

The Realities of the Anti-Counterfeiting Trade Agreement

Hilary H. Lane*

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* © 2012 Hilary H. Lane. J.D. candidate 2013, Tulane University Law School. Hilary serves as an Executive Editor on the *Tulane Journal of International and Comparative Law* and as a Student-Attorney in the Juvenile Litigation Clinic. Hilary graduated from the University of Texas at Austin in 2009 with a B.A. in American Studies and Government. Hilary would like to thank her parents, Donna and Leo, for their constant love and support.

I. INTRODUCTION

Enforcement of intellectual property rights is a continuing struggle as the growth of technology broadens the ability of authors and creators to reach new audiences, while also creating a new world of piracy that crosses international borders. Realizing the need for improved security measures to protect intellectual property rights holders, first-world countries negotiated and developed an international agreement designed to promote cooperation in preventing copyright and trademark infringement.¹ The Anti-Counterfeiting Trade Agreement (ACTA or the Agreement) was signed by eight negotiating parties (United States, Japan, Australia, Canada, Singapore, New Zealand, Morocco, and Korea) on October 1, 2011, in Tokyo, Japan.² On January 26, 2012, twenty-two of the twenty-seven Member States of the European Union signed the Agreement.³ According to a joint press release from the signing event, ACTA provides for: “(1) enhanced international cooperation; (2) promotion of sound enforcement practices; and (3) a legal framework for IPR [Intellectual Property Rights] enforcement in the areas of criminal enforcement, enforcement at the border, civil and administrative actions, and distribution of IPR infringing material on the Internet.”⁴ The Agreement purports to build on the World Trade Organization’s (WTO) previous intellectual property agreement, Trade-Related Aspects of Intellectual Property Rights, which became effective in January 1995.⁵

The signing of ACTA was met with strong opposition across the globe, including protests in Europe and the United States.⁶ Protestors worry that the Agreement extends control over Internet users to an inappropriate level that violates privacy and allows for the conviction of accused infringers and even related third parties.⁷ However, many key parties to the Agreement have assured their citizens that ACTA will not require them to make changes to their current intellectual property law

1. Anti-Counterfeiting Trade Agreement (ACTA), Oct. 1, 2011, 50 I.L.M. 239.

2. *Anti-Counterfeiting Trade Agreement (ACTA)*, OFF. U.S. TRADE REPRESENTATIVE, <http://www.ustr.gov/acta> (last visited Oct. 17, 2012). Representatives from Mexico, the European Union, and Switzerland attended, but did not sign. *Id.*

3. David Jolly, *Intellectual Property Pact Draws Fire in Europe*, N.Y. TIMES, Feb. 6, 2012, at B5.

4. Press Release, Office of the U.S. Trade Representative, Joint Press Statement of the Anti-Counterfeiting Trade Agreement Negotiating Parties (Oct. 2011), <http://www.ustr.gov/about-us/press-office/press-releases/2011/october/joint-press-statement-anti-counterfeiting-trade-ag>.

5. *Id.* See generally *Overview: The TRIPS Agreement*, WORLD TRADE ORG., http://www.wto.org/english/tratop_e/trips_e/intel2_e.htm (last visited Oct. 17, 2012).

6. Jolly, *supra* note 3.

7. *Id.*; Madhukar Sinha, *IPR Rules and Their Uncertain Effects*, HINDU BUS. LINE (June 2, 2011), <http://www.thehindubusinessline.com/opinion/article2068519.ece>.

regimes.⁸ Because ACTA has created such widespread dissatisfaction, this Comment seeks to determine whether the parties are correct in their assertions that ACTA will not cause change in their current intellectual property laws. Specifically, by looking at current EU intellectual property law as a case example, this Comment will attempt to shed light on the realities of the procedures and measures set forth in ACTA to determine if protestors' fears are founded.

II. FORMATION OF THE ANTI-COUNTERFEITING TRADE AGREEMENT

The idea of forming a multinational agreement concerning enhanced cross-border intellectual property protection was proposed by Japan at the 2006 G-8 Summit, with the United States quickly giving its support later that year.⁹ Formal negotiations among the participants began in 2008, and eleven rounds of negotiations took place, with the final meeting occurring in November 2010.¹⁰ The finalized text of the Agreement was published in April 2011, and the ceremonial signing of the Agreement took place in Tokyo on October 1, 2011.¹¹

Eight countries signed ACTA at the October 1st ceremony, and several members of the European Union followed suit in January 2012.¹² ACTA requires at least six parties to have ratified the Agreement before it can come into force.¹³ In the European Union, twenty-two of the twenty-seven Member States have signed ACTA, but the European

8. The European Commission's Web site regarding ACTA claims that the Agreement, "does not require any changes in the current accumulated EU legislation" because it "concerns procedures and measures to enforce existing rights and to act against large scale infringements at borders." *ACTA—Anti-Counterfeiting Trade Agreement (ACTA)*, EUROPEAN COMM'N, <http://ec.europa.eu/trade/tackling-unfair-trade/acta/> (last updated Sept. 20, 2012). The Australian Department of Foreign Affairs and Trade assures citizens that "Australia did not join ACTA to drive change in Australian laws" and that "[n]o new legislative measures will be required to implement obligations under ACTA in Australia." *Intellectual Property and International Trade*, DEP'T OF FOREIGN AFFAIRS & TRADE, AUSTRALIAN GOV'T, <http://www.dfat.gov.au/ip/#acta/> (last visited Oct. 30, 2012). The United States also points out: "[T]he ACTA is consistent with existing U.S. law, and does not require any change to U.S. law for its implementation in the United States. In particular, the ACTA is consistent with U.S. copyright, patent, and trademark laws." *ACTA: Meeting U.S. Objectives*, OFF. U.S. TRADE REPRESENTATIVE (Oct. 2011), <http://www.ustr.gov/about-us/press-office/fact-sheets/2011/september/acta-meeting-us-objectives>.

