

**Trademark Issues in Regional Trade Agreements/
Free Trade Agreements
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**Trading Ideas Symposium
January 29, 2007**

Introduction

The International Trademark Association, through its global membership of trademark owners and professionals, relies heavily on governmental affairs to advance the role of trademarks in fair and effective commerce. In this regard, INTA has actively engaged in ongoing dialogue with policymakers throughout the world on a myriad of issues relating to trademark legislation, regulations and enforcement, including on a number of these such agreements.

INTA has noted with keen interest the growing significance of intellectual property in RTAs and FTAs in recent years, and the impact that such agreements have on trademark owners. APEC economies have contributed in no small part to this trend, with economies like the United States, Mexico, Chile, Australia, Singapore, Japan and South Korea taking the lead in actively pursuing bilateral and multilateral agreements with IP components. The Hanoi Action Plan from the 14th APEC Economic Leaders Meeting acknowledges that over 20 RTAs/FTAs involving APEC members are now in force and many more are in various stages of negotiations. Additionally, the number of agreements both in force and under negotiation involving APEC members and non-APEC members is even greater. In response to these developments, INTA established a subcommittee specifically to monitor and analyze the trademark provisions in FTAs and RTAs. A few years ago, we also developed a set of model framework proposals for trademark provisions in FTAs that would assist us in providing input, from an industry perspective, to governments negotiating such provisions in their FTAs and RTAs. This framework covers such areas as recommendations on ratification and accession to various treaties and conventions, protectable subject matter, exhaustion of rights, well-known marks, term of protection, licensing and assignment, domain names on the internet, geographical indications, counterfeiting and special requirements related to border measures. To date, INTA has worked with governments across the world to address a range of trademark issues covered in various regional and bilateral negotiations including the Free Trade Areas of the Americas, US-Panama, and more recently, Australia-China.

I would like to highlight a few key trademark issues in current FTAs and RTAs that are of particular interest to INTA, as well as some that we hope to see included, reinforced or treated more consistently across future agreements.

INTA's position on FTAs

Trademark provisions in RTAs and FTAs can benefit trademark owners in a number of ways. They can harmonize trademark protection standards across different jurisdictions, thus creating greater legal certainty. They can also raise the level of protection of trademark owners' rights, especially in areas such as enforcement. Together, these will help create a more attractive investment climate for businesses, whether it is across two or three markets that are part of an FTA, or throughout a region in the case of an RTA.

In order to achieve these benefits, however, it is important that the trademark provisions, or for that matter, the IP provisions, in RTAs and FTAs be consistent with internationally agreed principles of IP protection. This also applies to TRIPS-plus standards, which ought to build on the spirit of the TRIPS agreement to start with. Such consistency would avoid what trade theorists call a "spaghetti bowl" of varying legal requirements across different agreements, which creates a potential minefield that trademark owners would find confusing to navigate.

Harmonization through International Treaties

Many RTAs and FTAs have sought to maintain consistency with internationally accepted standards by seeking harmonization through accession to international treaties. Just now I mentioned the TRIPS agreement, which establishes minimum standards for IP protection across the global trading system. With regard to trademark applications and registrations, the basic measures of harmonization achieved by TRIPS are expanded on by treaties such as the Trademark Law Treaty, or the TLT, and the Madrid Protocol. The TLT simplifies trademark office rules of practices for the application and renewal of registrations, while the Madrid Protocol makes possible the international registration and maintenance of trademarks by allowing trademark owners to file simultaneously for registrations in numerous jurisdictions through one single application. INTA supports these treaties because they will expedite registration, reduce costs and help ease administrative burdens on trademark owners. FTAs and RTAs are useful catalysts to spread these benefits across jurisdictions. With ASEAN contemplating a common trademark system and APEC exploring the feasibility of a Free Trade Area of the Asia-Pacific in the future, these treaties can provide further impetus toward the harmonization of IP systems within the region. The streamlining and harmonization of procedures relating to applications and registrations will also allow trademark owners to focus more resources on defending and enforcing their marks, which leads me to the next big issue --- enforcement.

Enforcement

Most bilateral and regional trade agreements containing IP provisions refer to the need to strengthen IP enforcement. This is very encouraging to trademark owners, for whom the enforcement of their rights and the protection of their trademark assets is a major priority, and the Asia-Pacific is one region where such a focus is all the more evident.

Enforcement is an important area that would benefit from greater international coordination and cooperation. It is also an area where INTA strongly feels that higher enforcement standards beyond those in Part Three of the TRIPS agreement are needed at the national level, simply because trademark counterfeiting and infringement problems have persisted despite the implementation of TRIPS standards in national laws. By higher standards of protection, I am talking not only about civil and criminal administrative and judicial measures to stem the production, distribution and sale of counterfeit trademarked goods, but also specific measures relating to border measures, and the curbing of exports and transshipment of such goods. The United States, most notably, has negotiated a number of agreements with various trading partners that contain sections on special border measures, providing for competent authorities to initiate border measures *ex-officio* without the need for a formal complaint. Across the region, many agreements contain language with the express intent to curb exports of IP infringing goods. In some agreements, for example, the US-Singapore FTA, provisions are in place to halt the transshipment of counterfeit goods through one country to the other. Transshipment of counterfeit goods, especially across free ports and free trade zones, is a growing concern for trademark owners. Bilateral and regional trade agreements can play an important role in prompting governments to take concrete action on this issue and therefore promote legitimate trade between countries. As an aside, in noting APEC's focus on simplification and harmonization of customs procedures to expedite the flow of goods in the region – as set out in the Hanoi Action Plan – INTA certainly hopes that efforts by trademark owners to fight against counterfeiting will not be adversely affected.

