British Institute of International and Comparative Law

The Paris Convention for the Protection of Industrial Property: Past and Present - but is there a future?

Arthur Watts public international law seminar series sponsored by Volterra Fietta

Volterra Fietta
THE PUBLIC INTERNATIONAL LAW FIRM

Event Report

Date: 4 November 2013, 17:30-19:30

Venue: British Institute of International and Comparative Law
Charles Clore House, 17 Russell Square, London WC1B 5JP

Speakers:

- Professor Sam Ricketson, Melbourne Law School and Arthur Watts Visiting Fellow, British Institute of International and Comparative Law (BIICL)
- Professor Tanya Aplin, Dickson Poon School of Law, King's College London, London
- Tomoko Miyamoto, Head, Patent Law Section, Patent Law Division, World Intellectual Property Organization, Geneva.

Chair:

- Sir Richard Arnold, Judge, High Court Chancery Division (Judge in charge of the Patents Court)

British Institute of International and Comparative Law

Introduction and welcome

On 4 November 2013, the British Institute for International and Comparative Law (BIICL) hosted a seminar considering the continued importance and relevance of the Paris Convention for the Protection of Industrial Property (the 'Paris Convention'), in the light of both its past and present. It also considered future areas of development, notably in the areas of unfair competition and substantive harmonization of industrial property rights. Entitled 'The Paris Convention for the Protection of Industrial Property: Past and Present – but is there a Future?', this second event in the Public and International Law series was chaired by Sir Richard Arnold, Judge in charge of Patents Court, High Court Chancery Division. The speakers were Professor Sam Ricketson, Melbourne Law School and Arthur Watts Visiting Fellow, British Institute of International and Comparative Law; Professor Tanya Aplin, Dickson Poon School of Law, King's College London; and Tomoko Miyamoto, Head, Patent Law Section, Patent Law Division, World Intellectual Property Organisation.

Event convenor, Jill Barrett, Arthur Watts Senior Fellow in Public International Law, BIICL, introduced the event and the Chair, Sir Richard Arnold. Barrett observed that the past, present and future of the Paris Convention presented an excellent opportunity to bring together the worlds of intellectual property and public international law. She identified the seminar as a chance to examine connections and issues concerning treaties and international institutions and a marvellous opportunity for public international lawyers to gain new insights and examples from practice in a specialist field.

Sir Richard Arnold, made a number of preliminary comments on the Paris Convention. He noted that it is the oldest multilateral treaty in the field of what was once called industrial property, but is nowadays more commonly referred to as intellectual property. Sir Richard observed that, despite being 130 years old and the Cinderella of treaties, the Paris Convention remains a bedrock of the intellectual property system, covering a diverse range of subject matter from patents through to trade marks and unfair competition. The only other treaty with such wide coverage is the Trade-Related Aspects of Intellectual Property Rights ('TRIPS') agreement, which has made compliance with the Paris Convention a requirement for states' entry to the World Trade Organisation (the 'WTO').

Presentation: Professor Sam Ricketson

Professor Ricketson provided participants with an overview of the history and origins of the Paris Convention, before turning to consider the position and role of the convention today.

He commenced by noting that, prior to 1883, industrial property rules and protections – including in relation to copyright, patents and designs – existed almost exclusively within states' national laws and a web of arrangements that existed between particular states, mostly in Europe. There were many inconsistencies between these arrangements, and Ricketson observed that it would have been difficult to form a consistent view as to whether one would have been able to obtain protection for assumed rights in a country other than one's own.

Ricketson noted that this presented a particular problem in the United Kingdom, which at that time was developing rapidly, although concern about achieving a wider form of international protection did not take hold until states began holding international exhibitions. At that time, exhibition participants expressed concerns regarding the protection of any designs or inventions they chose to exhibit. From the exhibition in London in 1851 emerged the notion that protection should be given on a temporary basis for patents and designs, to enable foreign applicants to obtain protection within the United Kingdom. In turn, there was increased consideration of the need to consider wider arrangements internationally for the protection of such subject matter.

The matter was discussed at the 1873 International Patents Congress in Vienna, which produced recommendations for a multilateral arrangement. Five years later, in 1878, a corresponding conference in Paris considered similar ideas. This conference led to calls for an international

diplomatic conference to be held in 1880 to prepare a multilateral instrument, which eventuated in the conclusion of the Paris Convention.