9. *Canada Signs Historic Anti-Counterfeiting Trade Agreement*, FOREIGN AFFAIRS & INT'L TRADE CAN. (Sept. 30, 2011, 10:35 PM), http://www.international.gc.ca/media_commerce/comm/news-communiqués/2011/280.aspx?lang=eng&view=d.

10. *ACTA—Transparency*, EUROPEAN COMM'N, <http://ec.europa.eu/trade/tackling-unfair-trade/acta/transparency/> (last updated July 4, 2012).

11. *Anti-Counterfeiting Trade Agreement (ACTA)*, FOREIGN AFFAIRS & INT'L TRADE CAN., http://www.international.gc.ca/trade-agreements-accords-commerciaux/fo/intellect_property.aspx?view=d (last updated Aug. 30, 2012).

12. Jolly, *supra* note 3.

13. ACTA, *supra* note 1, art. 40.

Union cannot officially ratify the Agreement until all of its Member States have signed.¹⁴ The European Commission has referred ACTA to the European Court of Justice to confirm that the Agreement is compatible with current EU laws and fundamental rights, such as freedom of expression and information or data protection.¹⁵ The European Commission explains that it has taken this step to “provide the European citizens, the National Parliaments and the European Parliament with the most detailed and accurate information possible, and therefore looks forward to receiving an independent opinion of Europe’s highest court. In this way the debate will again be based upon facts and not upon misinformation or rumours.”¹⁶

Australia’s Trade Minister, Craig Emerson, signed ACTA at the October 1, 2011, ceremony; however, the Agreement is currently tabled in Parliament along with a National Interest Analysis and Consultation document.¹⁷ That document indicates that ACTA will not require any changes to current intellectual property law in Australia.¹⁸ The next step is for the Joint Standing Committee on Treaties to undertake “a public consultation process” and report back to Parliament, which it is expected to do by mid-2012.¹⁹

Canada’s Minister of International Trade and Minister for the Asia Pacific Gateway, Ed Fast, signed the Agreement on the country’s behalf at the Tokyo meeting as well.²⁰ On the behalf of the United States, Ambassador Miriam Sapiro signed ACTA in Tokyo,²¹ and it was later signed by President Obama as an executive agreement.²²

14. See *International Agreements*, EUROPEAN COMM’N, http://europa.eu/legislation_summaries/institutional_affairs/decisionmaking_process/ai0034_en.htm (last updated Aug. 13, 2010); David Meyer, *ACTA’s EU Future in Doubt After Polish Pause*, ZDNET (Feb. 3, 2012, 5:33 PM), <http://www.zdnet.com/actus-eu-future-in-doubt-after-polish-pause-3040094978>.

15. *ACTA Questions and Answers*, EUROPEAN COMM’N, <http://ec.europa.eu/trade/tackling-unfair-trade/acta/questions-and-answers/> (last updated July 4, 2012).

16. *Id.*

17. *Intellectual Property and International Trade*, *supra* note 8.

18. *Id.*

19. *ACTA Factsheet*, DEP’T OF FOREIGN AFFAIRS & TRADE, AUSTRALIAN GOV’T, <http://www.dfat.gov.au/ip/factsheet.html> (last updated Feb. 14, 2012).

20. *Anti-Counterfeiting Trade Agreement*, *supra* note 11.

21. *Anti-Counterfeiting Trade Agreement (ACTA)*, *supra* note 2.

22. Erik Kain, *If You Thought SOPA Was Bad, Just Wait Until You Meet ACTA*, FORBES (Jan. 23, 2012, 11:10 AM), <http://www.forbes.com/sites/erikkain/2012/01/23/if-you-thought-sopa-was-bad-just-wait-until-you-meet-acta/>.

III. THE SUBSTANCE OF THE AGREEMENT

The controversial Anti-Counterfeiting Trade Agreement contains six chapters and forty-five articles.²³ The Agreement covers the legal framework for enforcement of intellectual property rights, including civil enforcement, criminal enforcement, border measures, and enforcement of intellectual property rights in a digital environment.²⁴ The Agreement also sets up the “ACTA Committee,” which reviews the operation and implementation of the Agreement, considers proposed amendments, makes recommendations for implementation, and confirms countries seeking to join the Agreement after the March 31, 2013, deadline.²⁵ Any parties to the Agreement’s negotiations, or any WTO Members, may be approved to join the Agreement by consensus and may sign onto the Agreement from March 31, 2011, until March 31, 2013.²⁶

A. *Civil Enforcement*

Articles 7 through 12 of ACTA cover the procedures for the civil enforcement of penalties for intellectual property rights violations.²⁷ The Agreement provides the judicial authorities of its signatories with the power to issue desist orders to any infringers, including any relevant third party involved in the violation, in order to prevent any of the infringing goods from entering the marketplace.²⁸ In addition to injunctions, a party to the Agreement must provide for monetary damages to be paid by the infringer to the rights holder as a form of injury compensation for losses incurred as a result of the infraction.²⁹ Damages can include the profits attributable to the infringement, lost profits, and the market or retail value of the goods or services.³⁰ Additionally, “court costs or fees and appropriate attorney’s fees” may be awarded to the prevailing party, whether that is the rights holder or the accused infringer.³¹ With respect to pirated copyright goods and counterfeit trademarked goods, the Agreement establishes a party’s judicial authority’s right to order that the infringing items be destroyed without compensation or disposed of outside the channels of commerce in order to minimize the risks of

23. ACTA, *supra* note 1.

24. *Id.*

25. *Id.* arts. 36, 39.

26. *Id.* art. 39.

27. *Id.* arts. 7-12.

28. *Id.* art. 8.

29. *Id.* art. 9.

