

AN OVERVIEW AND THE EVOLUTION OF THE ANTI-COUNTERFEITING TRADE AGREEMENT

*Margot E. Kaminski**

TABLE OF CONTENTS

TABLE OF CONTENTS	385
I. INTRODUCTION.....	386
II. ACTA’S HISTORY AND BACKGROUND	388
III. HOW ACTA CHANGES INTERNATIONAL LAW	391
A. Preamble	392
B. Definitions.....	395
C. Civil Enforcement	397
D. Border Measures.....	401
E. Criminal Enforcement	407
F. Enforcement of Intellectual Property Rights in the Digital Environment.....	410
G. Enforcement Practices.....	415
H. International Cooperation.....	416
I. Institutional Arrangements.....	417
J. Final Provisions.....	418
IV. ACTA’S EVOLUTION	418
A. Ways in which the December 3rd Draft Expands on the April Draft.....	420
1. Scope of Rights Covered.....	420
2. Definitions.....	421
(a) De Minimis	421
(b) Counterfeit and Pirated Goods.....	421

* J.D. from Yale Law School. Law clerk to the Honorable Andrew J. Kleinfeld, United States Court of Appeals, Ninth Circuit. The views expressed herein are solely those of the author. I would like to thank Annemarie Bridy, Sean Flynn, Gwen Hinze, and other members of American University Washington College of Law’s Public Interest Analysis of the International Intellectual Property Enforcement Agenda Workshop, along with the Yale Information Society Project (ISP).

2. Choosing “Shall” over “May”	422
3. Other Maximizing Changes	423
(a) Civil Enforcement.....	423
(b) Border Measures.....	423
(c) Criminal Enforcement	424
(d) Inforcement in the Digital Environment	426
(e) Enforcement Practices.....	427
(f) Institutional Arrangements	428
(g) Final Provision.....	429
B. Contextualizing Vague Language	430
1. Liability of Government Officials	430
2. Injunctions and Preliminary Measures	431
3. Ex Officio in Border Measures.....	432
4. Relationships between right holders and other businesses	432
5. Circumvention of technological measures	433
6. Domestic coordination and enforcement	433
7. Sharing information.....	433
8. Capacity building	434
9. Dispute Resolution.....	435
C. What Was Cut from the December Draft and Will Come Up in the Future	435
1. What May Be Mandatory instead of Permissive in Future Agreements.....	436
2. Criminal Enforcement	436
3. Notice and Takedown.....	438
4. Other	441
V. CONCLUSION.....	443

I. INTRODUCTION

The Anti-Counterfeiting Trade Agreement (ACTA), a plurilateral intellectual property agreement developed outside of the World Intellectual Property Organization (WIPO) and the World Trade Organization (WTO), represents an attempt to introduce maximalist intellectual property standards in the international sphere, outside of existing institutional checks and balances.¹ ACTA is primarily a copyright treaty, masquerading

¹ Office of the U.S. Trade Rep., *Anti-Counterfeiting Trade Agreement (ACTA)*, USTR.GOV <http://www.ustr.gov/acta> (last visited May 28, 2011).

as a treaty that addresses dangerous medicines and defective imports. The latest ACTA draft, which is the final text available to the public before the signed text is released,² contains significant shifts away from earlier draft language towards more moderate language,³ although it poses the same institutional problems and many of the same substantive problems as the agreement's earlier incarnations. ACTA will be the new international standard for intellectual property enforcement, and will likely cause legislative changes in countries around the world.

This paper compares the December 3, 2010 Text⁴ of the Anti-Counterfeiting Trade Agreement (ACTA) to existing international intellectual property law and to a prior draft of ACTA. This paper (1) outlines the scope of ACTA as it is likely to be signed, and (2) preserves the evolution of ACTA's language for predictive purposes, to better understand the probable parameters of future plurilateral agreements, such as the Trans-Pacific Partnership (TPP) between the United States and other countries, including Australia, Brunei, Chile, Malaysia, New Zealand, and Peru.⁵

ACTA's most significant points of departure from existing international intellectual property law include: (1) expansive coverage of multiple kinds of IP and changes to the international definitions used in the WTO Agreement on Trade Related Aspects of Intellectual Property Law (TRIPS Agreement);⁶ (2) the

² Kenneth Corbin, *Final ACTA Draft Spares Groups' Worst Fears*, INTERNET.COM (Oct. 11, 2010), www.internetnews.com/government/article.php/3907641/Final-Acta-Draft-Spares-Groups-Worst-Fears.htm (last visited Mar. 30, 2011).

³ Kenneth Corbin, *Diluted ACTA IP Accord Offers Consolation to Digital-Rights Groups*, INTERNET.COM (Oct. 8, 2010), <http://itmanagement.earthweb.com/secu/article.php/3907561/Diluted-ACTA-IP-Accord-Offers-Consolation-to-Digital-Rights-Groups.htm> (last visited May 28, 2011).

⁴ Anti-Counterfeiting Trade Agreement, Dec. 3, 2010, *available at* http://www.ustr.gov/webfm_send/2417 [hereinafter ACTA- Dec. 3, 2010].

⁵ See Office of the U.S. Trade Rep., *TPP Outreach and Updates*, USTR.GOV (June 2010), www.ustr.gov/trade-agreements/free-trade-agreements/trans-pacific-partnership/tpp-outreach-and-updates (last visited May 28, 2011) (listing USTR outreach events and updates throughout the 50 states.) (listing USTR outreach events and updates throughout the 50 states).

⁶ Nirmalya Syam, *IP Enforcement through Anti-Counterfeit Laws: The ACTA Negotiations and Their Implications*, SOUTH CENTRE.ORG, http://www.southcentre.org/index.php?option=com_content&view=article&id=1355:sb49&catid=144:south-bulletin-individual-articles&Itemid=287%E3%80%88=e (last visited May 28, 2011).

expansion of what constitutes criminal copyright violations;⁷ (3) more stringent border measures;⁸ (4) mandating closer cooperation between governments and right holders, threatening privacy and co-opting government resources for private-sector benefit;⁹ and (5) the creation of a new international institution (an ACTA “Committee”) to address IP enforcement.¹⁰ These changes indicate a push for standardization around a rights regime that may not be appropriate for all countries, endangering existing institutional processes and legitimacy.

This paper begins by briefly covering the history of ACTA. It then outlines the scope of the most recent draft, comparing it to existing international intellectual property law. It looks at the scope of definitions and coverage of different rights; civil enforcement, including the language on digital enforcement; criminal enforcement; border measures; international cooperation; and institutional arrangements.

The final section then turns to how the language of ACTA has developed. Comparing the current language in ACTA to the language of its previous officially released incarnation in April, 2010 shows the interests that are likely to be raised again in future plurilateral agreements such as the Trans-Pacific Partnership (TPP). Comparisons with the April draft also lend clarity and perspective to the final draft’s vaguer language.

II. ACTA’S HISTORY AND BACKGROUND

This section briefly covers the history of ACTA to provide context for examining its language.

ACTA arose out of countries’ frustrations with negotiating intellectual property agreements in existing international forums such as the World Trade Organization (WTO) and the World Intellectual Property Organization (WIPO).¹¹ International intellectual property law, insofar as it existed, was initially covered by WIPO, a specialized agency of the United Nations.¹²

⁷ *Id.*

⁸ See discussion *infra* Part III.D.

⁹ See discussion *infra* Part III.H.

¹⁰ See discussion *infra* Part III.I.

¹¹ See Margot Kaminski, *Recent Development: The Origins and Potential Impact of the Anti-Counterfeiting Trade Agreement (ACTA)*, 34 YALE J. INT’L L. 247 (2009) (discussing how developing countries have protested the expanding scope of IP enforcement).

¹² See *id.* at 248 (noting that the forum of the first international intellectual property treaty, the Paris Convention in 1883, was the WIPO).

Countries with maximalist IP agendas pushed to transfer IP from WIPO to the WTO with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) in 1994,¹³ but became frustrated with the WTO in recent years and began negotiating bilateral agreements outside of the WTO with stronger IP provisions.¹⁴ The international shift of IP law from WIPO to the WTO represented regime shifting by more powerful countries;¹⁵ the shift from the WTO to ACTA, which forms its own international institution in the “ACTA Committee,” evidences the same politics at play.¹⁶

ACTA first arose as a concept in 2005.¹⁷ Japan announced a proposal for an anti-counterfeiting agreement in late 2005,¹⁸ and the United States proposed a similar agreement in late 2006.¹⁹ In October 2007, the U.S. and Japan announced a more formal joint treaty, joined by Switzerland and the European Community.²⁰ “Nine additional countries participated in informal discussions in the following months, and official negotiations were held in 2008 over the course of meetings in June, July, and October.”²¹ The final list of countries negotiating

¹³ See Laurence R. Helfer, *Regime Shifting: The TRIPs Agreement and New Dynamics of International Intellectual Property Lawmaking*, 29 YALE J. INT'L L. 1, 20–23 (2004) (explaining how the United States and the European Convention (EC) achieved their goal of “incorporating internationally enforceable intellectual property norms” through the WTO and TRIPs).

¹⁴ See Peter Drahos, *BITs and BIPs: Bilateralism in Intellectual Property*, 4 J. WORLD INTELL. PROP. 791, 792–807 (2001) (describing the bilateral agreements negotiated by the European Community and the United States with developing country governments as “TRIPs-plus”); see also Susan K. Sell, *The Global IP Upward Ratchet, Anti-Counterfeiting and Piracy Enforcement Efforts: The State of Play* (June 9, 2008) (unpublished manuscript), http://www.twinside.org.sg/title2/intellectual_property/development.research/SusanSellfinalversion.pdf.

¹⁵ Helfer, *supra* note 13, at 7.

¹⁶ See Sell, *supra* note 14; but cf. Kimberlee Weatherall, *ACTA as a New Kind of International Law-Making*, PIJIP RESEARCH PAPER NO. 12, AM. UNIV. WASH. COLL. OF LAW (Sept. 1, 2010), available at <http://digitalcommons.wcl.american.edu/research/12/> (“We would be wrong, I think, to simply dismiss the ACTA as ‘yet more forum-shifting.’”).

¹⁷ Tove Iren S. Gerhardsen, *Japan Proposes New IP Enforcement Treaty*, IP-WATCH.ORG (Nov. 15, 2005, 2:18 PM), <http://www.ip-watch.org/webblog/2005/11/15/japan-proposes-new-ip-enforcement-treaty/> (last visited May 28, 2010) (discussing Japan’s initial proposal of TRIPs as a treaty to combat worldwide counterfeiting and piracy).

¹⁸ *Id.*

¹⁹ Kaminski, *supra* note 11, at 250.

²⁰ *Id.* at 251.

²¹ *Id.*, at 251.

ACTA includes: Australia, Austria, Belgium, Bulgaria, Canada, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, the Republic of Korea, Latvia, Lithuania, Luxembourg, Malta, Morocco, the Netherlands, New Zealand, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, the United Kingdom, the United Mexican States, the United States, and the European Union.²²

Notably, Argentina, Brazil, India, and China—countries who have vested interest in more flexible IP regimes²³—were not invited to participate in negotiations.²⁴

When TRIPS was first introduced, it was seen as an IP-maximalist agreement.²⁵ It set the first international standards for “copyright, trademarks, geographical indications, industrial designs, patents, integrated circuit designs, and trade secrets.”²⁶ TRIPS also included subject material in patent law that had not been internationally standardized, and granted copyright in computer programs, where prior to TRIPS, only twenty countries protected computer programs through copyright.²⁷

ACTA builds on the language of TRIPS outside of the context of any institutional checks-and-balances built into the WTO. ACTA was negotiated for the most part among IP-maximalist countries, with incentives to leave other parties out of the negotiations.²⁸ ACTA is part of an ongoing agenda advanced in bilateral free trade agreements outside of international institutions, pushing toward U.S. IP law, including notice-and-takedown provisions, criminalization measures against copyright infringement, and anti-circumvention provisions.²⁹ This agenda has been referred to by Susan K. Sell as the “TRIPS-Plus-Plus”

²² ACTA—Dec. 3, 2010, *supra* note 4, art. 39, n.17, at 25.

²³ Kaminski, *supra* note 11, at 250; *see also* Laurence Liang, *We've All Got Some Baggage: America's Newest Trade Agreement is Not Going to Kill Only iPods*, 7 TEHELKA MAGAZINE 45 (Nov. 2010), *available at* http://www.tehelka.com/story_main47.asp?filename=Ne131110We_ve_All.asp. (describing such countries as “principal targets of the U.S. and European enforcement concerns” throughout the past decade).