Professor Ricketson stated that early efforts were devoted to protection of patents, although there was also some discussion of trade marks protection. He noted that these early discussions occurred in the context of not only competing views as to the best approach to achieving patent protections, but also a very strong anti-patent movement that had emerged in a number of countries. The resulting Paris Convention was intended to be a dynamic instrument that would be subject to revision.

Despite the sense of haste and anticipation that characterised the Convention's early years, Ricketson observed that a completely new revised act was not adopted until Washington in 1911, and that since 1967 substantive revision has proved impossible. He suggested that there are a number of reasons that explain the slow pace and incremental nature of revisions, including the member unanimity required to achieve revision, the instrumental impact of particular governments at particular times and the increasing influence since 1990 of non-government organisations. With regard to this last factor, Ricketson noted that the involvement during the 1920s of the League of Nations Economic Committee was very interesting, being concerned with the development of a law of unfair competition.

Beyond the Stockholm convention in 1967, however, Ricketson observed that the story has been very mixed. Nearly fifty years have passed since any revision of the Paris Convention's text has been achieved, and no substantive revisions have been made since 1958. Ricketson noted that certain of these failures have been very considerable. He suggested that the failed revision period of 1983-4 was one of the saddest, in light of the significant time devoted to the unsuccessful revision of the Convention in respect of compulsory licences. However, he also observed that there have been a number of successes in respect of the collateral aspects of the Convention, arising from the flexibility that it allows states to make special agreements that are consistent with, and linked to, the Paris Convention.

Ricketson suggested that a high point, one that has given the Convention new life, concerns the WTO. He also noted that there has been a development agenda running very strongly in the World Intellectual Property Organization ('WIPO') and other areas, in which it is apparent that the Paris Convention and the protections it facilitates intersect with other concerns. Instances here include the protection of genetic resources, the protection of traditional knowledge /traditional cultural expressions, and also the conflict between industrial property rights and issues of public health and food resources.

Turning to the standing of the Paris Convention today, Ricketson suggested that it is certainly not irrelevant, but that its achievements have been piecemeal. He considered it to be limited in that it is only concerned with the protection of foreigners and that it only considers the protection of a limited set of substantive norms– for example, it focuses on the principle of national treatment coupled with the priorities system, but does not provide a definition of a patent, trademark or design. The Convention also does not prescribe the rights to be afforded to rights-holders or the scope or duration of those rights. Further, it makes no provision for enforcement, and does not touch on questions of private international law, which are amongst the most significant of issues. On the other hand, its requirement of national treatment and the priority system mean that it remains the starting point for achieving industrial property internationally.

Ricketson concluded that, in terms of substantive norms, the TRIPS agreement picks up those contained in the Paris Convention but also embodies further norms of its own. He further posed to participants questions concerning broader issues that arise in respect of instruments such as the Paris Convention that comprise successive texts, including whether there exists the possibility of a situation in which countries that have adopted the latest text and countries that have only adopted earlier texts have not treaty relationship with each other.

Presentation: Professor Tanya Aplin

Professor Aplin focused her comments on a specific provision of the Paris Convention, being Article 10bis and its relationship to trade secrets. In particular, she examined the interrelationship between the Paris Convention and TRIPS, and the obligations of the United Kingdom and the European Union to protect trade secrets.

Professor Aplin noted that Article 1 of the Paris Convention provides that members of the Convention constitute a union for the protection of industrial property, and defines this as including the repression of unfair competition. Significantly, she highlighted that trade secrets are not mentioned in Article 1, and it is unclear whether they fall within the scope of 'unfair competition'. Aplin observed, however, that Article 2 creates a national treatment obligation, with the effect that member states who protect trade secrets – as EU states do – are required to extend these protections to foreign nationals.

Turning to Article 10bis of the Paris Convention, Professor Aplin noted that it is unclear whether this Article mandates effective protection for trade secrets. That is, do trade secrets fall within unfair competition? She noted that they are not identified in the enumerated instances. However, she suggested that it is arguable that they fall within the broader stipulation of Article 10bis, subsection (2) and observed that commentators are divided on this point. Some argue that trade secrets does fall within this broader stipulation, and that Paris Convention members are obliged to protect trade secrets whenever their misappropriation would involve dishonest acts. Others disagree, arguing – from a genus and species perspective– that the broader stipulation does not encompass trade secrets because the enumerated instances in subsection (3) are the species that indicate the genus identified in subsection (2), such that the broader stipulation deals with acts of unfair competition in the sense of misrepresentation. On the contrary, it can be argued that the term 'acts contrary to honest practice' is flexible, and that honesty could be understood in a broad sense as extending beyond misrepresentation and therefore includes misuse of trade secrets. The limits of the term so understood, however, are not clear – could it extend to iindustrial espionage, or reverse engineering? Professor Aplin suggested that this debate highlights the difficulty of defining the conceptual contours of honest practice, and that it will be left to Convention members to determine its scope.

