect. GIs do not have an "owner" in the normal sense of the word. Any person who complies with the rules for a particular GI can use it on their goods; it is not an exclusive right in the same way a trade mark. Permission is not required to use it provided the producer complies with the rules. Accordingly, in some ways it is easier to see GIs as a food packaging rule rather than an intellectual property right,[95] and furthermore monitoring and enforcement largely falls to trading standards albeit organisations formed to represent producers using the GI also have standing to sue.[96]

73. The protection of GIs has been central to all the FTAs and various schemes of differing flexibility have been included in all the EU FTAs, but that with CARIFORUM. As many countries do not have a dedicated system to protect GIs, rather relying on certification (trade) marks or similar, the protection

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[90] It should be noted that overlaps like this are not uncommon in intellectual property. Many trade marks are copyright works; and patents can protect computer implemented inventions which are also computer programs protected by copyright.

[91] Regulation (EU) No 1151/2012 on quality schemes for agricultural products and foodstuffs.

[92] Regulation (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations.

[93] Regulation (EU) No 251/2014 on the definition, description, presentation, labelling and protection of geographical indications of aromatised wine products.

[94] Regulation (EC) No 110/2008 on the definition, description, presentation, labelling and the protection of geographic indications of spirit drinks.

[95] This is probably why in the United Kingdom the policy for GIs is with DEFRA and not the Intellectual Property Office and DEIS.

[96] Regulation (EU) No 1151/2012, art 45(1).

of GIs has usually proved to be one of the more controversial areas of negotiations.

74. The Draft Agreement (Article IP.31) requires the UK to reaffirm its commitment in the Withdrawal Agreement[97] to grant the same level of protection to GIs as provided by certain provisions of EU law. This means many of the obligations set out in the Draft Agreement replicate the UK's existing obligations once the transition period is over and have already had the implementing legislation made.[98]

75. Articles IP.32 and IP.33 relate to the approval of the relevant GI legislation and the methods for recognising GIs. In relation to the first of these provisions similar provision is made in all the other FTAs, except EU/Korea; and in relation to the second in all the FTAs except that with EU/CARIFORUM.

Protection

76. Article IP.34(1) and (2) sets out what is prohibited in relation to use of geographical indications. The United Kingdom has already agreed to provide equivalent protection to these provisions under the Withdrawal Agreement. Further, the UK/Iceland FTA also requires this exact wording to be provided for foodstuffs. Finally, the obligations also exist in the Lisbon Agreement[99] so, if the UK accedes to the Lisbon Agreement in accordance with the Draft Agreement, it will be obliged to enact similar provisions. The remaining provisions of Article IP.34 allow one party to cease protecting a GI when it is not protected in a country of origin, the other provides a right for a person to use their name in business notwithstanding GI protection unless it is done to mislead the public. This second exception reflects a rule in the Lisbon Agreement.[100]

77. The obligations in IP.35(1), which makes it clear anyone complying with the GI's rules may use the GI, is something the UK are already obliged to provide in accordance with the Withdrawal Agreement at least in relation to wines and aromatic wines. There is no equivalent provision for spirits, although it is possible that it was intended in the Withdrawal Agreement to apply the equivalent provision for foodstuffs.[101] In any event, there are similar provisions in the EU FTAs with Japan, Korea, the Ukraine, Moldova and Georgia.

78. Likewise, Article IP.36(1) to (5) have already been agreed as part of the Withdrawal Agreement in least in relation to some sorts of GIs. However, the rule in IP.36(6) is not part of that Agreement although it forms part of

[97] Withdrawal Agreement, Article 54(2).
[98] Agricultural Products, Food and Drink (Amendment) (EU Exit) Regulations 2019 (SI 2019/1366).
[99] Lisbon Agreement, art 11 and 12.
[100] Lisbon Agreement, art 13(2).
[101] The Withdrawal Agreement refers to art 45(1) of Regulation 1151/2012 rather than art 46(1) which is the equivalent provision to that referred to in relation to wines and aromatic wines.

the EU GI regime for all types of GI. Finally, all but the EU/Canada FTA have provisions covering much of Article IP.36.