²⁴ Kaminski, *supra* note 11, at 250.

²⁵ DANIEL C.K. CHOW & EDWARD LEE, INTERNATIONAL INTELLECTUAL PROPERTY: PROBLEMS, CASES, AND MATERIALS 26 (2006).

²⁶ *Id.*

²⁷ PETER DRAHOS & JOHN BRAITHWAITE, INFORMATION FEUDALISM: WHO OWNS THE KNOWLEDGE ECONOMY? 10, 124, 133, 135 (New Press 2003) (2002).

²⁸ *See* Kaminski, *supra* note 11, at 249–50.

²⁹ *Id.* at 249.

regime.³⁰

The negotiating process for ACTA has been opaque. Despite the fact that negotiations began in 2008, the first available draft of ACTA, dated January 18, 2010, was not leaked until March of 2010.³¹ The first official draft of ACTA was not released by the United States until April, 2010.³² A third draft was leaked in July, 2010.³³ Another draft, dated August 25, 2010, was leaked in September of 2010,³⁴ and the final available draft was released on December 3, 2010,³⁵ after a nearly identical consolidated draft was released on October 2, 2010.³⁶ The December draft is the last that will be made available before the signed text of the agreement is released.³⁷

The latest draft of ACTA, as will be discussed at greater length below, is relatively less draconian than previous incarnations. It does, however, still make significant changes to international law.

III. HOW ACTA CHANGES INTERNATIONAL LAW

The United States has explicitly outlined its goals under the latest draft of ACTA: (1) “to enable authorities responsible for

³⁰ *Id.*; Sell, *supra* note 14.

³¹ See Kelly Fiveash, *Complete ACTA Text Leaked Online – At Last Floodgates Open on Secret Copyright Talks*, The Register (Mar. 25, 2010), http://www.theregister.co.uk/2010/03/25/full_acta_text_leaked/ (noting the first consolidated version of the ACTA draft was available on January 18, 2010).

³² ACTA Official Consolidated Text – April 21, 2010, http://trade.ec.europa.eu/doclib/docs/2010/april/tradoc_146029.pdf [hereinafter ACTA Draft – April 2010]; see also OFFICE OF THE U.S. TRADE REPRESENTATIVE, *The Office of the U.S. Trade Rep. Releases Statement of ACTA Negotiating Partners on Recent ACTA Negotiations* (April 2010), <http://www.ustr.gov/about-us/press-office/press-releases/2010/april/office-us-trade-representative-releases-statement-ac> (last visited May 28, 2011) (discussing the United States’ involvement in the April Release).

³³ ACTA July 2010 draft, *available at* publicintelligence.net/anti-counterfeiting-trade-agreement-acta-july-2010-draft/.

³⁴ ACTA August 2010 draft, *available at* <http://publicintelligence.net/anti-counterfeiting-trade-agreement-acta-august-2010-draft/>.

³⁵ ACTA– Dec. 3, 2010, *supra* note 4.

³⁶ Draft of October 2, 2010 [hereinafter ACTA Draft– Oct. 2010] www.ustr.gov/webfm_send/2338.

³⁷ See OFFICE OF THE U.S. TRADE REPRESENTATIVE, *Anti-Counterfeiting Trade Agreement (ACTA)*, <http://www.ustr.gov/acta> (explaining that the December draft is “the finalized text of the agreement” and “[f]ollowing legal verification of the drafting, the proposed agreement will then be ready to be submitted to the participants’ respective authorities to undertake relevant domestic processes.”) (last visited May 28, 2011).

enforcing criminal laws to act on their own initiative (‘ex officio’);” (2) to expose “[c]ompanies that benefit from using pirated products, such as . . . software products, . . . to criminal penalties;” (3) to create “new obligations on [the] criminal seizure and destruction of [infringing] goods;” (4) to criminalize “circumvention of digital security technologies;” (5) “to address . . . piracy on digital networks;” and (6) in the arena of civil enforcement, to create “damages, provisional measures, recovery of costs and attorneys’ fees, and destruction of infringing goods.”³⁸ The December 3 draft accomplishes these desired changes.

On a practical level, ACTA expands international law on civil enforcement, digital enforcement, border measures, and criminal enforcement of IP law.³⁹ On a thematic level, ACTA evinces the trend towards increased international cooperation over increased enforcement of all intellectual property rights, harnessing government resources to enforce rights held by private companies instead of letting those companies protect rights through civil lawsuits.⁴⁰ It is particularly perplexing that during a time of recession, the U.S. government has been so eager to create, and encourage other countries to create, costly mechanisms for the enforcement of what are essentially privately held rights. Some of these means of enforcement, such as restrictions on technological circumvention, squelch innovation.⁴¹ Many create civil liberties concerns for large portions of countries’ populations.⁴²

This section goes through the text of the December 3, 2010 draft of ACTA section by section to outline how the final agreement differs from existing international law.

A. Preamble

The preamble to ACTA provides a backdrop against which the

³⁸ Thiru, *ACTA:USTR’s Talking Points to WTO Council for TRIPS*, KNOWLEDGE ECOLOGY INT’L (Nov. 4, 2010, 6:17), <http://keionline.org/node/1008> [hereinafter *USTR’s Talking Points*].

³⁹ *Id.*

⁴⁰ *See generally id.* (discussing ACTA’s result in an international cooperative effort to combat piracy and apply criminal sanctions for violations of Intellectual Property Rights).

⁴¹ Press Release, Elec. Frontier Found., EFF Marks 10th Anniversary of DMCA with Report on Law’s Unintended Consequences (Oct. 27, 2008), <http://www.eff.org/press/archives/2008/10/27> (last visited May 28, 2011).

⁴² *Id.*

agreement will likely be read. It also indicates common themes that will likely arise again in the negotiations of future international IP agreements.

First, the preamble evidences a disproportionately skewed conception of the risk to public safety posed by counterfeit and pirated goods, observing that “in some cases” such goods provide “a source of revenue for organized crime and otherwise pose[] risks to the public.”⁴³ While some physical counterfeit goods have been linked to the financial side of organized crime,⁴⁴ there has been no connection shown between organized crime and online IP infringement, referred to in ACTA as “piracy.” Second, the preamble twice emphasizes international cooperation, through “more effective international enforcement” and “within relevant international organizations.”⁴⁵ This emphasizes both that ACTA is an enforcement agreement and that the ACTA Committee is envisioned as part of a broader framework of international cooperation and structure. Third, the preamble includes language from previous drafts now cut from the body of the agreement, concerning “cooperation between service providers and right holders to address relevant infringements in the digital environment.”⁴⁶ This language refers to public or private ordering graduated response—arrangements between service providers and right holders, either required by law or encouraged by policy, that provide right holders with information about user identities and behavior, and require service providers to terminate the accounts of suspected infringers.⁴⁷ Fourth, the preamble links intellectual property protection to “sustaining economic growth across all industries and globally,” ignoring arguments that maximalist IP policy is not to the benefit of developing countries.⁴⁸

The preamble does contain instances of balancing language, aspiring to address infringement “in a manner that balances the rights and interests of . . . right holders, service providers, and users,” and desiring to ensure that procedures to enforce IP

⁴³ ACTA— Dec. 3, 2010, *supra* note 4, at Preamble.

⁴⁴ Charles McManis, *The Proposed Anti-Counterfeiting Trade Agreement (ACTA): Two Tales of a Treaty*, 46 *Houston L. Rev.* 1235, 1239 (2009).

⁴⁵ *Id.*

⁴⁶ *Id.*

⁴⁷ See Annemarie Bridy, *ACTA and the Specter of Graduated Response*, PIJIP RESEARCH PAPER NO. 2, AM. U. WASH. C. OF LAW (Sept. 1, 2010), available at <http://digitalcommons.wcl.american.edu/research/2>.

⁴⁸ ACTA— Dec. 3, 2010, *supra* note 4, at Preamble.

rights “do not themselves become barriers to legitimate trade.”⁴⁹ ACTA recognizes the Doha Declaration on the TRIPS Agreement and Public Health.⁵⁰ ACTA also does not require parties to protect IP that is not domestically recognized as IP.⁵¹

ACTA, however, notably lacks introductory language concerning fair use or “limitations and exceptions” which appears throughout international copyright law, from WIPO agreements to TRIPS, permitting countries to adopt limitations and exceptions to exclusive intellectual property rights.⁵² ACTA provides that a signatory party may implement more extensive enforcement of IP rights than required,⁵³ but nowhere allows a party to implement less enforcement. Nor does it explicitly outline the traditional international language on limitations and exceptions present in TRIPS,⁵⁴ in the WIPO Copyright Treaty,⁵⁵ and in the Berne Convention.⁵⁶ The only time ACTA mentions limitations or exceptions is in its discussion of technological circumvention measures, stating that “appropriate” limitations or exceptions may be maintained or adopted by parties in

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ *Id.* art. 3(2) at 2.

⁵² See Berne Convention for the Protection of Literary and Artistic Works, art. 9, Sept. 28, 1979, WIPO, available at <http://www.wipo.int/treaties/en/ip/berne/> (adopted 1886, last amended 1979) (providing that countries may permit for exceptions to the reproduction right “in certain special cases, provided that such reproduction does not conflict with a normal exploitation of the work and does not unreasonably prejudice the legitimate interests of the author”); WIPO Copyright Treaty art. 10, Dec. 20, 1996, WTO, available at <http://www.wipo.int/treaties/en/ip/wct/> (“Parties may, in their national legislation, provide for limitations of or exceptions to the rights granted to authors . . . under this Treaty in certain special cases that do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the author.”); Agreement on Trade-Related Aspects of Intellectual Property Rights art. 13, Apr. 15, 1994, WTO (“Members shall confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.”) [hereinafter TRIPS].

⁵³ ACTA – Dec. 3, 2010, *supra* note 4, art. 2, at 2.

⁵⁴ TRIPS, *supra* note 52, art. 13, at 325.

⁵⁵ WIPO Copyright Treaty, *supra* note 52, art. 10; *see id.* at n.10 (applying and even extending limitations and exceptions by “permit[ing] Contracting Parties to carry forward and appropriately extend into the digital environment limitations and exceptions in their national laws” and allowing these Parties to “devise new exceptions and limitations that are appropriate in the digital network environment.”).

⁵⁶ Berne Convention for the Protection of Literary and Artistic Works, *supra* note 52, art. 9.

providing for remedies for the circumvention of technological measures.⁵⁷ However, the inclusion of language on limitations or exceptions in this one spot only suggests by exclusion that they may not apply to the rest of the agreement.

ACTA does not, in its final draft, contain language stating that it is subject to other international agreements, explaining instead that it does not “derogate from any obligation of a Party . . . under existing agreements, including the TRIPS Agreement.”⁵⁸ This doesn’t envision the transfer of exceptions to obligations from other agreements, only of the obligations themselves.

ACTA does contain a privacy provision potentially restricting the scope of enforcement cooperation. Article 4 allows parties to opt out of disclosing information that would be contrary to laws “protecting privacy rights.”⁵⁹ The privacy provision also prevents receivers of information “from disclosing or using the information for a purpose other than that for which the information was [requested], except with the prior consent of the” information giver.⁶⁰ Without an enforcement or auditing mechanism, however, it is unclear how countries could ensure that recipients of information would adhere to this requirement in practice. Strangely, Article 4 additionally protects confidential law enforcement information and evidently trade secrets, neither of which are usual elements of Fair Information Practices (FIPs) on privacy protection benefiting the general public.⁶¹

B. Definitions

ACTA alters the definitions used in TRIPS, expanding the scope of enforcement coverage.

In TRIPS, “counterfeit trademark goods” and “pirated copyright goods” were defined as infringing “under the law of the

⁵⁷ ACTA – Dec. 3, 2010, *supra* note 4, art. 27 (8), at 16–17.

⁵⁸ *Id.* art. 1, at 2.

⁵⁹ *Id.* art. 4(1)(a), at 2.

⁶⁰ *Id.* art. 4(2), at 2–3.