30. *Id.*

31. *Id.*

further infringement.³² Interestingly, article 11 of the Agreement also allows for a country's judicial authority to order the infringer (or alleged infringer) to provide the rights holder relevant information regarding other potential infringers, third parties involved in the production and distribution of such goods or services, and the means of infringement.³³ Under additional provisional measures, a signatory's judicial authority is authorized to order the seizure of any infringing goods and any relevant materials, and, for trademark counterfeiting, the seizure of "documentary evidence" of the violation, including copies and originals of the trademarked items.³⁴ This provision is noteworthy because this allows the judicial authority broad powers of seizure for an *alleged* infringement before final judgment proceedings.³⁵ This safeguard for possible fraud included in article 12 requires that the rights holder provide adequate proof of infringement before such security measures are put into place.³⁶ However, if no infringement is found after a final judgment, the judicial authorities may grant a remedy to the accused in the form of any appropriate compensation paid by the accuser.³⁷ The civil enforcement provisions of ACTA provide judicial authorities broad powers of penalty enforcement against alleged infringers on the behalf of rights holders, but these provisions also provide some sense of security against fraudulent claims of infringement.³⁸

B. Border Measures

ACTA outlines the necessary border measures of intellectual property rights enforcement,³⁹ a key component of the Agreement. The Agreement is careful to point out that, in a country's quest for effective border enforcement of intellectual property rights, the country should move forward in a way that does not unjustifiably discriminate between those intellectual property rights and that avoids creating barriers to legitimate trade.⁴⁰ Article 16 requires each party to maintain procedures for imports and exports that grant its customs authorities the power to "suspend the release of suspect goods," either independently or at the

32. *Id.* art. 10.

33. *Id.* art. 11.

34. *Id.* art. 12.

35. *See id.*

36. *Id.*

37. *Id.*

38. *Id.* arts. 7-12.

39. *Id.* art. 13.

40. *Id.*

request of a rights holder.⁴¹ Before goods can be seized by customs authorities, however, the rights holder must provide evidence to establish a *prima facie* case for infringement.⁴² Additionally, the judicial authorities of a party can require that the rights holder “provide a reasonable security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse.”⁴³ Goods seized at the border that are determined to be infringing are subject to destruction or are, at least, disposed of outside the channels of commerce, and with regard to counterfeit trademark goods, “the simple removal of the trademark unlawfully affixed shall not be sufficient.”⁴⁴ These border measures again extend significant discretion to judicial authorities and serve to reinforce intellectual property rights of its holders.

C. Criminal Enforcement

Articles 23 through 26 outline a party’s authority to criminally prosecute alleged infringers for violating intellectual property rights.⁴⁵ The Agreement provides that “in cases of *willful* trademark counterfeiting,” criminal procedures and penalties should be applied.⁴⁶ For example, in instances of trademark violation (such as unauthorized use of a trademarked logo on labels or packaging), criminal penalties apply when an accuser can prove that the defendant *willfully* imported or distributed the infringing goods domestically on a commercial level.⁴⁷ The criminal penalties required by ACTA include imprisonment and monetary fines “sufficiently high to provide a deterrent to future acts of infringement.”⁴⁸ Besides imprisonment and monetary fines, criminal enforcement of ACTA provides parties the authority to order seizure of “*suspected* counterfeit trademark goods or pirated copyright goods [and] *any related materials and implements* used in the commission of the alleged offence.”⁴⁹ These provisions offer broad discretion to the party’s judicial authority in enforcement of strict criminal penalties on intellectual property rights infringers.

41. *Id.* art. 16.

42. *Id.* art. 17.

43. *Id.* art. 18.

44. *Id.* art. 20.

45. *Id.* arts. 23-26.

46. *Id.* art. 23 (emphasis added).

47. *Id.*

48. *Id.* art. 24.

49. *Id.* art. 25 (emphasis added).

D. Enforcement of Intellectual Property Rights in the Digital Environment

ACTA received significant backlash by protestors because of its article 27 provisions covering digital enforcement of intellectual property rights.⁵⁰ The Agreement requires that parties ensure the same degree of civil and criminal enforcement available for traditional copyright and trademark-protected items to apply to the digital realm.⁵¹ The article is careful to make clear that any enforcement procedures used by states parties should be implemented so as to avoid creating any barriers to *legitimate* activity, such as electronic commerce, and so as to preserve the fundamental principles of freedom of expression, fair process, and privacy.⁵² The article also outlines an eyebrow-raising provision that authorizes parties to order an online service provider to immediately disclose identifying information for the account used to infringe upon the rights holder.⁵³ The rights holder must have a legally sufficient claim of infringement and must be seeking the information for the purpose of protecting or enforcing their intellectual property rights.⁵⁴ Article 27 also requires parties to provide protection against “the unauthorized circumvention of an effective technological measure carried out knowingly or with reasonable grounds to know” and “the offering to the public by marketing of a device or product, including computer programs, or a service, as means of circumventing an effective technological measure.”⁵⁵ This essentially allows parties to prosecute anyone selling or providing computer software created to circumvent the technological barriers erected to prevent willful infringement of intellectual property rights.⁵⁶ Article 27’s final blow to digital infringers provides legal remedies against any person who knowingly (or should have reason to know) acts in a way that would “induce, enable, facilitate, or conceal” any infringement of an intellectual property right; that “remove[s] or alter[s] any electronic rights management information”; or distributes, imports for distribution, or makes available to the public any copyrighted works where the accused knew that the electronic rights management information had been removed or altered.⁵⁷ These

50. Jolly, *supra* note 3; ACTA, *supra* note 1, art. 27.

51. ACTA, *supra* note 1, art. 27.

52. *Id.*

53. *Id.*

54. *Id.*

55. *Id.*

56. *Id.*

57. *Id.*

provisions regarding digital enforcement convey the negotiating countries' contemporary understanding of the new forms of digital piracy and infringement and their commitment to protect the intellectual property rights of holders in this fast-moving technological arena.