Enforcement

79. The obligations imposed in Article IP.37 largely reflect those already imposed on both parties by the TRIPS Agreement.[102] Similar provisions exist in the EU FTAs with Georgia, Japan, Korea, Moldova, and the Ukraine and in the UK/Korea and UK/Georgia FTAs.

Other provisions

80. The final article dealing with GIs in the Draft Agreement, Article IP.38, includes three and a half paragraphs dealing with negotiations and cancellations. The first paragraph, which allows (but not require) GIs to be prevented from using the names of plant varieties or animal breeds, reflects a rule in the Lisbon Agreement.[103] The second paragraph is essentially a slight refinement of a rule in TRIPS.[104]

81. Almost all of the GI rules under the Draft Agreement have already been agreed by the United Kingdom under the Withdrawal Agreement and so there is little legislative freedom remaining to negotiate.

Section 5: Patents

82. There are very few patents provisions in the Draft Agreement, which is not surprising considering the limited harmonisation at EU level.

Access to medicines

83. Article IP.39 requires the UK and EU to interpret the patent obligations in the Draft Agreement in line with the Declaration on the TRIPS Agreement and Public Health adopted in 2001.

84. The second part of this article requires each party to implement Article 31bis of TRIPS. This article makes permanent a 2003 Decision[105] to allow compulsory patent licences to be granted over certain drugs in instances of public emergency. It is intended to increase access to medicine in the least developed and developing countries by allowing an exporting nation to manufacture drugs under a compulsory licence to be used in an importing nation. The UK cannot use the system to import drugs,[106] but it could in theory manufacture drugs for export to an importing country. Since 2005, there has only been one use of the mechanism (in 2008-9) and it is not clear whether it will ever be used again.[107]

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[102] TRIPS, art 22(3) and 23(2).
[103] Lisbon Agreement, art 13(3).
[104] TRIPS, art 23(3).
[105] Implementation of paragraph 6 of the Doha Declaration on the TRIPS Agreement and public health Decision of the General Council of 30 August 2003 (WT/L/540 and Corr.1).
[106] Annex to the TRIPS Agreement, paragraph (1)(b) and footnote 3.
[107] Gibson, *Intellectual Property, Medicine and Health* (Routledge 2018), p 158-160.

85. Article 31bis of TRIPS was implemented across the EU by a regulation in 2006[108] and this will continue to be UK law as "direct EU legislation". However, it is very unlikely that any compulsory licence will be granted under this scheme either side of the Channel.

86. A provision similar to that in the Draft Agreement is included in all of the other EU FTAs.

Patent term extension

87. Under EU law there is something called a supplementary protection certificate (SPC), which enables certain patent holders to get patent like protection after the end of their 20 year patent term. Put simply, it is a form of patent term extension. SPCs are only available to patents for medicinal products and plant protection products (agrichemicals). They exist because a patent proprietor will not be able to sell the patented product until they have had the appropriate regulatory approval (a marketing authorisation). Obtaining this approval can delay a product reaching market for many years and so an SPC makes up for this lost time albeit its term is capped at five years.[109]

88. The extension of patent term due to delays in commercialising the invention has a very long history[110] and while common in developed countries it is now usually linked to regulated products. It is unsurprising, therefore, that some form of term extension is included in all the EU FTAs except the EU/CARIFORUM.

89. Indeed, the Draft Agreement is more flexible than some of the other FTAs in that it allows the UK to adopt straight forward patent term extension (whereas the EU/Canada FTA requires a sui generis and separate right to be granted). The SPC regime in Europe is incredibly complicated and has required large numbers of references to be made to the Court of Justice. A system whereby certain patent claims can be given a longer term might be more straightforward for patent proprietors than the current system.