Professor Aplin then provided an overview of the history of Article 10bis with a view to better understanding the provision. She noted that it had not been included in the Paris Convention from the outset, but was rather introduced in the Brussels revision of 1900 as a national treatment obligation. Mandatory protection relating to unfair competitions was then introduced in 1911, promoted actively by the United Kingdom. At this time, the enumeration of specific instances was not believed to be a good idea, because of the risks that other acts would be understood to be excluded. The United Kingdom was again quite vocal during the Hague revision conference, and the obligation was enumerated to some extent. Professor Aplin observed that the traveaux from the Lisbon conference highlight that states do not appear to have had trade secrets in mind as falling within the scope of Article 10bis at that time and, accordingly, it is arguable that these do not therefore fall within its scope.

She then turned to consider the interrelationship between Article 10bis of the Paris Convention and Article 39 of the TRIPS Agreement. Article 39(1) of the TRIPS agreement provides that members shall protect undisclosed information in accordance with paragraph 2. Professor Aplin noted that it was the USA that had first suggested that trade secrets ought to be protected, although it was not linked to unfair competition under Article 10bis initially. However, a proposal by the European Commission implied this link through a reference to 'acts contrary to commercial practices', and a later proposal by the USA made this link more explicit by including a reference to 'honest commercial practices'. The final form of the provision therefore reflects a compromise between the European Commission's and US' approach.

Professor Aplin observed that there has been much debate about the effect of Article 39 in relation to Article 10bis. For example, it could be argued that Article 39 is simply a clarification of Article 10bis, and that this is reflected in the provision's subsequent interpretation and/or subsequent state practice. However, not all Paris Convention members are party to the TRIPS agreement. Alternatively, it could be argued that Article 39 constitutes an amendment or modification of Article 10bis, but this would not satisfy the requirements of Articles 40 or 41 of the Vienna Convention.

Professor Aplin then considered the effect of this state of affairs on the United Kingdom and the EU. She noted that both are signatories to the TRIPS agreement, which falls within the common commercial policy and exclusive competence of the EU. She suggested that this appears to give the EU flexibility in the implementation of common commercial policy and, importantly, that the external relations competence of the EU has a parallelism with its internal markets competence. Professor Aplin noted that the exercise of the competence cannot be contrary to the internal market competence of the EU, and that it is arguable that, when Article 11 of the Treaty on the Functioning of the European Union (TFEU) is considered, it could be concluded that the EU is permitted to harmonise trade secrets protection if these are viewed as IP rights and any divergence in their treatment is seen as harmful to the market. However, it could also be argued that trade secrets are not IP rights, and so do not fall within Article 11, or that there is nothing significant to be gained by harmonisation of the external market.

The final question Professor Aplin raised was whether Article 39 of the TRIPS agreement does actually provide for harmonisation regarding trade secrets. She noted that the terms of Article 39 do not indicate that it is necessary to adopt a property rights model for the protection of trade secrets.

Presentation: Tomoko Miyamoto

Tomoko Miyamoto presented some comments on substantive patent law harmonisation and developments of the law over the past 25 years, before discussing activities today in this area and offering some perspectives on the prospects of the Paris Convention in the near future.

Miyamoto observed that the harmonisation of international patent law has never been an objective or end goal in itself. It is rather a tool that can be used to respond to challenges that need to be addressed collectively by a number of countries on issues that cannot be practicably solved by a single country. She suggested that harmonisation can only be discussed against a specific background of the circumstances that surrounded society at the time – the technical, political or economic environments.

Miyamoto further noted that the word 'harmonisation' – harmony – means there are divergences and differences. The harmonisation process concerns the way in which those differences come closer together. For example, with respect to common law and civil law systems, harmonisation seeks to achieve a coexistence of these different legal mechanisms by creating a legal bridge that enables the systems to exist and work together at an international level.

Quoting WIPO Deputy-General Francis Gurry, Miyamoto proposed that the key to the continued success and relevance of the Paris Convention requires both vision and modesty. She suggested that in his reference to vision, Gurry was referring to that of the founders of the Paris Convention as well as those engaged in successive revisions of the Convention, and that by modesty, he meant a pragmatic way of looking at things. That is, instead of trying to do everything at once, to focus instead on the important and relevant issues that need to be tackled at an international level.