E. The ACTA Committee

Article 36 of ACTA creates another controversial portion of the Agreement: the ACTA Committee.⁵⁸ This article establishes, essentially, the governing body of the Agreement.⁵⁹ The Committee reviews the implementation and operation of the Agreement and “consider[s] matters concerning the development of this Agreement.”⁶⁰ The Committee represents all parties to the Agreement, and any decisions made by the Committee must be by a consensus, i.e., when no party present at the meeting of the Committee formally objects to the proposed decision.⁶¹ The Committee also has the ability to invite and/or approve new parties to become members of ACTA who were not previously a part of the negotiations.⁶² The creation of the ACTA Committee has received criticism because it is an intergovernmental organization outside WTO control; however, the Committee does not have the ability to control individual country enforcement in specific cases.⁶³

IV. THE ACTA BACKLASH

The formation and implementation of ACTA was met with protests around the world.⁶⁴ These protests were particularly strong in Europe, most notably in Poland.⁶⁵ In fact, European protestors produced a petition to stop ACTA that contained over 1.75 million signatures to

58. *Id.* art. 36.

59. *Id.*

60. *Id.*

61. *Id.*

62. *Id.* art. 43.

63. *Id.* art. 36; see also Glyn Moody, *Open Enterprise—ACTA Update IX*, COMPUTER WORLD UK (Feb. 27, 2012, 12:06 PM), <http://blogs.computerworlduk.com/open-enterprise/2012/02/acta-update-ix/index.htm>.

64. Chris Richardson, *Anti-ACTA Protests Going Worldwide Tomorrow*, WEB PRO NEWS (Feb. 10, 2012), <http://www.webpronews.com/anti-acta-protests-going-worldwide-tomorrow-2012-02>.

65. Erik Kain, *ACTA Moves Forward in Europe Despite Protests—What It Means for Our Freedom Online*, FORBES (Jan. 27, 2012, 1:03 PM), <http://www.forbes.com/sites/erikkain/2012/01/27/acta-moves-forward-in-europe-despite-protests-what-it-means-for-our-freedom-online/>.

bolster their call for the rejection of the Agreement.⁶⁶ The Agreement also led to the resignation of the European Parliament's rapporteur for ACTA, Kader Arif, due to the "never-before-seen manoeuvres [sic]" used by the officials responsible for drafting the Agreement.⁶⁷ In a statement following his resignation, Arif said:

I condemn the whole process which led to the signature of this agreement: no consultation of the civil society, lack of transparency since the beginning of negotiations, repeated delays of the signature of the text without any explanation given, reject [sic] of Parliament's recommendations as given in several resolutions of our assembly.⁶⁸

Members of the Polish Parliament donned Guy Fawkes masks, symbolizing the group "Anonymous," to show their protest of ACTA.⁶⁹

But what is it exactly about ACTA that people are so upset about? While protest groups do not have the same level of organization and dissemination of information as the governments explaining ACTA, four main arguments seem to surface more strongly than others.

A. Vagueness of the Text and Apparent Lack of Change to Current International Intellectual Property Law

One concern expressed by lawmakers has been the vagueness of the wording of the Agreement.⁷⁰ This vagueness has led the European Commission to ask the European Court of Justice to review the Agreement before it goes to the Commission for ratification in June 2012.⁷¹ As mentioned above, the European Commission and the United States have insisted that the Agreement will not require any changes to current EU or U.S. intellectual property law.⁷² However, U.S. Representative Darrell Issa of California disagrees that ACTA will not

66. Dave Lee, *ACTA: Europe Braced for Protests over Anti-Piracy Treaty*, BBC NEWS (Feb. 6, 2012, 9:23 PM), <http://www.bbc.co.uk/news/technology-16906086>.

67. Kain, *supra* note 65.

68. *Id.* (internal quotation marks omitted).

69. Parmy Olson, *Amid ACTA Outcry, Politicians Don Anonymous Guy Fawkes Masks*, FORBES (Jan. 27, 2012, 10:11 AM), <http://www.forbes.com/sites/parmyolson/2012/01/27/amid-acta-outcry-politicians-don-anonymous-guy-fawkes-masks/>.

70. *Id.*

71. Dave Lee, *ACTA: EU Court To Rule on Anti-Piracy Agreement*, BBC NEWS (Feb. 22, 2012, 8:03 PM), <http://www.bbc.co.uk/news/technology-17125469>.

72. *ACTA—Anti-Counterfeiting Trade Agreement (ACTA)*, *supra* note 8 ("ACTA does not create new Intellectual Property Rights, but concerns procedures and measures to enforce existing rights and to act against large scale infringements at borders, often pursued by criminal organisations—not individual citizens. The Data Protection Directives and the Directive on privacy and electronic communications will not be touched by ACTA."); *ACTA: Meeting U.S. Objectives*, *supra* note 8.

force changes to U.S. law.⁷³ At the World Economic Forum, Representative Issa stated that “[a]s a member of Congress, [ACTA is] more dangerous than SOPA [Stop Online Piracy Act].”⁷⁴ He added, “It purports that it does not change existing laws. But once implemented, it creates a whole new enforcement system and will virtually tie the hands of Congress to undo it.”⁷⁵