Provisions in other FTAs

90. In most of the other EU FTAs there are also very few obligations related to patent law. The exception being the EU/Ukraine FTA which includes the requirements of the Biotechnology Directive.[111] However, as every member of the EU and the UK are also members of the European Patent Organisation, which follows the terms of the Directive,[112] it is the case that the UK and the EU will still follow the Directive notwithstanding it is not set

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[108] Regulation (EC) No 816/2006 on compulsory licensing of patents relating to the manufacture of pharmaceutical products for export to countries with public health problems.

[109] It is possible to get six months longer when a paediatric implementation plan is provided.

[110] The UK has provided patent term extension since the seventeenth century (save between 1977 and 1992); for an early history see: Johnson, *Privatised law reform: a history of patent law through private legislation, 1620-1907* (Routledge 2017), Ch 8.

[111] Directive 98/44/EC on the legal protection of biotechnological inventions.

[112] Implementing Regulations to the Convention on the Grant of European Patents, r 26-34.

out in the Draft Agreement. Indeed, if the EPO changed its approach the UK would probably want to do so likewise.

91. The patent law obligations in the Draft Agreement are minimal save in relation to extending patent protection. While longer terms for pharmaceutical patents is certainly controversial, the Agreement leaves substantial flexibility to both parties in implementation.

Section 6: Protection of Undisclosed Information

92. The Draft Agreement includes provisions dealing with trade secrets. It largely follows the definition and requirements set out in the Trade Secrets Directive,[113] which in turn follows the definition set out in TRIPS.[114] It should be noted that the Trade Secrets Directive sets a minimum standard of protection. Accordingly, as the law of breach of confidence protects more than is required by the Directive, the implementation in the UK was largely confined to remedies.[115] Indeed, in some EU Member States the Directive was implemented by just putting a new layer of legislation over the existing trade secrets protection (including in both France and Germany).

93. The only FTA to deal with trade secrets was the EU/Japan FTA. This is probably due to the fact that the negotiations for the other EU FTAs terminated before the Directive was agreed. The second provision, Article IP.43, largely reflects the enforcement measures in the Trade Secrets Directive and these in turn replicate those in the Enforcement Directive[116] which is dealt with in Chapter 3: Section 1 below.

Data exclusivity

94. Article IP.44 and IP.45 deal with data exclusivity, which is linked to drugs and agrichemical regulation. As mentioned above, where a company wants to launch a new drug or agrichemical it needs a marketing authorisation. This requires the (originator) company to file data with the regulator. If a generic company wants to launch a product it can provide the data from its own experiments and trials and use this to get a marketing authorisation for the generic drug. Alternatively, it can rely on the data already submitted to the regulator by the originator.[117]

95. However, a generic company cannot rely on originator data until after the end of the data exclusivity period. Thus, data exclusivity is another way of granting a monopoly for new drugs and chemicals. In practice, the period of data exclusivity is often shorter than the combined term of the patent and SPC and so, in such cases, originators can rely on their patent/SPC to keep the product from the market.

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[113] Directive (EU) 2016/943 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure.
[114] TRIPS, art 39.
[115] Trade Secrets (Enforcement, etc.) Regulations 2018 (SI 2018/597), reg 3(1) specifically linked the two.
[116] Directive 2004/48 on the enforcement of intellectual property rights.
[117] It still needs to produce some of its own data covering certain aspects, such as manufacturing.

96. It is a requirement under TRIPS to provide some form of data exclusivity[118] and this requirement is largely reflected in Article IP.44(1) and Article IP.45(1). In relation to medicines the period of data exclusivity under the Draft Agreement is to be left to each party (the current EU and UK position is that there is 10 years of exclusivity, but in some cases this can be extended to eleven years[119]). However, in the UK/Georgia FTA the minimum period is 6 years and so this sets an effective lower limit in the UK due to the MFN principle. The provisions applying to plant protection products are a little more prescriptive in that the period of data exclusivity must be at least ten years, but once again this reflects the UK/Georgia FTA. It also provides some restrictions to prevent unnecessary research on animals and ensuring good laboratory practice.