⁶¹ *Id.* art. 4(1)(b)–(c) at 2–3; see Paul M. Schwartz, *Preemption and Privacy*, 118 YALE L.J. 902, 908 (2009) (outlining the common elements of FIPs enacted in Western Europe in the 1970s which include limits on information use, data collection, and the disclosure of personal information. FIPs also require that only accurate, relevant, and up-to-date information be collected and that the individual be given notice, access, and correction rights along with the creation of processing systems that the concerned individual can understand, along with security for personal data).

country of importation.”⁶² In ACTA, “counterfeit trademark goods” and “pirated copyright goods” are defined as infringing “under the law of the country in which the procedures . . . are invoked.”⁶³ ACTA’s definition allows countries through which shipped goods pass, but never enter, to seize goods that would be infringing under their laws, even if the goods are not infringing under the laws of the countries of import or export. This process, known as “transshipment,”⁶⁴ traps goods from countries with less stringent IP laws as they pass through countries with more stringent IP laws, effectively maximizing IP standards for all internationally transported goods. This gives rise to “Dutch Seizure” cases, where goods are seized en route despite their legal status.⁶⁵

ACTA’s definition of “territory” is another example of definitional overreach. ACTA defines “territory” as including not just customs territory, but “free zones”, or parts of the territory “generally regarded . . . as being outside the customs territory.”⁶⁶ In an international agreement about border measures, it is strange to define a major term—“territory”—more expansively than it is conventionally used.

The definition of “intellectual property” itself is broad. ACTA defines “intellectual property” as including all categories of intellectual property from Sections 1 through 7 of Part II of TRIPS.⁶⁷ This definition by reference includes the full spectrum of IP rights: copyrights, trademarks, geographical indications, industrial designs, patents, the layout designs of integrated circuits, and “undisclosed information,” *i.e.* trade secrets.⁶⁸ This broad term is used throughout the agreement, in provisions on both civil enforcement and border measures.⁶⁹ ACTA does exclude patents and trade secrets from its border measures section.⁷⁰ TRIPS, by contrast, mandated border measures only for counterfeit trademark and pirated goods, and contained

⁶² TRIPS, *supra* note 52, art. 51, n.14, at 342.

⁶³ ACTA – Dec. 3, 2010, *supra* note 4, art. 5(d),(k), at 3–4.

⁶⁴ *Id.* art. 5(n), at 3–4.

⁶⁵ Sean Flynn, *Preliminary Analysis of the ACTA Text*, PIJIP, AM. UNIV. WASH. COLL. OF LAW (April 21, 2010, 12:33 PM), <http://www.wcl.american.edu/pijip/go/flynn04202010>.

⁶⁶ ACTA – Dec. 3, 2010, *supra* note 4, art. 5, n.1, at 4.

⁶⁷ *Id.* art. 5(h), at 3–4.

⁶⁸ TRIPS, *supra* note 52, §§ 1–8, at 324–37.

⁶⁹ ACTA – Dec. 3, 2010, *supra* note 4, art. 6–22, at 5–12.

⁷⁰ *Id.* art. 13, n.6, at 9.

permissive language for all other offenses.⁷¹ ACTA's default coverage of civil enforcement also includes patents, although countries are permitted to exclude patents from civil enforcement.⁷²

In its definitions, ACTA expands the scope of who may bring suits and whom they may bring suits against.⁷³ ACTA defines "person" as meaning "a natural person or a legal person."⁷⁴ This definition may heighten liability for companies challenged as direct infringers, such as search engines or peer-to-peer services. Instead of going after companies for vicarious infringement, rights holders may be able to go after them for direct infringement. And for the purposes of ACTA, "rights holders" are not just the individuals who have created the infringed product; under ACTA, "right holder[s]" also include "a federation or an association having the legal standing to assert rights in intellectual property."⁷⁵

C. Civil Enforcement

ACTA's section on civil enforcement makes significant changes to international law. ACTA allows suspect goods to be seized, and allows civilly infringing goods to be destroyed.⁷⁶ It expands injunctive relief and provisional measures before trial.⁷⁷ At trial, ACTA attempts to change the calculation of damages, establishes statutory damages for copyright and trademark, and mandates attorney's fees.⁷⁸ In the area of privacy, ACTA provides information to the right holder and requires that judges be able to employ provisional measures against third parties such as Internet Service Providers (ISPs),⁷⁹ encouraging them to gather information about users.

The civil enforcement provision covers all IP rights, including patents.⁸⁰ Parties can choose to exclude patents, but this is not

⁷¹ TRIPS, *supra* note 52, art. 51, at 342–43 ("Members may [lodge] an application to be made in respect of goods which involve other infringements of intellectual property rights.").

⁷² ACTA – Dec. 3, 2010, *supra* note 4, art. 7, n.2, at 5.

⁷³ *Id.* art. 5, at 3–4.

⁷⁴ *Id.* art. 5(j), at 4.

⁷⁵ *Id.* art. 5 (l), at 3–4.

⁷⁶ *Id.* art. 10 (1)–(2), art.12(3), at 7–8.

⁷⁷ *Id.* art. 8, 12, at 6, 8.

⁷⁸ ACTA – Dec. 3, 2010, *supra* note 4, art. 9, at 6–7.

⁷⁹ *Id.* art. 11, at 7–8.

⁸⁰ *Id.* § 2, art. 7, n.2 at 5.

the default reading of the section.⁸¹

Under ACTA, authorities can seize ‘suspected infringing goods’ in civil judicial proceedings concerning at least copyright and trademark infringement.⁸² ACTA does import requirements regarding seizure from the TRIPS section on border measures, requiring a “security or equivalent assurance,”⁸³ and also requires the applicant to compensate defendant for any injury caused by seizure, preserving evidence, and other actions.⁸⁴ Under ACTA, civilly infringing goods may be destroyed at the right holder’s request at all times “except in exceptional circumstances,”⁸⁵ where TRIPS does not mandate that judicial authorities be able to order the destruction of civilly infringing goods, providing alternatively for such goods to be “disposed of outside the channels of commerce,” instead of destroyed.⁸⁶ ACTA requires that parties give judicial authorities the authority to order the destruction of infringing goods, without compensation.⁸⁷ If patents are included in the scope of this section, this will mean that civilly infringing medicines will be destroyed instead of used. Notably, ACTA does not contain TRIPS’ requirement that “proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties. . . be taken into account” with regard to the disposal or destruction of seized goods.⁸⁸

Like TRIPS, ACTA requires that judges be able to order provisional measures to prevent an infringement from occurring, and to preserve relevant evidence.⁸⁹ ACTA specifies, however, that such provisional measures may be used “against . . . a third party” such as an ISP or OSP.⁹⁰ Provisional measures are not determined on the merits.⁹¹ ACTA provides that right holders may request “provisional measures *inaudita altera parte*”—without one party present to argue—and authorities must be

⁸¹ *Id.* (allowing for the choice of exclusion as an alternative to the statutory provision).

⁸² *Id.* art. 12(3), at 8.

⁸³ Compare *Id.* art. 12 (4), at 8–9 and TRIPS, *supra* note 52 art. 53, at 343 (“Security or Equivalent Assurance.”).

⁸⁴ ACTA – Dec. 3, 2010, *supra* note 4, art. 12(5), at 8–9.

⁸⁵ *Id.* art. 10, (1), at 7.

⁸⁶ TRIPS Agreement, *supra* note 52, art. 46, at 340.

⁸⁷ ACTA – Dec. 3, 2010, *supra* note 4, art. 10(1), at 7.

⁸⁸ TRIPS Agreement, *supra* note 52, art. 46, at 340.

⁸⁹ Compare *id.*, with ACTA – Dec. 3, 2010, *supra* note 4, art. 12(1)(a), at 8.

⁹⁰ *Id.*

⁹¹ *Id.* art. 12(1)–(2), (4), at 8–9.

given the ability to act in response to such requests without undue delay.⁹² TRIPS contains a requirement that the other party to such proceedings be given notice;⁹³ ACTA contains no such requirement.

The scope of injunctive relief is expanded. ACTA provides for injunctions issued by judicial authorities against both directly infringing parties and third parties within that authority's jurisdiction, to prevent infringing goods from entering the channels of commerce.⁹⁴ TRIPS does not envision injunctions against third parties.⁹⁵ In U.S. law, at least, there appear to be significant limitations on the use of injunctions in IP cases.⁹⁶ These limitations are appropriate, as IP often intersects with expression, posing concerns over prior restraint.⁹⁷ ACTA additionally refers to such injunctions as "provisional measures," which was defined in the April draft of the agreement as being measures that occur prior to proceedings on the merits.⁹⁸ ACTA may envision injunctions prior to merit hearings.

ACTA also provides a damages remedy.⁹⁹ The calculation of damages in civil IP cases is controversial, given how hard it is to estimate the value of infringement.¹⁰⁰ ACTA encourages judges to consider "any legitimate measure of value the right holder submits, which may include lost profits, the value of the infringed goods or services measured by the market price, or the suggested retail price."¹⁰¹ In practice, the appropriateness of this measurement is debated.¹⁰² Estimates of lost profits in IP cases are notoriously inflatable,¹⁰³ one downloaded song is not

⁹² *Id.* art. 12(2), at 8.

⁹³ TRIPS Agreement, *supra* note 52, art. 50(4), at 341–42.

⁹⁴ ACTA – Dec. 3, 2010, *supra* note 4, art. 8(1), at 6.

⁹⁵ TRIPS Agreement, *supra* note 52, art. 44, at 339–40.

⁹⁶ *See, e.g.*, 17 U.S.C. § 512(j) (2011) (limiting the scope of injunctive relief to three specific forms).

⁹⁷ Andrew Beckerman–Rodau, *Prior Restraints and Intellectual Property: The Clash Between Intellectual Property and the First Amendment from an Economic Perspective*, 12 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1, 68–69 (2001).

⁹⁸ ACTA Draft – April 2010, *supra* note 32, art. 2.5(X), at 8.

⁹⁹ ACTA – Dec. 3, 2010, *supra* note 4, art. 9, at 6–7.

¹⁰⁰ Austl. Digital Alliance, *Anti-Counterfeiting Trade Agreement: Impact on Individuals and Intermediaries*, DIGITAL.ORG.AU (2010), <http://www.digital.org.au/submission/documents/20100519ADA-ACTAimpactonindividualsandintermediaries.pdf>.

¹⁰¹ ACTA – Dec. 3, 2010, *supra* note 4, art. 9(1), at 6.

¹⁰² Austl. Digital Alliance, *supra* note 100, at 1.

¹⁰³ *Id.*

equivalent to a lost sale of a CD, as many downloaders will not alternatively consider purchasing the product. Thus, right holders have every incentive to inflate the estimated loss. ACTA also imposes the presumption that infringers' profits are equivalent to the amount of damages suggested by the right holder, which often is not the case at all, as infringers don't sell infringing products for anywhere near the price of the right holder, and sometimes don't sell the products at all.¹⁰⁴

In a marked change from existing international law, ACTA establishes statutory damages for copyrights and trademark counterfeiting.¹⁰⁵ These "pre-established" damages are not required by TRIPS,¹⁰⁶ and don't exist in all countries party to the agreement; Australia, for example, does not require statutory damages for copyright infringement.¹⁰⁷ Statutory damages are an arguably unsound policy decision;¹⁰⁸ and can be grossly overvalued, from \$750-150,000 per work in the United States.¹⁰⁹ The text of ACTA might provide a loophole for countries like Australia; instead of establishing "pre-established damages," they may be able to establish "additional damages," though it is unclear what such damages would be if not pre-established.¹¹⁰ Where a country establishes statutory damages, ACTA requires that it must also ensure that the right holder can choose statutory damages instead of actual damages, leaving immense power in the hands of the right holder, in the absence of a provable case of actual damage to profits.¹¹¹

ACTA mandates attorney's fees in civil cases.¹¹² Attorney's fees are permitted but not mandated under TRIPS.¹¹³

Under ACTA, if a right holder requests destruction of the infringing goods, "judicial authorities have the authority to order

¹⁰⁴ ACTA – Dec. 3, 2010, *supra* note 4, art. 9(1)–(2), at 6; Austl. Digital Alliance, *supra* note 100, at 1.

¹⁰⁵ ACTA – Dec. 3, 2010, *supra* note 4, art. 9 (2)–(3), at 6–7.

¹⁰⁶ TRIPS Agreement, *supra* note 52, art. 45 (1)–(2), at 340.

¹⁰⁷ Austl. Digital Alliance, *supra* note 100, at 2.

¹⁰⁸ Pamela Samuelson & Tara Wheatland, *Statutory Damages in Copyright Law: A Remedy in need of Reform*, 51 WM. & MARY L. REV. 439, 446 (2009).

¹⁰⁹ 17 U.S.C. § 504(c) (1)–(2) (2010).

¹¹⁰ ACTA – Dec. 3, 2010, *supra* note 4, art. 9 (3), at 6–7.

¹¹¹ *Id.* art. 9(4), at 6–7.

