

## The Enforcement of Intellectual Property Rights in Digital Environment Based on ACTA<sup>1</sup>

Mohammad Bagherpour

Iran Islamic republic judiciary organization, Tehran, Iran  
Email:mohammad5921@yahoo.com

Doi:10.5901/mjss.2013.v4n11p615

### Abstract

*The most essential feature of Right in Law's domain is the appropriate enforcement of that and prohibition of third party infringement due to applying proper actions toward the right. The appropriate enforcement of the intellectual property rights since its existence either nationally or internationally- has been one of the most crucial concerns of the legislators and juristic. The intellectual property rights in physical environment did not mainly concern with its true enforcement, but by the advent of internet and the wide spread e-commerce and the simplicity of rights infringement through internet, right holders face with the new challenge has not proposed yet. Due to complexity of intellectual property in cyberspace, discussing the enforcement of it is complex too, so as TRIPS agreement has not been successful to provide an effective enforcement in this field. ACTA agreement- assigned by 8 like- minded countries in October 2011- in a particular section refers to the enforcement of the intellectual property rights in digital environment in order to provide efficient solutions against right infringement. The present article tries to study the enforcement of the intellectual property rights in cyberspace focusing on the recent agreement.*

**Keywords:** intellectual property rights, ACTA agreement, enforcement, digital environment

### 1. Introduction

The most fundamental quality for a right recognized in the realm of law is its enforcement and its power to stop the third parties from violating such rights by utilizing proper mechanisms. Since intellectual property rights have been proposed, the possibility of its enforcement has always been among the greatest concerns of legislators and lawyers of the countries and even many of the politicians, statesmen and huge companies' executives are trying to guarantee the enforcement of such rights. The issue of exercising intellectual property rights was not seriously discussed in Paris and Berne Conventions and the signees of these documents have tried to recognize intellectual property rights more than their enforcement. There is no much talk about enforcing such rights in Rome Convention which was on Related Rights and is closely related to Berne convention. One of the most important international treaties, passed in 1994, on intellectual property rights is TRIPS<sup>2</sup> agreement. TRIPS involves all the issues related to copyright and industrial property rights and seeks to actualize the idea of internationalizing intellectual property rights and it set the foundation for the talks on the enforcement of intellectual property rights seriously so that those whose right have been violated can effectively prevent such violations or ask for compensations.

With the progresses made in technological and communication areas such as internet and the expansion of E-commerce and consequently the possibility of easier infringing of Intellectual Property Rights, developed countries such as Japan and the United States were not pleased with the enforcement signed in TRIPS and sought to set new regulations in the form of multilateral agreements( Free Trade Agreements) to guarantee the enforcement of intellectual property rights so that they could eliminate the shortcomings of previous conventions and TRIPS<sup>3</sup>. These efforts finally led to the creation of Anti- Counterfeiting Trade Agreement (ACTA). The Anti-Counterfeiting Trade Agreement (ACTA) is a multinational treaty for the purpose of establishing international standards for intellectual property rights enforcement even more than enforcements which are in TRIPS and WIPO<sup>4</sup> internet treaties.

The ACTA talks started in 2007 and the agreement was signed in October 2011. Participants in the negotiations included: Australia, Canada, the European Union (EU), represented by the European Commission and the EU Presidency and the EU Member States, Japan, Korea, Mexico, Morocco, New Zealand, Singapore, Switzerland and the

<sup>1</sup> Anti- Counterfeiting Trade Agreement.

<sup>2</sup> Agreement on Trade-Related Aspects of Intellectual Property Rights.

<sup>3</sup> Reid smith, Sanya .2008.Intellectual property in free trade agreements .p.3

<sup>4</sup> World Intellectual Property Organization

United States of America. Eight countries out of these 11 countries signed the agreement in October 2011.

The objective set for this agreement is to utilize ACTA to effectively tackle the increasing problem of counterfeit goods trade and piracy.

In fact, ACTA mostly focuses on counterfeiting activities which greatly impact economic benefits not normal activities conducted by ordinary citizens.