Miyamoto turned to briefly consider the history of the Paris Convention, noting that the patent law harmonisation discussion has been in progress for 25 years. She noted that in 1986 a very ambitious substantive patent law harmonisation discussion commenced. The circumstances of the time included

that the Paris Convention had few articles relating to substantive patent law provisions, the Patent Cooperation Treaty existed but was in principle a procedural treaty that provided a framework for international patent application procedures, and there were no substantive patent law provisions in place that were binding at a multilateral level. Miyamoto stated that discussions commenced with harmonisation of the grace period, because this was felt to be an important starting point. Subsequently a number of substantive law areas were added to the draft of the patent treaty, which covered both formality requirements (such as the extension of time limited, publication provisions, the rights to be conferred by a patent, available remedies and post grant procedures) and substantive requirements.

However, she explained that, during the first part of the Hague conference in 1991, member states were unable to reach a conclusion because of disagreement on two fundamental issues, including the grace period. Although there were subsequent discussions and a date for a second conference was agreed on, the moment to agree this draft treaty was lost. Reasons for this included the development of the TRIPS agreement, and the change of government in the US and resulting policy uncertainty.

Miyamoto noted that member states then proposed a further consultative meeting, the Consultative Meeting for the Further Preparation of the Diplomatic Conference for the Conclusion of the Patent Law Treaty. The title of the original draft treaty had referred to the draft treaty as supplementing the Paris Convention; that is, it had been expressly recognised that it was intended to build upon the Paris Convention. However, at the subsequent consultative meeting, this changed. Miyamoto noted that reports of the meeting suggest that the secretariat proposed that the instrument be "delinked" from the Paris Convention. Although there was no clear explanation of the reason for this, Miyamoto suggested that it may have been to enable non-member states to join the new treaty, or was connected with concerns that the TRIPS Agreement would operate to disincentivise new membership of the Paris Convention.

Miyamoto explained that, as there was no consensus on creating a new treaty dealing generally with patent law through WIPO, the WIPO states decided to pursue a treaty dealing with harmonisation of the formality requirements with respect to national and regional applications. This proposed treaty was influenced by earlier development relating to trade marks, and the structure and provisions of the patent law treaty therefore reflected those of the earlier (1994) treaty concerning trade marks. The Patent Law Treaty (PLT) was adopted in June 2000, and today has 36 member states.

Turning to more recent developments, Miyamoto noted that after the adoption of the PLT, member states sought to return to substantive patent law discussions in 2000. The environment at that time was very different from that of the earlier discussions in the 1980s. The TRIPS agreement had already achieved a broad level of harmonisation, but more significant was the globalisation of trade and commerce, which resulted in more patent applications being filed all over the world, and particularly in major countries. The costs of filing applications in a number of countries were rising, and national patent officers were receiving applications that duplicated those filed in other countries, increasing their workloads and extending the time required to process applications.

Miyamoto suggested that member states were therefore keen to use harmonisation of law as a tool to facilitate the sharing of examination work in relation to applications, in particular the use of examination reports on applications processed in other countries. In this regard, however, there were variations in the law and practices across different countries and a harmonised approach was therefore sought in order to promote efficiency. Discussions at this time focused on a "deep level" of harmonisations – encompassing questions concerning the definition of prior art and the methodology to be used in determining inventing step. However, Miyamoto observed that the discussions had become deadlocked in2005, and developed countries had been unable to agree on core provisions.

Further, an increasing number of developing countries were actively participating, and had expressed concerns about the instrument being used by more developed countries to narrow the flexibility of developing countries' policy options.

Moyamoto stated that, since then, discussions in WIPO have not necessarily focussed on achieving a legal instrument that harmonises law and practice, but rather have been directed to identifying the common interests of different countries involved in the negotiations. WIPO has been exploring different topics and sharing information regarding different national laws. It is hoped that, through these discussions, member states will better be able to understand each others' challenges, and the differences between the laws, that might assist the identification of the area where it is really necessary to move beyond exchanges of information and create an international instrument to which the WIPO membership can commit.

Miyamoto observed that the process is hopeful, because harmonisation is not simply about laws coming closer together, but also about enabling them to exist in harmony. She therefore stated that she considers that this type of understanding of law is very important, and is where comparative legal analysis becomes very important. Further, she observed that, although she had already mentioned the globalisation of trade and commerce, what is seen today is also a globalisation of innovation and research. The creative work itself has been globalised and cannot really be discussed within borders. This creates a need for legal instruments that are more international and broader with respect to subject matter that is today confined to national instruments.