¹¹² *Id.* art. 9(5), at 7 (requiring that each party give judicial authorities the ability to award attorney's fees in civil cases).

¹¹³ TRIPS, *supra* note 52, art. 48(1), at 341 ("The judicial authorities shall also have the authority to order the applicant to pay the defendant expenses, which *may* include appropriate attorney's fees.") (emphasis added).

... [those] goods be destroyed ... without compensation.”¹¹⁴ ACTA does not specify that this destruction occurs after conclusion of a trial.¹¹⁵ Destruction expenses can be forced on the infringer, thus imposing an additional penalty on them.¹¹⁶

Even in its latest draft, ACTA encourages the breach of privacy of Internet users for the benefit of right holders. ACTA gives judicial authorities the power on request of the right holder to order the infringer or alleged infringer “to provide ... relevant information” to the right holder or to the judicial authorities.¹¹⁷ This “relevant” information may include information regarding other persons involved in infringement, the means of production or distribution channel, and identification of third parties involved in producing or distributing the infringing goods.¹¹⁸ This language requires OSPs challenged for digital copyright infringement to turn over identifying information about infringers to the right holder and the court.

D. Border Measures

ACTA expands the scope of border measures by including all IP rights except for patents,¹¹⁹ lessening the allowance for de minimis importation of goods, and expanding to include transshipped goods. The border measures section also shifts what balance TRIPS maintained between the legitimate interests of right holders and the equally legitimate interests of importers of goods, and moves the power towards right holders, providing them additional protections and retracting protections for importers of accused goods.¹²⁰ It exhorts countries to protect right holders from being discouraged from using procedures to enforce IP rights, and expands cooperation between right holders

¹¹⁴ ACTA – Dec. 3, 2010, *supra* note 4, art. 10(1), at 7.

¹¹⁵ *Id.* art. 10(1), at 7 (providing that in civil judicial proceedings, judicial authorities shall have the authority to destroy infringing goods, but not specifying when this destruction can take place).

¹¹⁶ *Id.* art. 10(3), at 7.

¹¹⁷ *Id.* art. 11, at 7–8.

¹¹⁸ *Id.*

¹¹⁹ *Id.* art. 13, at 9& n.6.

¹²⁰ Compare TRIPS, *supra* note 52, art. 56, at 344 (providing for an indemnification provision that requires “the [right holder] to pay the importer ... appropriate compensation for any injury caused to them through the wrongful detention of goods”), with ACTA – Dec. 3, 2010, *supra* note 4, art. 17(4), at 11 (allowing a Party to provide that when an applicant has alleged infringement and thereby abused the procedures set forth, the authorities may “deny, suspend, or void an application”).

and border officials. ACTA allows authorities to seize and retain suspect goods on their own initiative,¹²¹ at a lower burden of proof than suggested by TRIPS.¹²² ACTA also reduces the recourses importers have once goods have been seized, and increases the possible penalties they might suffer.¹²³

The scope of ACTA's border measures section is broad, including trademarks and other IP. Currently, ACTA indicates in a footnote that patents and undisclosed information (trade secrets) shall be excluded from the scope of the Border Measures section.¹²⁴ However, all other intellectual property rights as defined in Sections I–VII of TRIPS are included.¹²⁵

ACTA provides a standard for de minimis importation of goods that departs from the TRIPS standard. ACTA, similar to TRIPS Article 60 on “*De Minimis Imports*,” provides that a “[p]arty may exclude from the application of this Section small quantities of goods of a non-commercial nature contained in travellers’ personal luggage.”¹²⁶ However, TRIPS specifically allows parties to exclude goods sent in small consignments,¹²⁷ while ACTA mandates that parties apply border measures to “goods of a commercial nature sent in small consignments.”¹²⁸ By emphasizing the commercial or non-commercial nature of the

¹²¹ ACTA – Dec. 3, 2010, *supra* note 4, art. 16(2)(a), at 10.

¹²² Compare TRIPS, *supra* note 6, art. 51–52, at 342–43 (outlining the many steps required by TRIPS before a seizure of goods can occur), *with* ACTA – Dec. 3, 2010, *supra* note 4, art. 16(2)(a), at 10 (explaining that authorities may decide to seize goods based on their own initiative).

¹²³ Compare TRIPS, *supra* note 51, art. 57, 59, at 344–45 (stating that importers can be given the same opportunity as right holders to inspect detained goods; and that defendants have the right to judicial review before goods may be destroyed or disposed of), *with* ACTA – Dec. 3, 2010, *supra* note 4, art. 19–20, at 11–12 (providing that parties shall adopt procedures to determine when seized goods are infringing, only within a “reasonable period,” and without specifically providing a right of judicial review in the remedies article); *see infra* text accompanying notes 172–177 (describing the criminal enforcement provisions in TRIPS and ACTA).

¹²⁴ ACTA – Dec. 3, 2010, *supra* note 4, art. 13, at 9 & n.6.

¹²⁵ *Id.* art. 13, at 9 (providing that the scope of the border measures will be “consistent with its domestic system of intellectual property rights protection and without prejudice to the requirements of the TRIPS Agreement”); *see* TRIPS, *supra* note 52, at 319 (listing in the table of contents that TRIPS covers: copyrights and related rights, trademarks, geographical indications, industrial designs, patents, layout–designs of integrated circuits, and protection of undisclosed information).

¹²⁶ ACTA – Dec. 3, 2010, *supra* note 4, art. 14(2), at 9; TRIPS, *supra* note 52, art. 60, at 345.

¹²⁷ TRIPS, *supra* note 52, art. 60, at 345.

¹²⁸ ACTA – Dec. 3, 2010, *supra* note 4, art. 14(1), at 9.

goods rather than the size of the shipment, ACTA requires parties to apply IP laws at the border to even small shipments, with the determination of whether they are commercial or non-commercial in nature to be left to the discretion of the border agent. ACTA does not explicitly allow parties to exclude non-commercial goods sent in small consignments, so it is questionable whether any goods may be shipped at all; the TRIPS *de minimis* provision is now limited by ACTA to personal luggage, either effectively or actually.

ACTA specifically envisions and allows for the seizure of in-transit (transshipped) goods, which pass through a country's customs control, even where the goods neither originated in, nor are they bound for, that country.¹²⁹ As mentioned, this policy gives rise to the seizure of goods that do not infringe in either the originating or importing country thereby (1) maximizing IP internationally to the standard of the IP maximalist countries through which goods are shipped, and (2) challenging the sovereignty of the shipping countries, whose citizens risk confiscation of their goods by third-party countries. As with import and export shipments, under ACTA, right holders can request the seizure of such goods, and officials can act on their own initiative to seize them.¹³⁰ And as with imported and exported shipments, customs officials need not have evidence arising to a *prima facie* case of infringement; they need only "suspect" the goods of infringement.¹³¹

Throughout the Border Measures section, ACTA repeats that any balancing measures providing for compensation for owners of seized goods must "not unreasonably deter recourse" by right holders to procedures for the seizure of goods.¹³² ACTA allows for the destruction of goods seized at the border after a non-judicial determination, potentially by border authorities, that the goods are infringing.¹³³ TRIPS allows for destruction *or* disposal of

¹²⁹ *Id.* art. 16(2), at 10.

¹³⁰ *Id.* art. 16(1)–(2), at 10.

¹³¹ The ACTA requires a right holder, who requests the seizure of goods under subparagraphs 1(b) and 2(b) of Article 16, to provide adequate evidence to satisfy the competent authorities of a *prima facie* case of infringement of the right holder's intellectual property; but this is not required of the authorities themselves. *Id.* art. 16, 17(1), at 10.

¹³² *Id.* art. 17(1), 18, 21, at 10–12.

¹³³ *Id.* art. 19, 20(1), at 11. ACTA also provides that "where such [infringing] goods are not destroyed, each Party shall ensure that, except in exceptional circumstances, such goods are disposed of outside the channels of commerce in

such goods.¹³⁴

ACTA expands cooperation between border officials and right holders, allowing parties to authorize officials to *sua sponte* provide right holders with information about specific shipments of goods—even goods that haven’t been seized as suspect, and so may not be infringing at all—including “the name and address of the consignor, importer, exporter, or consignee, and . . . the name and address of the manufacturer.”¹³⁵ ACTA in fact mandates such cooperation when suspect (not *prima facie* infringing) goods have actually been seized.¹³⁶ When combined with ACTA’s smaller *de minimis* provision, this cooperation provision allows customs officials to share the names and addresses of individuals shipping commercial goods in small consignments with right holder federations or corporations. Given the amount of resources invested by right holders in civil investigation and enforcement,¹³⁷ this information provides a trove of potential defendants identified by the government.

ACTA makes it easier for right holders to request the suspension of goods at the border, and consequently uses more government resources for supporting right holders. TRIPS requires a procedure by which rights holders with “valid grounds for suspecting that the importation of counterfeit trademark or pirated copyright goods” could apply in writing for suspension of release of such goods.¹³⁸ Individual members of TRIPS could also apply such procedures to other IP rights, as long as they were in conformity with the agreement.¹³⁹ ACTA provides for the same procedure, but (1) expands it to exports as well as imports, (2) expands it beyond counterfeit trademark or pirated copyright goods to all IP rights (excepting patents), and (3) adds a sentence that “[t]he requirement [on right holders] to provide sufficient information shall not unreasonably deter recourse to the

such a manner as to avoid any harm to the right holder.” *Id.* art. 20(1), at 11.

¹³⁴ TRIPS, *supra* note 52, art. 59, at 345.

¹³⁵ ACTA – Dec. 3, 2010, *supra* note 4, art. 22, at 12.

¹³⁶ *Id.* art. 22(c), at 12.

¹³⁷ WIPO Advisory Comm. on Enforcement, *The Contribution of, and Costs to, Right Holders in Enforcement, Taking into Account Recommendation 45 of the WIPO Development Agenda*, ¶ 85, at 32, WIPO/ACE/5/10 (5th Session, Geneva, Nov. 2–4, 2009) (“Right holders . . . have been . . . investing significant resources in IP enforcement activities.”).

¹³⁸ TRIPS, *supra* note 52, art. 51, at 342.

¹³⁹ *Id.* art. 51, at 342–43.

procedures.”¹⁴⁰ This language suggests that ACTA lowers the TRIPS standard for “adequate evidence” by requiring parties not to make the evidentiary standard too difficult on right holders. ACTA also makes this procedure easier for right holders by allowing “such applications to apply to multiple shipments.”¹⁴¹

ACTA allows ex officio action at a lower standard of proof than TRIPS. In the context of border measures, ex officio action is action initiated by border enforcement authorities rather than right holders.¹⁴² TRIPS permits, but does not require, member countries to allow border authorities to act on their own initiative to suspend the release of goods; and TRIPS places restrictions on how these authorities may act.¹⁴³ To seize goods on their own initiative, the authorities must have *prima facie* evidence that an IP right is being infringed.¹⁴⁴ Under ACTA, however, there is no such evidentiary restriction; authorities may seize and retain “suspect goods,” a considerably lower standard than requiring *prima facie* evidence before seizure.¹⁴⁵ Authorities can seize goods they suspect, without any actual evidence, and certainly without evidence arising to a *prima facie* standard, are infringing.

Not only does ACTA allow government officials to initiate actions on their own accord on the behalf of right holders, but it also creates a permissive exemption from liability for government officials.¹⁴⁶ ACTA states that “[n]o provision . . . shall be construed to require a Party to make its officials subject to liability for acts undertaken in the performance of their official duties.”¹⁴⁷ This contrasts with the implication in TRIPS that border officers may be liable for anything, except in circumscribed circumstances: “Members shall only exempt both public authorities and officials from liability to appropriate remedial measures where actions are taken or intended in good faith”¹⁴⁸

ACTA narrows the financial responsibility of right holders,

¹⁴⁰ *Id.* art. 13, 16(1)(b), 16(2)(b), 17(1), at 9–10, 9 & n.6.

¹⁴¹ *Id.* art. 17(2), at 10.

¹⁴² *Id.* art. 16(1)(a), 16(2)(a), at 10 (allowing for custom authorities to act “upon their own initiative” with regard to border measures).

¹⁴³ TRIPS, *supra* note 52, art. 58(a)–(b), at 344–45.

¹⁴⁴ *Id.* art. 58, at 344.

¹⁴⁵ ACTA – Dec. 3, 2010, *supra* note 4, art. 16(1)(a)–(2)(a), at 10.

¹⁴⁶ *Id.* art. 6(4), at 5.