B. Closed-Door Negotiations

One of the strongest arguments against ACTA and the negotiations leading up to the final draft of the Agreement is that the construction of ACTA took place in secret consultations between the interested parties.⁷⁶ In the United Kingdom, where government representatives have assured members of the public that ACTA will not change existing intellectual property laws, a privacy campaigner, Big Brother Watch, has called on the U.K. Parliament to have an open debate regarding the Agreement, as opposed to the country’s actions of “secretly” signing the Agreement.⁷⁷ In Poland, the Prime Minister, Donald Tusk, agreed to hold off on ratifying ACTA, “admitting that the negotiation process did not involve sufficient consultation.”⁷⁸ The Slovenian ambassador to Japan, Helena Drnovsek Zorko, actually apologized for signing the Agreement, admitting in a statement that she “did not pay enough attention.”⁷⁹ She explained that she “did not clearly connect the agreement [she] had been instructed to sign with the agreement that, according to [her] own civic conviction, limits and withholds the freedom of engagement on the largest and most significant network in human history, and thus limits particularly the future of our children.”⁸⁰

However, the governments of the parties to ACTA insist that the negotiations leading to the final draft of the Agreement were conducted confidentially, as any other potential treaty would be, not secretly.⁸¹ The European Commission asserted that, throughout the negotiating and drafting of the text of the Agreement, Members of the European Parliament were always updated on the status of the Agreement, and that the Commission regularly “debriefed NGOs [non-governmental

73. Kain, *supra* note 65.

74. *Id.*

75. *Id.*

76. Kain, *supra* note 22.

77. Lee, *supra* note 66.

78. *Id.* (internal quotation marks omitted).

79. *Id.* (internal quotation marks omitted).

80. *Id.* (internal quotation marks omitted).

81. *ACTA, Questions and Answers, supra* note 15.

organizations], academia and representatives from political parties” during the formation process.⁸² In response to protests concerning transparency, the European Union released a press release on February 13, 2012, entitled “Transparency of ACTA Negotiations,” summarizing the negotiation process.⁸³ The press release lists the participants present at each negotiation meeting from 2008 to 2010 and outlines the involvement of the European Parliament and of NGOs, civil society, and industry.⁸⁴ The memorandum states that the European Commission “duly informed” the European Parliament throughout the ACTA negotiations and that the European Commission shared seven drafts of the Agreement, three detailed written reports on the negotiation rounds, and fourteen notes and internal working papers with the European Parliament throughout the process.⁸⁵ The involvement of NGOs, civil society, and industry included four stakeholders’ meetings, open to all citizens, which took place in Brussels in 2008, 2009, 2010, and 2011.⁸⁶ In addition, the European Commission “denies having provided any kind of preferential access to information to any group of stakeholders, be it from industry, trade unions or from other stakeholders. There are also no secret protocols to the agreement and the final text is fully public and available to all citizens.”⁸⁷

In the United States, these same concerns over transparency can be found, especially after the much-publicized protests over SOPA.⁸⁸ While the debate over SOPA was open to the public and wildly criticized before it was finally tabled from a congressional vote, ACTA was signed by the United States quietly, and the American public was not informed of the process of negotiations.⁸⁹ The United States has dismissed the charges that the ACTA negotiations were not transparent, with U.S. officials reasoning that the last draft of ACTA was released in April 2010 and that the final version of the Agreement went public well over a year before its signing.⁹⁰ Meanwhile, on October 28, 2010, over seventy-five law professors signed an open letter to President Barack Obama, criticizing

82. *Id.*

83. Press Release, European Comm’n, Transparency of ACTA Negotiations (Feb. 13, 2012), <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/12/99>.

84. *Id.*

85. *Id.*

86. *Id.*

87. *Id.*

88. Connor Adams Sheets, *ACTA vs. SOPA: Five Reasons ACTA Is Scarier Threat to Internet Freedom*, INT’L BUS. TIMES (Jan. 24, 2012, 2:26 PM), <http://www.ibtimes.com/articles/286925/20120124/acta-sopa-reasons-scarier-threat-internet-freedom.htm>.

89. *Id.*

90. Jolly, *supra* note 3.

the “intense but needless secrecy” surrounding the ACTA negotiations.⁹¹ The professors admit that a draft of the Agreement was released in April of 2010; however, they admonish the President for allowing years of previous negotiations and drafts to go unpublished and for not releasing drafts of subsequent meetings.⁹² The professors are especially concerned that special interest groups may have had input in the substance of the Agreement, while the general public was banned from the negotiation process.⁹³ Protestors in Europe, the United States, and in other countries party to the Agreement seem to be frustrated with the lack of clarity in the negotiations and the inability to add input to this multinational agreement.

C. *Not Subject to Congressional Review*

In the United States, a pervasive concern, outlined by the law professors’ letter to the President, has been that ACTA was not ratified as a piece of legislation but was instead put into force as an executive agreement.⁹⁴ Of this decision, the professors wrote, “[T]his course may be unlawful, and it is certainly unwise.”⁹⁵ The professors were concerned “that ACTA would usurp congressional authority over intellectual property policy” because “[s]ome of ACTA’s provisions fail to explicitly incorporate current congressional policy, particularly in the areas of damages and injunctions.”⁹⁶ Additionally, the letter argues that the use of a sole executive agreement in implementing ACTA appears to be unconstitutional.⁹⁷ Indeed, Senator Ron Wyden of Oregon has asked the President for an explanation as to why he signed ACTA as an executive agreement, thus bypassing Congress.⁹⁸ U.S. constitutional scholars Jack Goldsmith and Larry Lessig have warned, “The President has no independent constitutional authority over intellectual property or communications policy, and there is no long historical practice of making sole executive agreements in this area.”⁹⁹ They argue that the authority to regulate foreign commerce and intellectual property is first in the hands

91. Letter from over 75 Law Professors to President Barack Obama (Oct. 28, 2010), <http://www.wcl.american.edu/pijip/download.cfm?downloadfile=83CE3453-EFC7-45B0-7CBA50D842A84563&typename=dmFile&fieldname=filename>.

92. *Id.*

93. *Id.*

94. *Id.*

95. *Id.*

96. *Id.* (footnote omitted).