Comments and questions

Sir Richard Arnold observed that Professor Ricketson and Ms Miyamoto had described the difficulties encountered in multilateral negotiations in the medium to recent past, and that the revision of the Paris Convention appears to have been a non-starter. However, they had indicated that the negotiation and conclusion of smaller treaties with a view to building on the Paris Convention and the TRIPS agreement to fill gaps in the coverage of the Paris Convention have more potential. Against that background, Sir Richard asked to what extent the problem can be ameliorated by the process of interpretation, and to what extent can the Paris Convention be approached as a living and speaking instrument – albeit one that has been frozen in time since 1967 in terms of its text – be interpreted in the context of today's technology and problems.

Professor Aplin suggested that a more dynamic approach would require a general shift in our approach to public international law. Professor Ricketson observed that there are limitations in the Paris Convention that appear to be inherent in its nature. He noted that it was at the beginning, and remains, a way of obtaining protection in another country under national treatment, and securing that protection with a priority system of registered rights. He stated his opinion that going much beyond that has proved to be too difficult, but that he felt that there might be opportunities under articles, such as Article 10bis, to achieve some progress.

A member of the audience reflected on the unease of each of the speakers with respect to the relationship between the Paris Convention and the TRIPS agreement, and suggested that the relationship between the Berne Convention for the Protection of Literary and Artistic Works and the TRIPS Agreement provides an interesting point of contrast.

Jill Barrett then asked the speakers to comment on why it had been so much easier to agree the content of Article 39 of the TRIPS agreement than it had been to clarify the meaning of Article 10bis in the Paris Convention bodies. She wondered whether, in future, states party to the Paris Convention but not the WTO might simply join the WTO, leaving the Paris Convention moribund. Professor Aplin queried whether Article 39 had been simpler to agree than Article 10bis. She noted that the negotiations

relating to Article 39 had been quite fraught, and agreement had only been reached in respect of very particular aspects. Similarly, agreement was reached as to certain enumerated instances in relation to Article 10bis, but there was significant disagreement about what else might be covered.

Ms Miyamoto added to this discussion that there was a very significant difference between discussions in WIPO and negotiation of the TRIPS agreement. She suggested that different mechanisms were involved in the negotiations, and offered her observation that copyright is considered by member states as supporting their own performers, whereas patents protection is generally considered to protect inventions from developed countries. Professor Ricketson suggested that it is unlikely that the Paris Convention will become moribund, but rather that it would remain a set of obligations incorporated into the TRIPS agreement, and will remain relevant and litigated within WTO panels. However, he suggested that it was possible it would exist increasingly in the background. Sir Richard agreed with this observation, noting that one often stumbles upon problems the resolution of which depends on the Paris Convention. He observed that legislation in the UK is ultimately underpinned by provisions of the Paris Convention, and that to resolve problems, one often has to identify the content and meaning of provisions of the Paris Agreement, which then provides guidance to the solution of the problem that arose on its face more directly from subsequent legislation at a regional or national level. Ms Miyamoto noted that, contrary to expectations, the Paris Convention had not become irrelevant following the TRIPS agreement; rather, countries that had been outside the IP world then began to join the IP community at an international level.

Sir Richard Arnold added to the discussion that the process going on with these treaties is twofold, and that the two different dynamics to some extent work against each other. The first process is harmonisation – trying to achieve a level playing field, and to ensure as part of that level playing field that different players in different countries are operating under the same rules. However, that dynamic gets caught up with a different one – that of increasing protection. The use of a multilateral treaty as a vehicle for persuading or forcing different countries to raise the level of protection overall. He noted that this different dynamic can be seen to be operating very clearly in relation to an instrument like the TRIPS agreement, which is constructed on the back of the GATT Uruguay round as part of an international trade package. On its face, it is a harmonisation measure, but for many countries around the world, it is not a harmonisation measure at all; rather, it forces them to adopt vastly increased standards of protection that subsequently many of them have come to regret. He suggested that this is one reason why there is no real prospect for a "TRIPS 2" in the near future.

Conclusion

The event was concluded by Jill Barrett, who warmly thanked the Chair and each of the speakers, and invited participants to continue their discussion of the issues over refreshments.

***

This Report was prepared by:

Catie Shavin
LLM, Melbourne Law School
Research Intern with the Arthur Watts Public International Law Programme
19 November 2013

Charles Clore House
17 Russell Square
London WC1B 5JP

T 020 7862 5151
F 020 7862 5152
E info@biicl.org

www.biicl.org