The Parliament of the Commonwealth of Australia Joint Standing Committee on Treaties

Report 126

Treaty tabled on 21 November 2011

Anti-Counterfeiting Trade Agreement (Tokyo on 1 October 2011)

June 2012 Canberra © Commonwealth of Australia 2012

ISBN 978-0-642-79747-6 (Printed version)

ISBN 978-0-642-79748-3 (HTML version)

This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia License.



The details of this licence are available on the Creative Commons website: http://creativecommons.org/licenses/by-nc-nd/3.0/au/.

Contents

Ме	embership of the Committee	vi	
Re	esolution of Appointment	viii	
Lis	st of recommendations	ix	
1	Introduction		
	Purpose of the report	1	
	Conduct of the Committee's review	2	
2	The Anti-Counterfeiting Trade Agreement in context		
	Introduction	3	
	Reasons for Australia to take the proposed treaty action	5	
	Obligations	6	
	Implementation	6	
	Trade-Related Aspects of Intellectual Property Rights	7	
	Context for the negotiation of TRIPS	7	
3	The National Interest Analysis		
	Introduction	9	
	Evidence of the problem	9	
	Exporting domestic standards	11	
	Evidentiary issues – Committee view	12	
	Legislative change	13	
	Operational circumstances	15	
	The ACTA Committee		

Legislative change – Committee view	17

4 Clarity of terms

Introduction	
Concerns over the term 'intellectual property'	
Concerns over the term 'piracy'	21
Concerns over the definition of 'commercial scale'	
Department of Foreign Affairs and Trade response	
Conclusion	23

5 Copyright

Background	25
Proportionality of criminal offences	26
TRIPS protections for individual rights	29
Aiding and abetting	31
Commercial scale	33
Civil penalties and compensation	35
Lack of definitions of fundamental principles	36
Definition of piracy	36
Definition of counterfeiting	36
Lack of flexibility in specific provisions	37
No statement of TRIPS protections for alleged infringers	37

6 Intellectual Property

Introduction	
Patents	40
Criminal measures	

7 The negotiation process and consultation

Introduction	45
The tension between confidentiality and democratic principle	45
Observations and criticisms	46
Secrecy	46
ACTA as part of a 'club'	49

iv

	Nature of the ACTA treaty itself and its negotiations	50
	Department of Foreign Affairs and Trade response	50
	Support for the consultation process	. 52
	Conclusion	53
	Secrecy in negotiation	54
8	Conclusion Current status of ACTA	. 57
	Final comments	. 60
Арр	pendix A – Submissions	63
Арр	oendix B – Witnesses	65

Mem	pership of the Co	ommittee
Chair	Mr Kelvin Thomson MP	
Deputy Chair	Senator Simon Birmingham	
Members	Ms Sharon Bird MP (<i>until 14/3/12</i>)	Senator David Fawcett
	Mr Jamie Briggs MP	Senator Scott Ludlam
	Mr Laurie Ferguson MP (from 14/3/12)	Senator the Hon Lisa Singh
	Mr John Forrest MP	Senator Matthew Thistlethw
	Ms Sharon Grierson MP	Senator Anne Urquhart
	Mr Harry Jenkins MP (from 7/2/12)	Senator Dean Smith (from 9/5/12)
	Ms Kirsten Livermore MP	
	Ms Melissa Parke MP	
	Ms Michelle Rowland MP (<i>until 7/2/12</i>)	

Committee Secretariat

Secretary	James Catchpole	
	David Monk (from 26/3/12 – until 11/5/12)	
Inquiry Secretary	Kevin Bodel	
Senior Researcher	Dr Andrew Gaczol	
Administrative Officers	Heidi Luschtinetz	
	Michaela Whyte	

Resolution of Appointment

The Resolution of Appointment of the Joint Standing Committee on Treaties allows it to inquire into and report on:

- a) matters arising from treaties and related National Interest Analyses and proposed treaty actions and related Explanatory Statements presented or deemed to be presented to the Parliament;
- b) any question relating to a treaty or other international instrument, whether or not negotiated to completion, referred to the committee by:
 - (i) either House of the Parliament, or
 - (ii) a Minister; and
- c) such other matters as may be referred to the committee by the Minister for Foreign Affairs and on such conditions as the Minister may prescribe.

List of recommendations

3 The National Interest Analysis

Recommendation 1

That National Interest Analyses of treaties clearly intended to have an economic impact include an assessment of the economic benefits and costs of the treaty, or, if no assessment of the economic benefit of a treaty has been undertaken, a statement to that effect, along with an explanation as to why it was not necessary or unable to be undertaken.

Recommendation 2

That the Australian Government commissions an independent and transparent assessment of the economic and social benefits and costs of the *Anti-Counterfeiting Trade Agreement*.

5 Copyright

Recommendation 3

That, in circumstances where a treaty includes the introduction of new criminal penalties, the treaty's National Interest Analysis justify the proposed new penalties.

Recommendation 4

That the Australian Government publishes the individual protections that will be read into the *Anti-Counterfeiting Trade Agreement* (ACTA) from the *Trade-Related Aspects of Intellectual Property Rights Agreement* and how the protections will apply in relation to the enforcement provisions contained in ACTA. That the Australian Government clarify and publish the meaning of "aiding and abetting" as it applies to the *Anti-Counterfeiting Trade Agreement*.

Recommendation 6

That the Australian Government clarify and publish the meaning of "commercial scale" as it applies to the *Anti-Counterfeiting Trade Agreement*.

6 Intellectual Property

Recommendation 7

In the event that the Australian Government ratifies the *Anti-Counterfeiting Trade Agreement* (ACTA), the Government prepares legislation to:

• Exclude patents from the application of the civil enforcement and border measures parts of ACTA;

Ensure that products produced in Australia as a result of the invalidation of a patent or part of a patent in Australia are not subject to the counterfeiting prohibition in ACTA; and

Ensure that the expression 'counterfeit' in ACTA is not applied to generic medicines entered or eligible for entry on the Australian Register of Therapeutic Goods.

8 Conclusion

Recommendation 8

That the *Anti-Counterfeiting Trade Agreement* not be ratified by Australia until the:

■ Joint Standing Committee on Treaties has received and considered the independent and transparent assessment of the economic and social benefits and costs of the Agreement referred to in Recommendation 2;

 Australian Law Reform Commission has reported on its Inquiry into Copyright and the Digital Economy; and the

• Australian Government has issued notices of clarification in relation to the terms of the Agreement as recommended in the other recommendations of this report.

Recommendation 9

In considering its recommendation on whether or not to ratify the *Anti-Counterfeiting Trade Agreement* (ACTA), a future Joint Standing Committee on Treaties have regard to events related to ACTA in other relevant jurisdictions including the European Union and the United States of America.