This agreement includes 6 chapters and 45 articles. The most important and challenging of which is the second chapter on civil legal framework for enforcement of intellectual property rights in five sections: General Obligations with Respect to Enforcement, Civil Enforcement, Border Measures, Criminal Enforcement, and Enforcement of Intellectual Property Rights in the Digital Environment. The last section is the most technical and innovative part compared to those of other agreements since nothing like it had ever been set in the international treaties on intellectual property rights.

In this article, we aim at discussing section 5 of chapter 2 in ACTA which is the enforcement of intellectual property rights in the digital environment. It is obvious that the articles of ACTA and specially its second chapter have come under serious criticism by developing and underdeveloped countries, but this article just tries to elaborate the principles and articles of this agreement, and if we find the opportunity later, we will try to take a look at the shortcomings of the agreement and its criticisms.

### 1.1 Analyze of ACTA Article 27

Cyber Space, unlike its special nature, has not undergone any changes regarding the enforcement of intellectual property rights; in other words, civil and criminal enforcement are applied against infringements of intellectual property rights in Cyber Space as well. However, when we talk about the enforcement of the infringement in this area, we merely want to discuss new issues and the expansion of cases where enforcements are applied. Because of:

1. After the topic of Rights Management information (RMI) in digital environment was proposed, it became important to consider the proper enforcement against those who induce, enable, facilitate, or conceal the infringements of copyrighted works or consider the proper enforcement against those who remove or alter any information management in an unauthorized way. This topic which has been discussed above is important in physical world.
2. with the advent of Internet, on the one hand Providing Enforcement against right infringement in the Internet environment and on the other hand expand scope of liability over Internet service providers and web designers which did not exist in physical environment arise .

Article 27 of ACTA requires institutions which are in charge of enforcing intellectual property rights to deter any unlawful distribution or infringing works over digital networks. Article 27.1 has been set to ensure the same civil and criminal enforcement provided in ACTA so as to permit effective action against an act of infringement of intellectual property rights, piracy or trade mark infringement which takes place in the digital environment, including expeditious remedies to avert infringement and remedies which form a deterrent to further infringements. This paragraph states:

Each Party shall ensure that enforcement procedures, to the extent set forth in Sections 2 (Civil Enforcement) and 4 (Criminal Enforcement), are available under its law so as to permit effective action against an act of infringement of intellectual property rights which takes place in the digital environment, including expeditious remedies to prevent infringement and remedies which constitute a deterrent to further infringements.

One of the examples which can be provided for expeditious remedies is the UK 1988 Copyrights-designs-patent act which based on Britain courts can prosecute and issue a verdict against an Internet service provider that is aware of one using the service to infringe copyright. An example of deterrent remedies to avoid further infringement is that confiscation of the properties and goods whose intellectual property rights have been violated. Article 46 of TRIPS has discussed this issue:

In order to create an effective deterrent to infringement, the judicial authorities shall have the authority to order that goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any harm caused to the right holder, or, unless this would be contrary to existing constitutional requirements, destroyed. The judicial authorities shall also have the authority to order that materials and implements the predominant use of which has been in the creation of the infringing goods be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements. In considering such requests, the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties shall be taken into account. In regard to counterfeit trademark goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional

cases, to permit release of the goods into the channels of commerce.

On the issue of deterrent remedies in digital environment, we can also refer to UK Government White Paper Digital Britain: Final Report. This report suggests that Internet service providers should first inform their clients about the claim made regarding their illegal activities and if they pay no attention and do not to stop their illegal activities; the following deterrent measures will be taken<sup>5</sup>:

1. The blocking of access to websites, internet protocol (IP) addresses or to a uniform resource locator (or URL, which is the global address of individual WebPages, documents and other resources on the worldwide web);
2. Protocol blocking (preventing certain internet protocols from accessing the internet which can prevent certain internet services being used by a computer);
3. Port blocking (preventing certain ports from accessing the internet, with the same aim as protocol blocking);
4. Bandwidth capping (which reduces the speed at which files might be downloaded);
5. Volume capping (restricting the amount of data that may be downloaded over a period of time);
6. Bandwidth shaping (limiting the speed of a subscriber's access to selected protocols or services);
7. Content identification and filtering<sup>6</sup>.