97. *Id.*

98. Christine Mattice, *Obama Signed ACTA in Violation of the Constitution, Critics Say*, DIGITAL J. (Jan. 29, 2012), <http://www.digitaljournal.com/article/318690>.

99. *Id.* (internal quotation marks omitted).

of Congress, not the President.¹⁰⁰ Because the facts surrounding the ratification of ACTA have been coming to light in the United States and members of Congress are sounding their voices in protest against their lack of participation in forming and implementing the Agreement, future events could force President Obama to include Congress in any changes in the status of ACTA.

D. Potential for Internet Censorship

The final prevalent concern over ACTA relates to the digital intellectual property rights enforcement covered in the Agreement.¹⁰¹ Successful protests over SOPA and the Protect Intellectual Property Act (PIPA) in the United States, which included Web sites such as Wikipedia and Reddit going “dark” over the perceived threat against Internet privacy, inspired protestors in Europe to hope that their protests might have the same successes.¹⁰² Protestors even include governmental officials such as Viviane Reding, the EU Commissioner for Justice, Fundamental Rights, and Citizenship, who made an official statement declaring that for her, “blocking the Internet is never an option.”¹⁰³ Kader Arif, who resigned from his position as the European Parliament’s rapporteur over ACTA, said that many provisions in the Agreement worried him, “particularly a provision that could make Internet service providers liable for copyright infringement by users, something that would be in conflict with existing European law.”¹⁰⁴ Arif was further concerned that, as the Agreement stands, every state party could potentially have different standards for what they consider to be “commercial” levels of privacy, to the point where a country might choose to search a traveler’s laptop computer or digital music player for illegally downloaded content.¹⁰⁵ However, John Clancy, an EU spokesperson, responded that ACTA was not created to harass such small-scale usage, that ACTA was created to attack large-scale infringements associated with criminal organizations.¹⁰⁶ Clancy explained that the goal of ACTA was to raise the rest of the world’s intellectual property standards to those of Europe and that “[i]t’s simply misleading to suggest that ACTA would limit the freedom of the

100. *Id.*

101. Olson, *supra* note 69.

102. Jolly, *supra* note 3.

103. Lee, *supra* note 71.

104. Jolly, *supra* note 3.

105. *Id.*

106. *Id.*

Internet.”¹⁰⁷ “ACTA is not about checking private laptops or smartphones at borders. It will not cut access to the Internet or censor any Web sites.”¹⁰⁸ The European Commission has also attempted to squash the “misinformation” regarding ACTA and has stated that the Agreement will not “censor or shut down any websites, but [it will] simplify the way musicians and movie production houses react to an infringement of their Intellectual Property Rights.”¹⁰⁹

In the United States, fears regarding invasion of Internet privacy through ACTA also linger, despite the tabling of SOPA and PIPA.¹¹⁰ Significant changes to the digital enforcement section of the Agreement were made between the April 2010 draft (the only “draft” released to the public¹¹¹) and the final, ratified version.¹¹² Examples of “improvements” to the Agreement include the scaling back, and eventual removal, of the provision that would have criminally punished small-scale users (such as college students illegally downloading music) through fines, jail time, or computer seizure.¹¹³ Also eliminated from the Agreement was the provision that would have required its signatories to hold all third parties, such as service providers or electronics manufacturers, liable for any infringement by their customers.¹¹⁴

It seems that the issues regarding concern over invasion of Internet privacy stem from the vague language in the Agreement, leading to a potentially wide variety of interpretation across parties to the Agreement. Perhaps more detailed language in ACTA, spelling out exactly what the parties hope to achieve with the Agreement, would soften fears of protestors.

V. ACTA VERSUS CURRENT EU INTELLECTUAL PROPERTY LAW

The European Commission, along with many parties to ACTA, has declared that enactment and enforcement of ACTA will not require any changes to current EU intellectual property law.¹¹⁵ However, the European Commission does not give any explanation of how ACTA is

107. *Id.* (internal quotation marks omitted).

108. *Id.* (internal quotation marks omitted).

109. Olson, *supra* note 69.

110. Erik Kain, *Final Draft of ACTA Watered Down, TPP Still Dangerous on IP Rules*, FORBES (Jan. 28, 2012, 9:23 AM), <http://www.forbes.com/sites/erikkain/2012/01/28/final-draft-of-acta-watered-down-tpp-still-dangerous-on-ip-rules/>.

111. Letter from over 75 Law Professors to President Barack Obama, *supra* note 91.

112. Kain, *supra* note 110.

113. Rashmi Rangnath, *What We Won in ACTA*, PUB. KNOWLEDGE: POL’Y BLOG (Oct. 3, 2011), <http://www.publicknowledge.org/blog/what-we-won-acta>.

114. *Id.*

115. *ACTA—Anti-Counterfeiting Trade Agreement (ACTA)*, *supra* note 8.

similar enough to current EU law to not require changes beyond explaining that the Agreement “concerns procedures and measures to enforce existing rights and to act against large scale infringements at borders.”¹¹⁶ Only with a closer, more purposeful look can it be determined if this statement is true.

A. EU Participation in the Berne Convention

Although each individual country has its own intellectual property laws, the European Union as a whole has implemented a set of directives concerning intellectual property. In December 2006, the European Union implemented a directive that sets out basic copyright protections (Copyright Directive).¹¹⁷ The Copyright Directive covers items such as terms of protection for copyrights, what is considered copyrightable material, and protection vis-à-vis third-party countries, which relates to ACTA protection.¹¹⁸ Article 7 dictates:

Where the country of origin of a work, within the meaning of the Berne Convention, is a third country, and the author of the work is not a Community national, the term of protection granted by the Member States shall expire on the date of expiry of the protection granted in the country of origin of the work, but may not exceed the term laid down in Article 1.¹¹⁹

This article makes reference to the Berne Convention, a previous international intellectual property protection agreement.¹²⁰ The Berne Convention concerns three basic principles: (1) “Works originating in one of the contracting States . . . must be given the same protection in each of the other contracting States as the latter grants to the works of its own nationals (principle of ‘national treatment’)”; (2) “Such protection must not be conditional upon compliance with any formality (principle of ‘automatic’ protection)”; and (3) “Such protection is independent of the existence of protection in the country of origin of the work.”¹²¹ Interestingly, the European Union seems to be already party to an

116. *Id.*

117. Directive 2006/116, of the European Parliament and of the Council of 12 December 2006 on the Term of Protection of Copyright and Certain Related Rights, 2006 O.J. (L 372) 12.