Expanding the Scope of Protectable Marks

Another recurring theme across many FTAs, including concluded ones like US-Singapore and US-Chile, and others that are still being negotiated like Australia-China and US-Malaysia, has been the expanded scope of subject matter that can be protected as trademarks, in particular non-visible signs such as sounds, smells and touch. This is a reflection of a growing trend in trademark practice, in which more and more businesses are going beyond the traditional word or logo trademarks and turning to single colors, three-dimensional shapes, sounds, smells, and touch, among others, to market and identify their products. INTA fully supports the protection of these subject matter as trademarks, as long as they are sufficiently distinctive and serve to indicate source. This is in line with a broad interpretation of TRIPS Article 15(1), which defines a trademark as “any sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings...,” without specifying that the sign be visible. An increasing number of jurisdictions now allow the registration of many of these so-called non-traditional marks, and the protection of such marks is being recognized in international treaties such as the recently adopted Singapore Treaty on the Law of Trademarks. The widespread inclusion of provisions relating to the protection of non-traditional marks in FTAs and RTAs across the Asia-Pacific region will help to address the uneven level of protection of such marks in this region, and facilitate the efforts by owners of such marks to safeguard their rights.

Other Issues

What I've covered so far are some significant issues that have been addressed across many FTAs or RTAs. I would also like to quickly touch on some other equally important issues that we hope to see included or reinforced in future bilateral and regional agreements, or which, in INTA's view, require more consistent treatment.

Singapore Treaty on the Law of Trademarks

At the top of my list is the Singapore Treaty on the Law of Trademarks, which was adopted less than a year ago. The Singapore TLT builds on the original TLT of 1994 by further harmonizing trademark office rules and procedures in areas such as electronic communications, trademark license recordal, relief measures for missed time limits, and applications for registrations of non-traditional marks. In other words, it offers the benefits of the TLT that I mentioned earlier, and more. Because it is so new, the Singapore TLT has yet to come into force and hasn't been negotiated into FTAs and RTAs, but we certainly hope that future agreements will incorporate the standards of this new treaty and encourage governments to join it.

Protection of Well-Known Marks

Another issue that we think could benefit from more consistent treatment through FTAs and RTAs is the protection of well-known marks, in particular the application of the WIPO Joint Recommendation on Well-Known Marks. While most jurisdictions afford protection to well-known marks under national law and in accordance with TRIPS and the Paris Convention, the WIPO Joint Recommendation provides a set of useful, internationally accepted principles to interpret and implement provisions relating to well-known marks protection under these two treaties. Again, these provide greater certainty in the application of the law and a level playing field for well-known marks owners.

Geographical Indications

At the beginning of my presentation, I spoke about the need for IP provisions in FTAs and RTAs to be consistent with internationally accepted principles of IP protection. It is in this context that I would like to briefly address the issue of geographical indications, or GIs, which has been included in a good number of bilateral and regional trade agreements. INTA's main concern is the relationship between GIs and trademarks. Although the Doha Round of negotiations at the WTO regarding a multilateral system for notification and registration of GIs is stalled, several bilateral and regional agreements have attempted to address this issue. Any such agreement should abide by the TRIPS Council's decision in 2005 that the core principles of IP protection, namely priority, exclusivity and territoriality, should be followed in deciding conflicts between GIs and trademarks.

Conclusion

At the end of the day, it is well and good to have provisions in FTAs and RTAs that seek to harmonize and raise the standards of trademark law and practice. However, these provisions need to be backed up by implementing legislation at the national level that provides clear guidance to trademark owners on how they would be applied in practice within the individual jurisdictions. Such clarity is especially needed for concepts that are new to any of the parties to the agreement, for example, protection against dilution, or the protection of non-traditional marks. Only then can the benefits that these agreements sought to achieve be fully enjoyed.

I mentioned earlier the number of RTAs/FTAs involving APEC members that are either in force or under negotiation. This number – and particularly the increase in them in recent years – suggests that APEC economies see them as beneficial partly because in this way they can obtain benefits harder to achieve through the multi-lateral trading system. Nevertheless, the business community in particular has been indicating that the lack of consistency in FTA provisions across agreements may be adding to their transaction costs. INTA therefore commends APEC’s commitment to the promotion of “High Quality RTAs/FTAs” as a specific action point from the Hanoi Action Plan with the aim of completing as many of the Chapters as possible by the end of 2008 and hopes that there may be some way to overcome current obstacles to adding an IP Chapter to the current list.