¹⁴⁷ *Id.*

¹⁴⁸ TRIPS, *supra* note 52, art. 48(2), at 341.

which provided a check on overeager enforcement activity. TRIPS gave officials the authority to order right holders “to pay the importer, the consignee and the owner of the [seized] goods appropriate compensation for any injury caused to them through the wrongful detention of goods”¹⁴⁹ requested detained by right holders, and goods released by time-limit.¹⁵⁰ ACTA restricts such payment to the release of goods “in the event the competent authorities determine that the goods are not infringing,” and limits payment to “any loss or damage resulting from any suspension of the release of, or detention of, the goods” rather than “any injury”, a broader category.¹⁵¹ ACTA also limits payment of such damages to “the defendant,” rather than the owner, importer, or consignee.¹⁵²

ACTA does not grant importers the same recourse as TRIPS does once goods are seized. TRIPS required parties to allow the owner, importer, or consignee of goods involving industrial designs, layout-designs, or undisclosed information (i.e., trade secrets) to post a security sufficient to protect a right holder from any infringement and, in turn, get the goods released, when the suspension was not based on a decision by an independent authority, or the judiciary.¹⁵³ ACTA, however, prevents signatory parties from permitting defendants to post security to obtain possession of seized goods, except “in exceptional circumstances or pursuant to a judicial order.”¹⁵⁴ ACTA, unlike TRIPS, does not provide for a limit on the duration of suspension of goods. TRIPS provides for concrete time limits, where ACTA refers only to a “reasonable period” of time for proceedings.¹⁵⁵ Presumably then, under ACTA, goods may be detained until as late as the end of proceedings determining that the goods are non-infringing.

The TRIPS provision on the destruction of goods found to be infringing includes a reference to Article 46, which provides for consideration of “the need for proportionality between the seriousness of the infringement and the remedies ordered as well as the interests of third parties.”¹⁵⁶ ACTA has no such reference

¹⁴⁹ *Id.* art. 56, at 344.

¹⁵⁰ *Id.* art. 55–56, at 344.

¹⁵¹ ACTA – Dec. 3, 2010, *supra* note 4, art. 18, at 11.

¹⁵² *Compare id.* art. 12(5) at 8–9, *with* TRIPS, *supra* note 52, art. 56, at 344.

¹⁵³ TRIPS, *supra* note 52, art. 53(2), at 343.

¹⁵⁴ ACTA – Dec. 3, 2010, *supra* note 4, art. 18, at 11.

¹⁵⁵ *Compare* TRIPS, *supra* note 52, art. 55, at 344, *with* ACTA – Dec. 3, 2010, *supra* note 4, art. 19, at 11.

¹⁵⁶ TRIPS, *supra* note 52, art. 46, 59, at 340, 345.

to proportionality or consideration of third-party interests in the destruction of goods seized at borders.¹⁵⁷ ACTA adds a requirement that infringing goods be “disposed of outside the channels of commerce . . . to avoid any harm to the right holder.”¹⁵⁸

Finally, ACTA does not provide for notice to importers that goods have been seized.¹⁵⁹ And ACTA allows for its member parties to provide authorities with the ability to impose administrative penalties, in addition to destroying the infringing goods.¹⁶⁰

E. Criminal Enforcement

ACTA significantly expands international law on criminal enforcement. TRIPS contains only one paragraph on criminal procedures;¹⁶¹ ACTA contains more than ten.¹⁶² ACTA expands the scope of criminalized behavior and criminal remedies. Under ACTA, criminal authorities can act *ex officio*, without a complaint from right holders.¹⁶³

The criminal enforcement section is broader in its coverage than TRIPS. TRIPS requires members to “provide for criminal procedures and penalties . . . at least in cases of willful trademark counterfeiting or copyright piracy on a commercial scale.”¹⁶⁴ ACTA replaces “copyright piracy” with “copyright or related rights piracy,” which presumably includes more than just copyright.¹⁶⁵

The more significant definitional change concerns the term

¹⁵⁷ ACTA – Dec. 3, 2010, *supra* note 4, art. 20, 25, at 11–12, 14–15. While third party interests are not mentioned in Article 20 or 25, (the Remedies provision and the Seizure, Forfeiture, and Destruction provision), the general obligation for all enforcement does mention a “need for proportionality between the seriousness of the infringement, the interests of third parties, and the applicable measures, remedies and penalties.” *Id.* art. 6(3), at 5.

¹⁵⁸ *Id.* art. 20(1), at 11.

¹⁵⁹ *See id.* art. 13–22, at 9–12 (listing the articles in the Border Measures section, which mentions no language regarding notice of seizure); *Cf.* TRIPS, *supra* note 52, art. 54, at 343 (providing that importers will be given prompt notice of the seizure of goods).

¹⁶⁰ ACTA – Dec. 3, 2010, *supra* note 4, art. 20(1), (3), at 11–12.

¹⁶¹ *See* TRIPS, *supra* note 51, § 5, art. 61, at 345.

¹⁶² *See* ACTA – Dec. 3, 2010, *supra* note 4, § 4, art. 23–26, at 12–15.

¹⁶³ *Id.* art. 26, at 15.

¹⁶⁴ TRIPS, *supra* note 52, art. 61, at 345.

¹⁶⁵ *Compare id.*, with ACTA – Dec. 3, 2010, *supra* note 4, art. 23(1), at 13.

“commercial scale.” TRIPS does not define “commercial scale.”¹⁶⁶ ACTA contains a definition of what acts will qualify as being on a commercial scale: “at least those carried out as commercial activities for direct or indirect economic or commercial advantage.”¹⁶⁷ One important question concerning this term is how it applies to online infringement. ACTA’s inclusion of “indirect economic . . . advantage”¹⁶⁸ is troubling because it criminalizes a wider swath of behavior than direct sales of infringing goods. This raises the question of what “indirect economic advantage” is, and whether it includes such benefits as advertising revenue or the prevention of expenditures. Third parties such as shipping companies may also be inadvertently brought into the spectrum of ACTA’s criminal provisions by unknowingly shipping infringing goods, thereby receiving indirect economic advantages.

ACTA criminalizes behavior TRIPS doesn’t touch: the importation and domestic use of labels and packaging on a commercial scale;¹⁶⁹ aiding and abetting;¹⁷⁰ and filming movies in movie theaters.¹⁷¹ The latter, ‘copying’ movies in motion picture exhibition facilities, is an exportation of the U.S. Camcorder Act—the Family Entertainment and Copyright Act of 2005—and can be seen as the result of a clear push by U.S. based interest groups.¹⁷²

The most significant of these additions is the combination of ACTA’s explicit criminalization of aiding and abetting with its language on liability for legal persons.¹⁷³ These two paragraphs create the probable specter of criminal prosecution against companies such as Google or Facebook, for infringement by their

¹⁶⁶ TRIPS, *supra* note 52, art. 61, at 345 (referring to infringement of intellectual property rights on a ‘commercial scale’ but not defining it, and this language is not found elsewhere in the TRIPS agreement).

¹⁶⁷ ACTA – Dec. 3, 2010, *supra* note 4, art. 23(1), at 13.

¹⁶⁸ *Id.*

¹⁶⁹ *Id.* art. 23(2)(a)–(b), at 13.

¹⁷⁰ *Id.* art. 23(4), at 13.

¹⁷¹ *Id.* art. 23(3), at 13.

¹⁷² Family Entertainment and Copyright Act of 2005, 18 U.S.C. § 2319B (a) (2011). After two years of heavy lobbying to pass copyright reform laws, which stalled in Congress in other legislation, the Family Entertainment and Copyright Act was seen as “more victory than a defeat for the public interest side in the copyfight” at least in criminalizing movie piracy. See Fred von Lohmann, *Family Entertainment and Copyright Act Passes*, ELECTRONIC FRONTIER FOUNDATION (Apr. 21, 2005), <http://www.eff.org/deeplinks/2005/04/family-entertainment-and-copyright-act-passes>.

¹⁷³ ACTA – Dec. 3, 2010, *supra* note 4, art. 23(4)–(5), at 13.

members.¹⁷⁴

ACTA expands on the criminal remedies provided for by TRIPS. ACTA mandates that countries provide for imprisonment for criminalized acts,¹⁷⁵ while TRIPS gives member countries the discretion to choose between imprisonment and monetary fines for criminal offenses.¹⁷⁶ This change is significant because the criminal law systems of different countries handle judicial and prosecutorial discretion in different ways, so one country's enforcement may be far more draconian in practice than others.¹⁷⁷ ACTA's mandate of imprisonment covers its provision on aiding and abetting, and presumably applies to legal persons as well as natural persons. Against the backdrop of Italy's conviction of Google executives for privacy violations,¹⁷⁸ the explicit mandate of criminal liability for legal persons will create barriers to expansion and innovation for global online companies.

In addition to mandatory imprisonment, ACTA outlines extensive procedures for the seizure, forfeiture, and destruction of defendants' assets.¹⁷⁹ While the destruction of the actual infringing assets is not unreasonable for a criminal case, ACTA additionally permits parties to provide for the seizure and forfeiture of assets, "the value of which corresponds to that of the assets derived from, or obtained directly or indirectly through, the allegedly infringing activity."¹⁸⁰ This is not the seizure of profits derived from infringing assets, which would require a

¹⁷⁴ See generally Jane C. Ginsburg, *Separating the Sony Sheep from the Grokster Goats: Reckoning the Future Business Plans of Copyright-Dependent Technology Entrepreneurs*, 50 ARIZ. L. REV. 577, 577-78, 588, 603-04 (2008) (noting that "[m]eaningful copyright enforcement will seek to establish the liability of the entrepreneurs" and other instances when courts have found companies like Google and MySpace liable for copyright infringement for acts which could be attributed to their users).

¹⁷⁵ ACTA – Dec. 3, 2010, *supra* note 4, art. 24, at 14.

¹⁷⁶ TRIPS, *supra* note 52, art. 61, at 345.

¹⁷⁷ See Gerard E. Lynch, *Prosecution: Prosecutorial Discretion—Varieties of Discretion, Subjects of Prosecutorial Discretion, Standards of Prosecutorial Judgment, Controlling Prosecutorial Discretion* LAW LIBRARY—AMERICAN LAW AND LEGAL INFORMATION—CRIME AND CRIMINAL LAW, <http://law.jrank.org/pages/1870/Prosecution-Prosecutorial-Discretion.html#ixzz1EYuMxk80> (last visited May 28, 2011) (explaining that contrary to the prosecutorial discretion of American law, some European and Latin American countries practice "mandatory prosecution").

¹⁷⁸ Rachel Donadio, *Italy Convicts Three Google Officials in Privacy Case*, N.Y. TIMES, Feb. 25, 2010, at A1.

¹⁷⁹ ACTA – Dec. 3, 2010, *supra* note 4, art. 25, at 14-15.

¹⁸⁰ *Id.* art. 25(5)(a), at 15.

showing of connection between the infringement and the estimated value of assets to be seized. Instead, this standard suggests that authorities estimate the value of “indirect” infringement and seize not actual profits but assets corresponding to their estimation. A defendant may end up with assets seized and forfeited that have no direct relation to actual value gained from actual infringement. Thus ACTA both lowers the international standard for what constitutes criminal infringement and recommends that parties seize and destroy infringers’ assets unrelated to the infringement.

ACTA provides for ex officio criminal enforcement.¹⁸¹ The use of “competent authorities,” the same term used throughout Section 3 on Border Measures, suggests that ACTA envisions criminal enforcement initiated by border agents.¹⁸² The United States explicitly trumpeted this provision as a success.¹⁸³

F. Enforcement of Intellectual Property Rights in the Digital Environment

TRIPS does not contain digital enforcement provisions;¹⁸⁴ the only place they appear in current international law is the WIPO Copyright Treaty.¹⁸⁵ ACTA elevates the obligations outlined in the WIPO Copyright Treaty, not least by envisioning digital enforcement against trademarks in addition to copyright.¹⁸⁶ While ACTA does not create DMCA-like notice-and-takedown, it does contain a footnote suggesting that such procedures would satisfy the digital enforcement requirement.¹⁸⁷

¹⁸¹ *Id.* art. 26, at 15.

¹⁸² *See* ACTA – Dec. 3, 2010, *supra* note 4, art. 26, at 15; *id.* art. 15–22, at 9–12.

¹⁸³ *USTR’s Talking Points*, *supra* note, 38.

¹⁸⁴ *See* TRIPS, *supra* note 52, art. 41–60, at 338–45 (containing no mention of anything digital in the enforcement provisions or anywhere else throughout the agreement).