118. *Id.*

119. *Id.* art. 7.

120. *See id.*

121. *Summary of the Berne Convention for the Protection of Literary and Artistic Works (1886)*, WORLD INTELLECTUAL PROP. ORG., http://www.wipo.int/treaties/en/ip/berne/summary_berne.html (last visited Mar. 14, 2012) (footnotes omitted). However, if “a contracting State provides for a longer term than the minimum prescribed by the Convention and the work ceases to be protected in the country of origin, protection may be denied once protection in the country of origin ceases.” *Id.*

agreement regarding international protection of intellectual property; however, as the European Commission correctly points out, this previously implemented agreement does not cover enforcement and penalty procedures as extensively as does ACTA.¹²² Article 16 of the Berne Convention states that “[i]nfringing copies of a work shall be liable to seizure in any country of the Union where the work enjoys legal protection,” and that “[t]he provisions of the preceding paragraph shall also apply to reproductions coming from a country where the work is not protected, or has ceased to be protected.”¹²³ However, this is all that the Berne Convention mentions with respect to actual enforcement of punishment of intellectual property infringers, and significantly, the Berne Convention only applies to works that are typically considered protected works, therefore excluding trademark protection, which is covered by ACTA.¹²⁴

B. EU Directives on Intellectual Property Rights Enforcement

In April 2004, the European Union published the Directive on the Enforcement of Intellectual Property Rights (IP Directive).¹²⁵ The IP Directive sounds remarkably similar to ACTA in terms of who may bring a case against the infringer, the means of protection, and the corrective measures.¹²⁶ Section 5 of the IP Directive concerns “[m]easures resulting from a decision on the merits of the case,” including punishment and enforcement procedures.¹²⁷ Article 10 of section 5 prescribes that Member States of the European Union must implement measures that

shall ensure that the competent judicial authorities may order, at the request of the applicant, that appropriate measures be taken with regard to goods that they have found to be infringing an intellectual property right and, in appropriate cases, with regard to materials and implements principally used in the creation or manufacture of those goods.¹²⁸

These necessary measures include complete and permanent removal of the goods from the channels of commerce and, ultimately, destruction of

122. See ACTA—*Anti-Counterfeiting Trade Agreement (ACTA)*, *supra* note 8.

123. Berne Convention for the Protection of Literary and Artistic Works art. 16, Sept. 9, 1886, 828 U.N.T.S. 221.

124. *Id.* art. 2.

125. Directive 2004/48, of the European Parliament and of the Council of 29 April 2004 on the Enforcement of Intellectual Property Rights, 2004 O.J. (L 157) 45 [hereinafter IP Directive].

126. See *id.* pmb1.

127. *Id.* § 5.

128. *Id.* § 5, art. 10.

those goods.¹²⁹ Article 11 covers injunctions against infringers.¹³⁰ The article requires Member States to ensure that once a judicial authority comes to a finding of an infringement, that same authority may then issue an injunction against the accused in order to prevent any further rights infringement.¹³¹ Additionally, if provided for by national law, an infringer who does not comply with a court-ordered injunction shall be subject to a recurring penalty payment.¹³² Interestingly, these measures align exactly with those measures laid out in ACTA regarding measures to prevent further infringement, which also include injunctions, destruction, and removal from the channels of commerce as proper means to prevent further intellectual property rights infringement.¹³³

The IP Directive also covers monetary damages leveled against infringers, providing that Member States should set damages by either taking into account

- (a) all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the rightholder by the infringement; or
- (b) as an alternative to (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.¹³⁴

Section 6, article 14 also provides for legal fees as damages for the prevailing party in a suit over intellectual property infringement.¹³⁵

Additionally, similar to the provisions in ACTA, the IP Directive covers rights of information regarding infringers.¹³⁶ Section 3, article 8 provides that at the request of the rights holder, the judicial authorities may order any person to provide information on the origin of the goods or services that are thought to infringe upon an intellectual property right and on the networks for their distribution or provision.¹³⁷ Such “information” should include “the names and addresses of the producers,

129. *Id.*

130. *Id.* § 5, art. 11.

131. *Id.*

132. *Id.*

133. *See* ACTA, *supra* note 1, arts. 7-10.

134. IP Directive, *supra* note 125, § 6, art. 13.

135. *Id.* § 6, art. 14.

136. *Id.* § 3, art. 8.