The question which should be answered here is: what is the difference between article 27.1 in ACTA and article 41.1 in TRIPS. Article 41.1 states:

*1. Members shall ensure that enforcement procedures as specified in this Part are available under their law so as to permit effective action against any act of infringement of intellectual property rights covered by this Agreement, including expeditious remedies to prevent infringements and remedies which constitute a deterrent to further infringements. These procedures shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.*

In response to the question, it can be said that what has been added to article 27.1 of ACTA compared to TRIPS is the explicit talk regarding the issue of enforcement over digital environment.

The infringers of intellectual property rights in the digital world fall into five categories:

- a) The communications provider, which will include telecommunication and broadcasting companies
- b) The internet service provider (ISP)
- c) The providers of online websites which make facilities available for the downloading of proprietary material
- d) Infringers of rights management information; and
- e) The providers and acquires of infringing material through the digital environment.<sup>7</sup>

Therefore, to carry out effective action against any infringement of intellectual property rights in digital world, there should exist the possibility of prosecuting all the above-mentioned infringers. Another issue which is also related to the application of digital technology and can be raised here is, whether the above-mentioned individuals are themselves infringers or are involved in such activities indirectly and technically are so called third parties.

Some of the enforcements which are mentioned in section 2 and 4 of ACTA have also been stated in article 27.1 which talks about the third parties. Article 8.1 in ACTA states:

*Each Party shall provide that, in civil judicial proceedings concerning the enforcement of intellectual property rights, its judicial authorities have the authority to issue an order against a party to desist from an infringement, and inter alia, an order to that party or, where appropriate, to a third party over whom the relevant judicial authority exercises jurisdiction, to prevent goods that involve the infringement of an intellectual property right from entering into the channels of commerce.*

Article 12 also says:

*Each Party shall provide that its judicial authorities have the authority to order prompt and effective provisional measures: (a) against a third party over whom the relevant judicial authority exercises jurisdiction, to prevent an infringement of any intellectual property right from occurring, and in particular, to prevent goods that involve the infringement of an intellectual property right from entering into the channels of commerce.*

<sup>5</sup>Michal Blakeley, Intellectual Property Enforcement (a commentary on the anti-counterfeiting trade agreement) (ACTA), Edward Elgar Publishing Limited, July 2012, p.274.

<sup>6</sup>.ibid, at 275-276.

<sup>7</sup>. ibid, at 267.

Item 4 of article 23 points out:

*With respect to the offences specified in this Article for which a Party provides criminal procedures and penalties that Party shall ensure that criminal liability for aiding and abetting is available under its law.*

Based on the above-mentioned items, the changes happened in the doctrine of copyright is that, the individuals mentioned in the above items of a to c (infringers of intellectual property rights in digital environment) have civil and criminal responsibility as the third parties because of:

- a. Enabling copyright breach by others
- b. Inducing and encouraging others to infringe a copyright and entering into a common design and effort with others to infringe a right
- c. Transferring copyright works to the public

It should be noted here that enforcements has been mentioned in article 27.1 of Acta are limited by conditions set in article 27.2. These procedures shall be put into practice in a way that avoids the creation of obstacles to legitimate activity, including electronic commerce and preserves fundamental principles such as freedom of expression, fair process, and privacy. These concepts and limitations which have also been mentioned in paragraph 3 and 4 are very general and ambiguous. Three main principles have been added to these paragraphs to lessen the objections made by some of the countries like the European Union accusing ACTA of highly monitoring Internet users' activities and making some of their free and legal activities illegal in some cases. The recent part of article 27.2 states:

*2. These procedures shall be implemented in a manner that avoids the creation of barriers to legitimate activity, including electronic commerce, and, consistent with that Party's law, preserves fundamental principles such as freedom of expression, fair process, and privacy.*

One of the solutions which can guarantee intellectual property rights in digital world is the increasing cooperation between Internet service providers and the right holders. This has been pointed out in article 27.3:

*Each Party shall endeavor to promote cooperative efforts within the business community to effectively address trademark and copyright or related rights infringement while preserving legitimate competition and, consistent with that Party's law, preserving fundamental principles such as freedom of expression, fair process, and privacy.*

Another issue which has been raised after the advent of Internet and is related to the enforcement of IP is the expansion of scope of right infringement liability and holding Internet service providers liable against such infringements. The overriding importance of this issue becomes clear when you realize some of the lawyers and legislatures consider Internet service providers as the shining examples of people who violate intellectual property rights in E-commerce. Even some of the countries such as Japan, have set a separate law for this issue<sup>8</sup>.