¹⁸⁵ WIPO Copyright Treaty, *supra* note 52, at 8–9 & nn.1, 9 (mentioning that some of the articles can be applied in the digital realm); *See* Aaron X. Fellmeth, *The Anti-Counterfeiting Trade Agreement in the Public Eye*, ASIL INSIGHT, June 24, 2010, available at www.asil.org/files/insight100624pdf.pdf (explaining that neither TRIPS nor the WIPO “internet treaties” contemplate special measures for digital enforcement of intellectual property).

¹⁸⁶ ACTA – Dec. 3, 2010, *supra* note 4, § 5, art. 27(1)–(4), at 15–16.

¹⁸⁷ *Compare id.* art. 27(2), at 15 & n.13 (noting that a party might adopt “a regime providing for limitations on the liability of, or on the remedies available against, online service providers while preserving the legitimate interests of right holder[s]”), with Digital Millennium Copyright Act, 17 U.S.C. § 512(c) (2011) (providing provisions for the removal of infringing material while

ACTA mandates enforcement procedures, both civil and criminal, against infringement taking place in the digital environment.¹⁸⁸ Such enforcement is to include the vague “expeditious remedies to prevent infringement,” likely referring to injunctive relief or prior restraints on electronic communication.¹⁸⁹ The WIPO Copyright treaty gives authors the exclusive right of “authorizing the making available [of] . . . copies of their works through sale or other transfer of ownership.”¹⁹⁰ How this “making available” right applies in the digital environment is debatable, since posting a link to infringing content is not “transfer of ownership” in the traditional sense. But ACTA contains language requiring enforcement against “the unlawful use of means of widespread distribution for infringing purposes.”¹⁹¹ This language requires parties to apply both civil and criminal enforcement procedures against “widespread distribution,”¹⁹² presumably referring to peer-to-peer networks and applying to uploads instead of just downloads. Instead of being liable for downloaded files only, a defendant under laws strictly following ACTA will be liable for uploads as well.

ACTA requires parties to “promote cooperative efforts within the business community” to address infringement in the digital environment.¹⁹³ When read in the context of previous draft language, this provision requires encouragement of what Annemarie Bridy has termed private ordering graduated response.¹⁹⁴ ACTA envisions governmental support of private arrangements between Internet Service Providers (ISPs) and rights holders.¹⁹⁵ As with official legal regimes requiring

limiting the liability of service providers when users post infringing material posted on their system or networks).

¹⁸⁸ ACTA – Dec. 3, 2010, *supra* note 4, art. 27(1), at 15.

¹⁸⁹ *Id.*

¹⁹⁰ WIPO Copyright Treaty, *supra* note 52, art. 6, at 3.

¹⁹¹ ACTA – Dec. 3, 2010, *supra* note 4, art. 27(2), at 15.

¹⁹² *Id.* art. 27(1)–(2), at 15.

¹⁹³ *Id.* § 5, art. 27(3), at 15–16.

¹⁹⁴ Bridy, *supra* note 47, at 11–13 (describing the enforcement mechanisms that right holders have attempted to use to curb infringement online, including changes in the approach ISPs have used in an effort to curb piracy, including restricting peer-to-peer traffic, issuing warnings and banning violators); *see also* ACTA Draft – April 2010, *supra* note 32, art. 2.18(3), at 18–22 (outlining a number of different draft options which provide protection to ISPs as long as the ISPs act in a manner that shows effort to protect copyrighted material).

¹⁹⁵ Bridy, *supra* note 47, at 9–10 (noting that both the April and October drafts of the ACTA contained language regarding governmental involvement

graduated response, these arrangements may result in the termination of user accounts after suspected infringing activity, outside of any governmental protections such as due process requirements.¹⁹⁶

The subsequent paragraph in the ACTA recommends that parties require online service providers (OSPs) to disclose user identities to right holders.¹⁹⁷ This close relationship between OSPs and right holders again points to the government encouragement of private ordering graduated response or other private ordering enforcement mechanisms. ACTA recommends that parties give officials “the authority to order an online service provider to disclose expeditiously to a right holder information sufficient to identify a subscriber whose account was allegedly used for infringement.”¹⁹⁸

Recently added language provides for at least some balance in the digital sphere. The digital enforcement provisions include three articulations of the following phrase or variations on it: “These procedures shall be implemented in a manner that avoids the creation of barriers to legitimate activity, including electronic commerce, and, consistent with that Party’s law, preserves fundamental principles such as freedom of expression, fair process, and privacy.”¹⁹⁹ However, in the first instance, this language is footnoted by a provision envisioning U.S. Digital Millennium Copyright Act (DMCA)-like proceedings concerning limitations on liability for online service providers.²⁰⁰ Given ACTA’s own history with regards to limitations and exceptions, it is likely that the digital enforcement proceedings will be exported from the agreement into later agreements, without the balancing language.²⁰¹

The second half of ACTA’s digital enforcement provisions concerns circumvention of technological protection, similar to the

with ISP cooperation with rights holders).

¹⁹⁶ See *id.* at 2 (discussing a “threestrikes policy” that allows for termination of an account by an ISP for repeated accused infringement with regard to the ACTA).

¹⁹⁷ ACTA – Dec. 3, 2010, *supra* note 4, § 5, art. 27(4), at 16.

¹⁹⁸ *Id.*

¹⁹⁹ *Id.* § 5, art. 27(2)–(4), at 15–16; see also, Bridy, *supra* note 47, at 9–10 (demonstrating that the language of the ACTA drafts changed from a mandatory requirement that signatories pressure ISPs to work with rights holders, to a form that merely encouraged ISPs to help protect rights holders).

²⁰⁰ ACTA – Dec. 3, 2010, *supra* note 4, § 5, art. 27(2), at 15 & n.13; 17 U.S.C. § 512(a) (2010).

²⁰¹ See *supra* text accompanying notes 51–56.

DMCA.²⁰² Here, the treaty significantly changes international law. The WIPO Copyright Treaty requires parties to “provide adequate legal protection . . . against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights . . . and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law.”²⁰³ This language is imported into ACTA.²⁰⁴ Then ACTA again uses a definition to expand international law, defining “effective technological measures” as technology designed to prevent unauthorized acts, “deemed effective” when works are controlled “through the application of a relevant access control or protection process, such as encryption or scrambling, or a copy control mechanism, which achieves the objective of protection.”²⁰⁵ Substandard or poorly designed digital rights management, in other words, can be “deemed effective” and therefore protectable for purposes of the law so long as it (1) is technology and (2) “achieves the objective of protection.”²⁰⁶

More significantly, ACTA adds a new paragraph on circumvention to international law. ACTA requires parties to prohibit the “offering to the public by marketing” of a device, product, or service “as a means of circumventing an effective technological measure.”²⁰⁷ This language does not indicate that sales must actually be made for the marketing to be illegal. ACTA also prohibits the manufacture, importation, or distribution of a device, product, or service that “has only a limited commercially significant purpose other than circumventing an effective technological measure.”²⁰⁸ This language squelches innovation, as new products or programs that have not yet found a market will be prohibited under this language so long as it can be shown that they circumvent technological measures. Smaller startup ventures will be careful not to touch anything concerning media playback if rights-

²⁰² ACTA – Dec. 3, 2010, *supra* note 4, art. 27(5)–(8), at 16–17; *see* Bridy, *supra* note 47, at 6–7 (discussing the similarities of ACTA with DMCA by pointing to the anti-circumvention and anti-trafficking provisions which were added into ACTA’s April draft).

²⁰³ WIPO Copyright Treaty, *supra* note 52, art. 11, at 4.

²⁰⁴ ACTA – Dec. 3, 2010, *supra* note 4, art. 27(5), at 16.

²⁰⁵ *Id.* art. 27(5), at 16 & n.14.

²⁰⁶ *See id.*

²⁰⁷ *Id.* art. 27(6)(a)(ii), at 16.

²⁰⁸ *Id.* art. 27(6)(b)(ii), at 16–17.

holding companies can sue them at founding for not showing an adequate alternative market.

ACTA imports the WIPO Copyright Treaty's language on Rights Management, mandating legal remedies against persons knowingly removing digital rights management or knowingly distributing works that have had digital rights management removed.²⁰⁹ Significantly, ACTA adds 'making available to the public,' to the list banning distribution of works whose DRM has been removed.²¹⁰ As mentioned, "making available" has become a euphemism in some countries for peer-to-peer file sharing,²¹¹ and its addition to the international prohibition against circumventing DRM makes it clear that peer-to-peer networks are now targeted under anti-circumvention provisions as well.

This is the only section of ACTA where limitations and exceptions are mentioned. ACTA, like the WIPO Copyright Treaty, permits parties to adopt or maintain appropriate limitations or exceptions to implementations of technological protection measures.²¹² ACTA does not include WIPO's additional language, which prohibits parties from relying on the language of the treaty to devise rights management systems that would (a) impose formalities not permitted under the Berne Convention, (b) prohibit the free movement of goods, or (c) impede the enjoyment of rights under the treaty.²¹³

²⁰⁹ Compare WIPO Copyright Treaty, *supra* note 52, art. 12, at 4–5 ("Contracting Parties shall provide . . . legal remedies against any person knowingly . . . remov[ing] . . . any electronic . . . management information without authority . . . [or] distribut[ing] . . . works knowing that electronic rights management information has been removed or altered without authority."), *with* ACTA – Dec. 3, 2010, *supra* note 4, art. 27(7), at 17 (using almost identical language).

²¹⁰ Compare WIPO Copyright Treaty, *supra* note 52, art. 12(1)(ii), at 5 (requiring that parties give legal remedies against those who "distribute, import for distribution, broadcast or communicate to the public" works that have had their electronic rights management removed), *with* ACTA – Dec. 3, 2010, *supra* note 4, § 5, art. 27(7)(b), at 17 (providing for the same against those who "distribute, import for distribution, broadcast, communicate, or *make available to the public* ") (emphasis added).

²¹¹ See *supra* text accompanying notes 186–188; Tilman Luder, *The Next Ten Years in E.U. Copyright: Making Markets Work*, 18 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1, 35–36 (2007) (discussing that courts have interpreted the language "making available" broadly, and noting European cases where it was found that file-sharing qualified under this language).

²¹² WIPO Copyright Treaty, *supra* note 52, art. 10, at 4, 9 & n.9; ACTA – Dec. 3, 2010, *supra* note 4, art. 27(8), at 17.

²¹³ WIPO Copyright Treaty, *supra* note 52, art. 12(2), at 5, 9 & n.10.

G. Enforcement Practices

ACTA requires the establishment of certain kinds of infrastructure within each party's internal enforcement mechanisms.²¹⁴ This required infrastructure includes: training for specialized expertise on IP enforcement; the collection and analysis of statistical data on infringement; internal coordination among and joint actions by enforcement authorities; and the establishment of formal or informal mechanisms for authorities to hear the views of right holders "and other relevant stakeholders."²¹⁵ These requirements use government resources and mechanisms to benefit right holders, especially by requiring data collection on the part of the government, and requiring mechanisms to be put in place for hearing right holders' concerns. The promotion of internal coordination between different enforcement authorities within a country is also problematic; criminal investigations, in particular, should not—for purposes of privacy and the protection of other civil liberties—be cross-managed with civil or border investigations.

At the border, too, ACTA encourages consultation with right holders, and increased enforcement cooperation, this time between different countries.²¹⁶ ACTA suggests that parties cooperate by having the party of import inform the party of export of the individuals involved with the exportation of seized goods, and thus encourages cross-border enforcement.²¹⁷ This cooperation is problematic where countries have different standards of civil liberty protection, as discussed further below.

Two of ACTA's articles on enforcement procedures do not concern enforcement at all; they concern propaganda. ACTA requires parties "to publish or otherwise make available to the public"²¹⁸ information about infringement and enforcement mechanisms, and requires parties to "enhance public awareness of the importance of respecting intellectual property rights and the detrimental effects of intellectual property rights infringement."²¹⁹ It is hard to read this last statement as anything other than the co-opting of government resources by private parties with an agenda regarding public perception.

²¹⁴ See ACTA – Dec. 3, 2010, *supra* note 4, art. 28(1)–(4), at 18.

²¹⁵ *Id.*

²¹⁶ See *id.* art. 29(1), at 18.

²¹⁷ *Id.* art. 29(2), at 18.

²¹⁸ *Id.* art. 30, at 18–19.

²¹⁹ *Id.* art. 31, at 19.

Governments don't waste enforcement resources circulating advertisements against theft or vandalism, or even environmental crimes; it is hard to understand why they should be required by international law to invest resources in publicity about intellectual property rights infringement.