137. *Id.*

manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers,” and “information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.”¹³⁸ This “right to information” provision of the IP Directive is similar to ACTA’s article 11, which covers “information related to infringement” under Civil Enforcement and allows the rights holder the ability to obtain information related to other parties involved in the alleged infringement and the process of infringement, including production and distribution.¹³⁹

C. Council of the European Union Regulation Regarding Goods Infringing Intellectual Property Rights

In July 2003, the Council of the European Union adopted the regulation Concerning Customs Action Against Goods Suspected of Infringing Certain Intellectual Property Rights and the Measures To Be Taken Against Goods Found To Have Infringed Such Rights.¹⁴⁰ This Regulation mimics the “Border Measures” provision of ACTA in that it governs the process whereby customs officials may seize suspected infringing goods, including copyrighted, trademarked, and some patented goods.¹⁴¹ The Regulation provides that when a rights holder lodges a complaint of infringement, the customs authorities of a Member State may either suspend releasing the goods or detain them for up to three business days upon being notified.¹⁴² If the confiscated goods are found to be in violation of the holder’s intellectual property rights, the Regulation provides that the customs authorities may “destroy [the] goods . . . or dispose of them outside commercial channels.”¹⁴³ Additionally, article 9 requires the customs authorities to provide the rights holder with the names and addresses of the alleged infringers and the place of origin of the infringing goods.¹⁴⁴ These provisions are comparable to those set out in articles 16 through 22 of ACTA, which provide for similar remedies for infringement, seizure by customs authorities, and disclosure of information regarding the infringement to the rights holder.¹⁴⁵

138. *Id.*

139. ACTA, *supra* note 1, art. 11.

140. Council Regulation 1383/2003, 2003 O.J. (L 196) (EC).

141. *Id.*; *see also* ACTA, *supra* note 1, art. 16.

142. Council Regulation 1383/2003, *supra* note 140, art. 4.

143. *Id.* art. 17.

144. *Id.* art. 9.

145. ACTA, *supra* note 1, arts. 16-22.

D. What Is Missing in Current EU Law That Is Found in ACTA?

As previously laid out, current EU intellectual property law does mirror important principles of ACTA. These include process of civil enforcement, border measures, and damages. However, two significant subjects of ACTA appear to be missing from EU law: criminal enforcement and digital enforcement. EU legislation regarding intellectual property rights does not cover enforcement of criminal rights, letting individual Member States decide enforcement, and the European Union has only published its *intentions* to enact stronger enforcement of digital piracy.¹⁴⁶

VI. CONCLUSION

The signing of ACTA was first met with silence, but later, as the public became more aware of the Agreement, it was challenged by loud protest. People in the United States seemed to be completely unaware of the Agreement until the proposal of SOPA and PIPA by Congress.¹⁴⁷ However, ACTA's implementation in the United States is already sealed, despite peoples' misgivings with the Agreement, because President Obama has signed ACTA as an executive agreement.¹⁴⁸ Protestors in the European Union have somewhat more hope in their quest to defeat the Agreement because the European Court of Justice has agreed to review the Agreement to confirm its compatibility with current EU laws.¹⁴⁹ Parties to the Agreement have assured their countries that enacting ACTA will not require changes to their current intellectual property laws, but this promise does not seem to have appeased protestors.¹⁵⁰ Protestors are more upset with the secret meetings to draft the Agreement and are wary of the vague language coupled with the broad discretion for punishment given to countries.¹⁵¹

The Agreement itself covers a variety of principles for enforcing intellectual property rights, including civil enforcement, border measures, criminal enforcement, and digital enforcement.¹⁵² When actually comparing ACTA to current EU intellectual property law, the

146. See *Enforcement of Intellectual Property Rights*, EUROPA, http://europa.eu/legislation_summaries/fight_against_fraud/fight_against_counterfeiting/l26057a_en.htm (last updated May 17, 2011) (discussing the IP Directive).

147. See Kain, *supra* note 22.

148. *Id.*

149. ACTA, *Questions and Answers*, *supra* note 15.

150. See *supra* note 8 and accompanying text.

151. See *supra* Part IV.

152. ACTA, *supra* note 1.

Agreement does not look as different or as frightening as one would expect when comparing the civil enforcement and border measures. However, current EU legislation does not provide nearly the same details of enforcement for criminal measures or digital enforcement as ACTA does, the areas most worrisome to protestors. Only time will tell how the European Court of Justice and other signatories to the Agreement respond to the implementation of ACTA on a local level, but it seems that the drafters of ACTA may need to return to the table to improve the details of the Agreement, this time with transparent actions.

VII. ADDENDUM

On July 4, 2012, the European Parliament voted on ACTA: a 478-member majority voted against the Agreement, with only 39 voting in favor.¹⁵³ Members of the European Parliament were overwhelmingly against the Agreement, including member David Martin who proclaimed: “[N]o long period of recuperation is going to save ACTA. . . . It’s time to give it its last rites.”¹⁵⁴ The biggest fear of ACTA continued to be the fear of governments and service providers having access to individuals’ accounts, including the ability to shut down an account.¹⁵⁵ However, supporters of ACTA continue to underline the importance of the Agreement for intellectual property rights holders, particularly copyright holders, in strengthening those rights on an international level.¹⁵⁶ A statement released by the European Union’s “creative industries,” representing 130 trade federations stated:

The decision on ACTA is a missed opportunity for the EU to protect its creative and innovation-based industries in the international market place. . . . Intellectual property rights remain the engine for Europe’s global competitiveness and a driver of economic growth and jobs. In the current economic climate, it is particularly crucial to protect these beyond the EU itself.¹⁵⁷

There is still hope, however, for supporters of ACTA as EU Trade Commissioner Karel De Gucht promised to continue to push to have the Agreement heard before the European Court of Justice.¹⁵⁸ No matter how

153. *ACTA: Controversial Anti-Piracy Agreement Rejected by EU*, BBC NEWS, <http://www.bbc.co.uk/news/technology-18704192> (last updated July 4, 2012, 10:12 PM).

154. Don Melvin, *EU Parliament Rejects ACTA Anti-Piracy Treaty*, NBC NEWS (July 4, 2012, 3:55 PM), http://www.msnbc.msn.com/id/48073670/ns/technology_and_science-security/#.UARCT3Aq4Rp (internal quotation marks omitted).

155. *Id.*

156. *Id.*

157. *Id.* (internal quotation marks omitted).

158. *Id.*

the Court rules, though, it seems that the strength of ACTA is wavering as a significant number of the Agreement's creators are quickly and dramatically backing away from it.