97. The protection of trade secrets required under the Draft Agreement is thought to be at a much lower level than provided under the domestic law. Further, the UK/Georgia FTA already has the same or longer periods of data exclusivity than that required by the Draft Agreement. Where the Draft Agreement goes further it relates to things like good laboratory practice and reducing unnecessary duplication of research using animals. Neither of which can be objectionable.

Section 7: Plant varieties

98. The Draft Agreement provides that both the EU and the UK must protect plant varieties in accordance with the UPOV Convention (Article IP.46). The UK joined the original UPOV convention in 1968 (and the current 1991 Act, in 1999). There are seventy-six other members of the Convention and in their EU FTAs Canada, Japan, Korea, the Ukraine, Moldova, Georgia and the CARIFORUM nations all agreed to adopt it (as have most of the EUROMED nations).

Chapter 3: Section 1: Enforcement

99. Articles IP.47 to IP.59 more or less replicate the Enforcement Directive.[120] The Directive sets minimum standards for enforcement, many of which are based on procedures and remedies that were previously developed in English law.[121] The FTAs the EU and UK have agreed with other countries have included provisions either identical or similar to those set out in the Draft Agreement (with the occasional omission). The enforcement provisions therefore appear to be a package and due to the MFN principle must be provided by the UK to EU nationals under its existing FTAs in any event. Finally, TRIPS imposes certain obligations relating to enforcement,[122] but in a less prescriptive way.

Section 2: Border Enforcement

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[118] TRIPS, art 39(3).

[119] Directive 2001/83/EC on the Community code relating to medicinal products for human use, art 10.

[120] Directive 2004/48 on the enforcement of intellectual property rights.

[121] When the Directive was first implemented Scots law needed amending in some respects as the same procedural step was not available: see Intellectual Property (Enforcement, etc) Regulations 2006 (SI 2006/1028) reg 4 and 5.

[122] TRIPS, art 41 to 50.

100. There is an EU regulation which specifically deals with right holders being able to take action to stop consignments coming into the customs territory where they infringe intellectual property rights.[123] The requirements of Article IP.61 largely follow the customs requirements in TRIPS.[124] The notable differences are that the Draft Agreement precludes a fee being charged for an application being made; the management system must be electronic and there must be summary destruction where the persons concerned do not object to it. While all the EU FTAs require some form of border measures the approaches adopted vary. The EU/Canadian FTA, for instance is much more prescription than the Draft Agreement, whereas others are less so (such as that of the CARIFORUM countries). As this is likely to be part of a wider change in UK customs law I will not comment further, but it is highly likely to need a degree of legislative changes at some point.

Overall conclusion

101. The changes needed to UK law to give effect to the Draft Agreement will be very modest and have largely been made already. This is because the Draft Agreement reflects obligations the UK has either from its membership of the World Trade Organisation, various World Intellectual Property Organisation conventions, and the FTAs it has already agreed. Furthermore, as the Draft Agreement reflects current EU law the UK domestic law is already compliant. There are only a few minor exceptions to compliance relating to geographical indications and border control.

102. This means that for most businesses the changes will go unnoticed save renewal fees will have to be paid for converted EU registrations in both the UK and the EU. However, there may be some implications arising from existing contractual arrangements where they refer to unitary rights or rely on EU exhaustion rules.

103. In relation to copyright, patents, plant varieties, trade secrets, data exclusivity, enforcement and border controls the additional obligations imposed on the UK by the Draft Agreement are modest at best. In relation to exhaustion the draft agreement will prevent the UK adopting international exhaustion and in relation to registered designs, the Draft Agreement requires the term of registration to be twenty five years which is ten years longer than required by any other of the UK's international obligations. The first of these is likely to be the most contentious. For both trade marks and designs there are some additional rules going beyond existing international obligations. It might be questioned why some of these are necessary, but they reflect long standing UK and EU law.

22 June 2020

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[123] Regulation (EU) No 608/2013 concerning customs enforcement of intellectual property rights.

[124] TRIPS, art 51 to 60.