H. International Cooperation

ACTA requires that parties cooperate in cross-border enforcement efforts, and envisions this cooperation as including criminal enforcement and border measures, although that inclusion is permissive rather than mandatory.²²⁰ ACTA requires parties to exchange statistical data, information on best practices, information on legislative and regulatory measures, and innocuously, "other information as appropriate and mutually agreed."²²¹ This vague provision could encompass a large amount of shared information, implicating concerns about privacy and freedom of speech when information is shared between parties with differing legal standards on civil liberties. The reference to sharing "other information as appropriate and mutually agreed" replaced language in ACTA's earlier drafts stating that competent authorities shall have the ability to share information to ensure the proper application of laws or prosecute infringement.²²² It is likely that the original phrase was removed in negotiations to quiet any discomfort over creating infrastructure for universal information-sharing between countries.

ACTA again harnesses government resources to enforce private rights, requiring that governments provide capacity building and technical assistance to other countries.²²³ ACTA envisions that such capacity building may be done "in conjunction with relevant private sector or international organizations."²²⁴ Right holders, in other words, can have a say in how foreign enforcement systems are built, using domestic government resources to build them.

²²⁰ *Id.* art. 33(2), at 20.

²²¹ *Id.* art. 34(a)–(c), at 20.

²²² See ACTA Draft – April 2010, *supra* note 32, art. 3.2(2), at 26.

²²³ See ACTA – Dec. 3, 2010, *supra* note 4, art. 35(1), at 20–21.

²²⁴ *Id.* art. 35(3), at 21.

I. Institutional Arrangements

As has been widely—and appropriately—much discussed, ACTA negotiations represent a deliberate shift away from existing international regimes for the enforcement of IP rights.²²⁵ ACTA creates a new institution for international IP enforcement: the ACTA Committee.²²⁶ Composed of at least one member of each party to the agreement, the Committee convenes at least once every year.²²⁷ The Committee is responsible for reviewing implementation of the agreement, and for considering any amendments and “the development of th[e] Agreement.”²²⁸ The Committee, which operates by consensus, also approves any terms of accession for new parties.²²⁹ The working language of the Committee is English.²³⁰ The Committee is encouraged to establish working groups and committees, seek the advice of non-governmental persons or groups (*i.e.* right holders), endorse best practice guidelines, and share information and best practices including techniques with third parties.²³¹

The Committee is prohibited from supervising investigations of specific cases,²³² but is no longer explicitly required to defer to the dispute resolution settlement of the WTO, indicating that ACTA is envisioned as a stand-alone agreement.²³³

ACTA does not provide for transparency in the Committee’s operations. There is no provision for observers of the Committee’s operations, as is permitted in WIPO.²³⁴ In fact,

²²⁵ See, e.g., Sell, *supra* note 14, at 6–8, 10–12 (commenting that “[t]he ACTA would run roughshod over differences across jurisdictions” and outlining domestic initiatives taken by the United States to protect intellectual property as well ACTA’s role in urging the private sector of many countries to support IP regulation).

²²⁶ ACTA – Dec. 3, 2010, *supra* note 4, art. 36(1), at 22.

²²⁷ *Id.* art. 36(1), (10), at 22–23.

²²⁸ *Id.* art. 36(2)(a)–(c), at 22.

²²⁹ *Id.* art. 36(2)(d), (4), at 22–23.

²³⁰ *Id.* art. 36(4), at 22–23.

²³¹ *Id.* art. 36(3)(a)–(d), at 22.

²³² *Id.* art. 36(11), at 23.

²³³ See ACTA Draft – April 2010, *supra* note 32, art. 5.1(2)(c), at 33 & n.74 (“The application of this provision shall not conflict with the rules and implementation of the Dispute Settlement Understanding of the World Trade Organization.”).

²³⁴ Compare WIPO General Rules of Procedure, World Intellectual Property Organization, Oct. 2, 1979, R. 8, (stating that States and intergovernmental organizations “shall” be represented by an observer as entitled under a treaty or agreement), with ACTA – Dec. 3, 2010, *supra* note 4, art. 36(5)(b), at 23 (stating that the Committee “may” at its discretion eventually adopt rules and

ACTA requires that any written consultations between parties concerning the implementation of the agreement be kept confidential.²³⁵

J. Final Provisions

The negotiating countries appear to be rushing to implement ACTA. ACTA enters into force thirty days after the sixth country deposits its instrument of acceptance.²³⁶ Since thirty-seven countries and the European Union have been involved in negotiations,²³⁷ this represents a fast sign-on period with a low barrier to consensus. There are barriers to entry for new members. Earlier drafts of ACTA permitted any members of WIPO to apply to join.²³⁸ The final draft permits only members of the WTO to apply to accede to the agreement, with the Committee to decide the terms of accession.²³⁹

It will be difficult to change ACTA's provisions, for better or worse. Amending ACTA requires Committee and unanimous party approval.²⁴⁰ Any amendments will be presented to the Committee for approval, which then decides whether to present them to the parties at large.²⁴¹ For the agreement to be amended, all the parties must ratify or approve the amendment.²⁴²

IV. ACTA'S EVOLUTION

This section compares the final draft of December 3, 2010 with the Public Predecisional/Deliberative Draft of April, 2010. The comparisons are edifying. On the one hand, as several have noted, the December draft does not contain some of the major provisions from the April draft²⁴³—most notably, the notice-and-takedown provision of the Digital Enforcement chapter, and the

procedures that “address such matters as granting observer status”).

²³⁵ ACTA – Dec. 3, 2010, *supra* note 4, art. 38(1)–(2), at 24.

²³⁶ *Id.* art. 40(1), at 25.

²³⁷ *See id.* art. 39, at 25 & n.17.

²³⁸ ACTA Draft – April 2010, *supra* note 32, art. 6.1(1), at 37.

²³⁹ ACTA – Dec. 3, 2010, *supra* note 4, art. 39, 43, at 25–26.

²⁴⁰ *Id.* art. 42, at 25–26.

²⁴¹ *Id.* art. 42(1), at 25–26.

²⁴² *Id.* art. 42(2), at 26.

²⁴³ Kenneth Corbin, *Diluted ACTA IP Accord Offers Consolation to Digital-Rights Groups*, DATAMATION (Oct. 8, 2010), <http://itmanagement.earthweb.com/secu/article.php/3907561/Diluted-ACTA-IP-Accord-Offers-Consolation-to-Digital-Rights-Groups.htm>.

expansive definition of criminal infringement.²⁴⁴ On the other hand, the December draft does generally cover a more expansive set of IP rights; where the April draft left the option of covering all IP rights or just copyright and trademark, the December draft chose to cover all IP rights (with the exception of patents, which are exempted at least from the Border Measures chapter).²⁴⁵ The December draft also often chooses the more maximalist of two options proposed in the provisional April draft.²⁴⁶

Other differences between the two drafts provide definitional context for some of the vaguer language of the December draft: when the December draft is vague, the original language of the April draft may provide explanation for what the parties initially intended. These contextualizations are not meant to be used for reading ACTA's language to bind parties to the April draft, just to clarify that parties may be going into the agreement with a clearer understanding of terms than a lay reader gets from the December 3 language alone.

Finally, comparing these two drafts provides a realistic outline of what provisions parties will push for in future agreements. Whatever did not make it into the December draft or whatever was added to the December draft that the April draft did not have indicates the language maximalist parties will push for in the absence of tempering negotiating forces in future agreements such as the Trans-Pacific Partnership Agreement (TPP).²⁴⁷

²⁴⁴ For instance, the April draft had proposed language providing that an online service provider could "remov[e] or disabl[e] access to material . . . upon receipt [of legally sufficient notice of alleged infringement.] . . ." The December draft only provided that "[e]ach Party shall endeavour to promote cooperative efforts within the business community to effectively address trademark and copyright or related rights infringement . . ." Meanwhile, the Criminal Offenses Article was scaled back from three subsections to two, while removing some subsections. Compare ACTA Draft – April 2010, *supra* note 32, art. 2.14, 2.18(1), (3)–(4), at 15–16, 18–23, and *supra* notes 195–96 and accompanying text, with ACTA – Dec. 3, 2010, *supra* note 4, art. 23, 27(1)–(4), at 13, 15–16.

²⁴⁵ See *supra* text accompanying notes 66–71. Compare ACTA Draft – April 2010, *supra* note 32, art. 2.1, 2.X(2), at 4, 9, with ACTA – Dec. 3, 2010, *supra* note 4, art. 3(1), 7, 13, at 2, 5, 9 & n.6.

²⁴⁶ For instance, the April draft provided options between protecting "copyright or related rights and trademarks" or "intellectual property rights." In the December draft, the drafters selected intellectual property rights as the appropriate term. Compare ACTA Draft – April 2010, *supra* note 32, art. 2.X(1), 2.2(1)(a)–(b), 2.4, 2.18(1), 4.1(1), at 4–5, 7–8, 18, 29, with ACTA – Dec. 3, 2010, *supra* note 4, art. 8(1), 9(1), 11, 27(1), 28(1), at 6–8, 15, 18.

²⁴⁷ See IAN F. FERGUSSON & BRUCE VAUGHN, CONGRESSIONAL RESEARCH SERVICE, THE TRANS-PACIFIC PARTNERSHIP AGREEMENT 11 (June 25, 2010), available at <http://fpc.state.gov/documents/organization/145583.pdf> (suggesting

ACTA's latest incarnation does not mark the end of notice-and-takedown regimes or the end of expansions of criminalized infringement.

This section starts by outlining the ways in which the December draft either chose or inserted more stringent language in comparison to the April draft. It then turns to the several areas where vague language in the December draft may be contextualized by the April draft. It closes with an outline of April provisions that are likely to come up in future plurilateral agreements.

*A. Ways in which the December 3rd Draft
Expands on the April Draft*

Several have noted that the December draft of ACTA is in some ways less draconian than the April draft.²⁴⁸ The December draft, however, does present significant maximizing changes from the April draft. In celebrating the comparative leniency of the December draft, it is important to hold negotiators accountable for the more maximizing choices they made as well.

1. Scope of Rights Covered

The most significant expansive change between the April draft and December draft is the scope of the IP rights the agreement addresses. As discussed above, the ACTA definition of "intellectual property rights" includes all IP rights covered in TRIPS Sections 1 through 7, which includes industrial designs, patents, the layout designs of integrated circuits, and "undisclosed information."²⁴⁹ The April draft of ACTA evidenced discussion between the parties on the scope of rights to be covered by different provisions of the agreement: civil enforcement, border measures, enforcement in the digital environment, enforcement practices and coordination, and international cooperation.²⁵⁰ In each of these provisions the April

that because the United States was unsuccessful at codifying two important provisions in its free trade agreements, the U.S. may try to gain protection through negotiation that goes beyond TRIPS in other agreements with other Trans-Pacific Partnership countries).

²⁴⁸ See Corbin, *supra* note 243 (insinuating that some of the more severe measures taken to prevent violations were removed).

²⁴⁹ See *supra* text accompanying notes 66–71.

²⁵⁰ See ACTA Draft – April 2010, *supra* note 32, art. 2.1(1), 2.X(1)–(2), 2.18(1), 3.1(1), 4.1(1), at 4, 9, 18, 25, 29.

draft evidenced indecisiveness on whether ACTA would cover intellectual property rights more generally, or copyrights and trademarks more specifically.²⁵¹ And in each of the above sections—civil enforcement, border measures, enforcement in the digital environment, enforcement practices and coordination, and international cooperation—the December draft applies ACTA to *all* intellectual property rights.²⁵² The only exceptions to this broad coverage are (1) the exclusion of patents from the border measures provision,²⁵³ and (2) language permitting, but not requiring, parties to exclude patents and trade secrets from civil enforcement measures.²⁵⁴ The default coverage for ACTA’s civil enforcement section, as discussed above, includes patents.²⁵⁵

2. Definitions

The December draft presents more stringent language than the April draft in its definitions of (1) the *de minimis* allowance for border measures and (2) counterfeit and pirated goods.

(a) De Minimis

Both versions of ACTA, like TRIPS, contain an exception for *de minimis* shipments in the border measures section.²⁵⁶ The April draft proposed including the full TRIPS *de minimis* provision, which outlines an explicit exception for goods “sent in small consignments.”²⁵⁷ The December draft states, however, that goods of a commercial nature sent in small consignments are explicitly *included* in border enforcement instead of exempted under the *de minimis* provision.²⁵⁸

(b) Counterfeit and Pirated Goods

The December draft also presents a broader definition of “counterfeit” and “pirated” goods than the April draft. The

²⁵¹ See *id.* art. 2.1, 2.X(1), 2.X(2), 2.18(1), (3), 3.1(1), 4.1(1), at 4–5, 9, 18–19, 25, 29.