Paragraph C of article 1 in the Convention on cyber Crimes defines Internet service providers:

- i. Any public or private entity that provides to users of its service the ability to communicate by means of a computer system, and
- ii. Any other entity that processes or stores computer data on behalf of such communication service or users of such service.

Section 512(k)(1)(B) of Digital millennium copyright act also defines ISPs as : "a provider of online services or network access, or the operator of facilities therefor."

Perhaps one of the main reasons to make Internet Service Providers liable is that if infringers are insolvent or non-identified. Then, Internet service providers can be held responsible and the claimant can prosecute them for the damages done because it is the Internet service provider who helps the offender to break the law by providing him with access to copyrighted works in Internet. article 27 .4 states:

*A Party may provide, in accordance with its laws and regulations, its competent authorities with the authority to order an online service provider to disclose expeditiously to a right holder information sufficient to identify a subscriber whose account was allegedly used for infringement, where that right holder has filed a legally sufficient claim of trademark or copyright or related rights infringement, and where such information is being sought for the purpose of protecting or enforcing those rights. These procedures shall be implemented in a manner that avoids the creation of barriers to legitimate activity, including electronic commerce, and, consistent with that Party's law, preserves fundamental principles such as freedom of expression, fair process, and privacy.*

<sup>8</sup> Sadeghi , Mohsen. The Protection of IPR in Internet Enforcement, Institute of Trade Studies and Research. March 2007,p.90

Another solution which can be provided against infringement of intellectual property rights in the digital environment is to prosecute those who knowingly do harm to technological measures that are used by right holders. article 27.5 talks about this issue:

*Each Party shall provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures<sup>14</sup> that are used by authors, performers or producers of phonograms in connection with the exercise of their rights in, and that restrict acts in respect of, their works, performances, and phonograms, which are not authorized by the authors, the performers or the producers of phonograms concerned or permitted by law.*

This article is mostly adapted from WIPO Internet treaties. Article 11 of WIPO copyright treaty and article 11 of WIPO performances and phonograms Treaty states respectively:

*“Contracting Parties shall provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights under this Treaty or the Berne Convention and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law.”*

*“Contracting Parties shall provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by performers or producers of phonograms in connection with the exercise of their rights under this Treaty and that restrict acts, in respect of their performances or phonograms, which are not authorized by the performers or the producers of phonograms concerned or permitted by law.”*

The question which can be raised here is: what are these technological measures? Technological measures have been defined in footnote 14 of ACTA as:

For the purposes of this Article, technological measures means any technology, device, or component that, in the normal course of its operation, is designed to prevent or restrict acts, in respect of works, performances, or phonograms, which are not authorized by authors, performers or producers of phonograms, as provided for by a Party's law. Without prejudice to the scope of copyright or related rights contained in a Party's law, technological measures shall be deemed effective where the use of protected works, performances, or phonograms is controlled by authors, performers or producers of phonograms through the application of a relevant access control or protection process, such as encryption or scrambling, or a copy control mechanism, which achieves the objective of protection.

Technological measures shall be deemed "effective" where the use of a protected work or other subject-matter is controlled by the right holders through application of an access control or protection process, such as encryption, scrambling or other transformation of the work or other subject-matter or a copy control mechanism, which achieves the protection objective<sup>9</sup>.

Another question which should be answered is: against what actions adequate legal protection and effective legal remedies referred to in paragraph 5, should be conducted? Article 27.6 has answered this question in two parts:

In order to provide the adequate legal protection and effective legal remedies referred to in paragraph 5, each Party shall provide protection at least against:

- a. To the extent provided by its law:
  - i. The unauthorized circumvention of an effective technological measure carried out knowingly or with reasonable grounds to know; and
  - ii. The offering to the public by marketing of a device or product, including computer programs, or a service, as a means of circumventing an effective technological measure; and
- b. The manufacture, importation, or distribution of a device or product, including computer programs, or provision of a service that:
  - i. Is primarily designed or produced for the purpose of circumventing an effective technological measure; or
  - ii. Has only a limited commercially significant purpose other than circumventing an effective technological measure.

Article 27.7 is about the protection of electronic rights management information. this paragraph provides that:

To protect electronic rights management information, each Party shall provide adequate legal protection and effective legal remedies against any person knowingly performing **without authority** any of the following acts knowing, or with respect to civil remedies, having reasonable grounds to know, that it will induce, enable, facilitate, or conceal an

---

<sup>9</sup>. Directive 2001/29/EC of the European Parliament and of the Council , 22 May 2001 on the harmonization of certain aspects of copyright and related rights in the information society Article 6(3).

infringement of any copyright or related rights:

- a. to remove or alter any electronic rights management information;
- b. To distribute, import for distribution, broadcast, communicate, or make available to the public copies of works, performances, or phonograms, knowing that electronic rights management information has been removed or altered without authority.

Electronic rights management tools which are sometimes referred to as digital rights management tools are usually in the form of digital records restricting unauthorized use of copyrighted materials. One of the functions of this tool is to limit access to the contents of works to prevent unlawful copying. Article 27(7) of ACTA prohibits any removal or change in electronic rights management information. WCT and WPPT also point out the same thing in articles 12 and 19 respectively. Article 12 of WCT states:

*(1) Contracting Parties shall provide adequate and effective legal remedies against any person knowingly performing any of the following acts knowing, or with respect to civil remedies having reasonable grounds to know, that it will induce, enable, facilitate or conceal an infringement of any right covered by this Treaty or the Berne Convention:*

*(i) to remove or alter any electronic rights management information without authority;*

*(ii) to distribute, import for distribution, broadcast or communicate to the public, without authority, works or copies of works knowing that electronic rights management information has been removed or altered without authority.*

*(2) As used in this Article, "rights management information" means information which identifies the work, the author of the work, the owner of any right in the work, or information about the terms and conditions of use of the work, and any numbers or codes that represent such information, when any of these items of information is attached to a copy of a work or appears in connection with the communication of a work to the public.*

Article 19 of WPPT also says:

*(1) Contracting Parties shall provide adequate and effective legal remedies against any person knowingly performing any of the following acts knowing, or with respect to civil remedies having reasonable grounds to know, that it will induce, enable, facilitate or conceal an infringement of any right covered by this Treaty:*

*(i) to remove or alter any electronic rights management information without authority;*

*(ii) to distribute, import for distribution, broadcast, communicate or make available to the public, without authority, performances, copies of fixed performances or phonograms knowing that electronic rights management information has been removed or altered without authority.*

*(2) As used in this Article, "rights management information" means information which identifies the performer, the performance of the performer, the producer of the phonogram, the phonogram, the owner of any right in the performance or phonogram, or information about the terms and conditions of use of the performance or phonogram, and any numbers or codes that represent such information, when any of these items of information is attached to a copy of a fixed performance or a phonogram or appears in connection with the communication or making available of a fixed performance or a phonogram to the public.*

## 2. Conclusion

In a word, it can be said that because digital environment has facilitated the infringement of intellectual property rights, it has created a lot of dangers for the right holders and that is why various treaties are seeking to protect IP rights but none of them has discussed the issue of enforcing intellectual property rights over digital environment. That type of enforcement which has been discussed in article 27 of ACTA to protect intellectual property rights can meet the needs of right holders to some extent. However, as it was said, developing countries consider these measures as barriers to the way of their progress. In this article, we only elaborated and discussed each of the paragraphs of article 27 of ACTA and we hope to be able to investigate its defects and its impact on developing countries as well.

## References

- Anti-Counterfeiting Trade Agreement, October 2011. Retrieved from <http://www.ustr.gov/acta>.
- Blakeley, Michal.2012.Intellectual Property Enforcement (a commentary on the anti-counterfeiting trade agreement) (ACTA).UK: Edward Elgar Publishing Limited.
- Reid smith, Sanya .2008.Intellectual property in free trade agreements, Malaysia, Third world network..
- Sadeghi , Mohsen. 2007. The Protection of Intellectual Property Rights in Internet Enforcement, Iran: Institute of Trade Study and Research.