²⁵² ACTA – Dec. 3, 2010, *supra* note 4, art. 3(1), 6(1), 7(1), 13, 27(1), 28(1), 33(1), at 2, 5, 9, 15, 18, 20.

²⁵³ *Id.* art. 13, at 9 & n.6.

²⁵⁴ *Id.* art. 7, at 5 & n.2.

²⁵⁵ See *supra* text accompanying notes 66–71, 249.

²⁵⁶ See ACTA – Dec. 3, 2010, *supra* note 4, art. 13, 14, at 9; ACTA Draft – April 2010, *supra* note 32, art. 2.X, at 10; TRIPS, *supra* note 52, art. 60, at 345.

²⁵⁷ ACTA Draft – April 2010, *supra* note 32, art. 2.X, at 10.

²⁵⁸ ACTA – Dec. 3, 2010, *supra* note 4, art. 14(1), at 9.

definitions of “counterfeit trademark goods” and “pirated copyright goods” in the April draft stated that the goods are infringing if they infringe “under the law of the country in which the procedures [are] set out” in the border measures section.²⁵⁹ This means that under the April draft, if you shipped goods through a third country, that country could seize them as counterfeit or pirated if they violated that country’s laws *on border measures*.

The December draft is more expansive. In the December draft, the definitions for “counterfeit” and “pirated” goods state that goods infringe if they infringe under the law set out in the border measures provision, the civil enforcement provision, the criminal enforcement provision, and the digital enforcement provision.²⁶⁰ Thus, under the December draft, if your goods go through the third-party country and do not infringe their laws on border measures but infringe under the laws on digital enforcement, they can be seized under the language of the December draft.

2. Choosing “Shall” over “May”

In several places, the December draft chooses to require action by party members instead of permitting it by choosing to use the word “shall” instead of “may.” For example, in April, parties were debating whether border measures “shall” or “may” apply to exports;²⁶¹ in the December draft, parties are required to apply border measures to exports.²⁶² Parties are required in the December draft to “promote cooperation” between authorities responsible for enforcement of IP rights instead of being permitted to foster such cooperation as they deem appropriate.²⁶³ Parties are also required to “endeavour to exchange” information with other parties²⁶⁴ instead of permissively being allowed to “promote” information sharing.²⁶⁵

²⁵⁹ ACTA Draft – April 2010, *supra* note 32, art. 2.6(1), at 10 & nn.25–26.

²⁶⁰ ACTA – Dec. 3, 2010, *supra* note 4, art. 5(d), (k), at 3–4 (giving the definitions for counterfeit and pirated goods and stating that goods infringe under these definitions when they violate the procedures set out in Chapter II of the ACTA, which includes civil enforcement, border measures, criminal enforcement, and digital enforcement provisions).

²⁶¹ ACTA Draft – April 2010, *supra* note 32, art. 2.6(1), at 10.

²⁶² ACTA – Dec. 3, 2010, *supra* note 4, art. 16(1), at 10.

²⁶³ *Compare id.* art. 33(2), at 20, *with* ACTA Draft – April 2010, *supra* note 32, art. 3.1(2), at 25.

²⁶⁴ ACTA – Dec. 3, 2010, *supra* note 4, art. 34, at 20.

²⁶⁵ ACTA Draft – April 2010, *supra* note 32, art. 3.2(1), at 26.

3. Other Maximizing Changes

The December draft contains other areas of maximizing changes when compared to the April draft and what was up for discussion then. I outline these changes by section below.

(a) Civil Enforcement

In April, parties debated not including language regarding payment by infringers of “any other expenses as provided for under that Party’s domestic law”²⁶⁶ in addition to court costs and attorney’s fees. This payment is now included in the attorneys’ fees paragraph.²⁶⁷

In April, parties debated including an alternative to destroying infringing goods: having the goods “recalled, [or] definitively removed from the channel of commerce.”²⁶⁸ Now parties must give authorities the power to order that goods be destroyed without compensation, not just recalled or removed from commerce.²⁶⁹

The December draft does not include a paragraph²⁷⁰ from the April draft which would have required parties to take into account both proportionality and any third party interest when ordering destruction of goods.²⁷¹

Under the December draft, “provisional measures” can be used to prevent an infringement even if the infringement is not imminent.²⁷²

(b) Border Measures

The December draft allows right holders to apply “to detain” the goods as border measures, instead of merely suspending their eventual release.²⁷³

The April draft explicitly permitted parties to provide for

²⁶⁶ See ACTA Draft – April 2010, *supra* note 32, art. 2.2(5), at 6–7.

²⁶⁷ ACTA – Dec. 3, 2010, *supra* note 4, art. 9(5), at 7.

²⁶⁸ See ACTA Draft – April 2010, *supra* note 32, art. 2.3(1), at 7.

²⁶⁹ ACTA – Dec. 3, 2010, *supra* note 4, art. 10(1), at 7.

²⁷⁰ See *id.* art. 10, at 7.

²⁷¹ ACTA Draft – April 2010, *supra* note 32, art. 2.3(4), at 7.

²⁷² Compare ACTA – Dec. 3, 2010, *supra* note 4, art. 12(1)–(2), at 8 (omitting a requirement of imminent infringement), with ACTA Draft – April 2010, *supra* note 32, art. 2.5(X), at 8 (requiring imminent infringement).

²⁷³ Compare ACTA – Dec. 3, 2010, *supra* note 4, art. 17(2), at 10 (allowing right holders “to detain” goods), with ACTA Draft – April 2010, *supra* note 32, art. 2.6(1), at 10–11 (allowing right holders to “suspend release” of goods).

applications by right holders to apply to multiple shipments “or in the alternative specified shipments.”²⁷⁴ The December draft permits parties to apply such applications to multiple shipments instead of mandating it,²⁷⁵ but removes the explicit alternative that a party may instead apply such applications only to specified shipments.²⁷⁶ The cost to right holders of applying for suspension of multiple shipments is much lower; the cost to the government, however, is higher.²⁷⁷

(c) Criminal Enforcement

One of the ways in which ACTA expands criminal enforcement is by criminalizing trademark-infringing labels and packaging. The December draft chose more draconian language regarding the criminalization of trademark-infringing labels and packaging. The April draft considered criminalizing willful importation and domestic “trafficking” of labels or packaging;²⁷⁸ the December draft chose to replace “trafficking” with “domestic use,” criminalizing those who use the trademark-violating packaging, not just those who sell it.²⁷⁹

The April draft also involved discussion as to whether ACTA would criminalize packaging intended to be “used . . . for willful trademark counterfeiting”²⁸⁰ or the harsher standard chosen by the December draft, criminalizing packaging “used in the course of trade on goods or in relation to services which are identical to goods or services for which such trademark is registered.”²⁸¹ So under the December draft, the offender need not willfully counterfeit to be criminally liable, if an infringing label is applied to the same kind of goods as the original product.

The liability of legal persons was also up for debate in the April draft, which proposed liability that may be criminal or non-

²⁷⁴ ACTA Draft – April 2010, *supra* note 32, art. 2.6(3), at 11 (brackets omitted).

²⁷⁵ See ACTA – Dec. 3, 2010, *supra* note 4, art. 17(2), at 10.

²⁷⁶ ACTA Draft – April 2010, *supra* note 32, art. 2.6(3), at 11.

²⁷⁷ See PETER K. YU, SIX SECRET (AND NOW OPEN) FEARS OF ACTA 39-40 (2010), available at <http://ownilive.com/files/2010/08/SSRN-id1624813.pdf> (explaining that an expanded government role in enforcement results in private profits at the expense of the public).

²⁷⁸ See ACTA Draft – April 2010, *supra* note 32, art. 2.14(2), at 15.

²⁷⁹ ACTA – Dec. 3, 2010, *supra* note 4, art. 23(2), at 13.

²⁸⁰ ACTA Draft – April 2010, *supra* note 32, art. 2.14(2)(b), at 15.

²⁸¹ ACTA – Dec. 3, 2010, *supra* note 4, art. 23(2)(b), at 13.

criminal.²⁸² The December draft explicitly requires parties to adopt measures to establish “the liability, which may be criminal, of legal persons” for otherwise criminal offenses.²⁸³

In both the provision on penalties and the provisions on seizure, forfeiture, and destruction of goods, the December draft broadens the application of these penalties to all criminal offenses—including the provision of labels, the filming of movies in movie theaters, and aiding and abetting—rather than just willful trademark counterfeiting or copyright piracy on a commercial scale.²⁸⁴

The April draft contained the option to limit seizure of suspected counterfeit trademark goods or pirated copyright goods to “at least . . . serious offenses” instead of all offenses.²⁸⁵ The December draft does not contain the optional limitation.²⁸⁶

The December draft gives officials the authority to order forfeiture or destruction.²⁸⁷ The April draft debated whether to give authorities the authority to order “[confiscation/][forfeiture [and/or] destruction [where appropriate].”²⁸⁸ In the next provision, again, the April draft provides for “confiscation” as an alternative to forfeiture of assets the value of which corresponds to assets obtained from infringing activity.²⁸⁹ Confiscation may consist of a shorter duration, while forfeiture appears be permanent.

The December draft changes the word “defendant”²⁹⁰ to “infringer,”²⁹¹ indicating that forfeiture or destruction may take place before or independent of legal proceedings on the merits.

The April draft proposed that authorities be able to order

²⁸² ACTA Draft – April 2010, *supra* note 32, art. 2.15(1), at 16.

²⁸³ ACTA – Dec. 3, 2010, *supra* note 4, art. 23(5), at 13.

²⁸⁴ Compare *id.* art. 24, at 14 (noting that the penalties apply to three out of four of the criminal offence provisions, excluding the catch-all provision), and *id.* art. 25(1), 25(3), 25(4), at 14 (noting that the seizure, forfeiture, and destruction provisions apply to all of the criminal offence provisions, with the exception of the catch-all provision), with ACTA Draft – April 2010, *supra* note 32, art. 2.14(1), 2.15(3)(a), at 15–16 (noting that there are penalties available for one of the offences listed, which includes willful trademark copyright and piracy).

²⁸⁵ ACTA Draft – April 2010, *supra* note 32, art. 2.16(1)(a), at 17.

²⁸⁶ See ACTA – Dec. 3, 2010, *supra* note 4, art. 25(1), at 14.

²⁸⁷ *Id.* art. 25(3), at 14.

²⁸⁸ See ACTA Draft – April 2010, *supra* note 32, art. 2.16(2)(a), at 17 (brackets in original) (footnote omitted).

²⁸⁹ *Id.* art. 2.16(2)(d), at 18.

²⁹⁰ *Id.* art. 2.16(2)(c), at 18.

²⁹¹ ACTA – Dec. 3, 2010, *supra* note 4, art. 25(3)–(4), at 14.

either fines or the seizure of assets;²⁹² the December draft provides that authorities order the seizure of assets only,²⁹³ which is a more draconian measure than fines. The December draft does not include April's proposed Art. 2.X on the rights of defendants and third parties, which requires that each signatory party "ensure that the rights of the defendants and third parties shall be duly protected and guaranteed."²⁹⁴

(d) Enforcement in the Digital Environment

Generally, the December draft eliminates the most controversial language on enforcement in the digital environment. However, it does include a footnote suggesting that signatory parties create "a regime providing for limitations on the liability of . . . online service providers while preserving the legitimate interests of right holder [sic]."²⁹⁵ This footnote does not contain any of April's language about preventing parties from "impos[ing] a general monitoring requirement on providers."²⁹⁶

In the area of the circumvention of technological protection, the December draft is harsher than the April draft in several respects. The December draft used the U.S. definition of "willful" for technological circumvention,²⁹⁷ without labeling it as such, replacing "willful" as used in the April draft²⁹⁸ with "knowingly or with reasonable grounds to know."²⁹⁹ The December draft also added protection against "the offering to the public by marketing of a device . . . as a means of circumventing an effective

²⁹² ACTA Draft – April 2010, *supra* note 32, art. 2.16(1)(a), at 17 & n.42.

²⁹³ ACTA – Dec. 3, 2010, *supra* note 4, art. 25(5)(a), at 15.

²⁹⁴ ACTA Draft – April 2010, *supra* note 32, art. 2.X, at 18 (brackets omitted); *see also* ACTA – Dec. 3, 2010, *supra* note 4, art. 25, at 14–15 (excluding a requirement providing protections to third parties with regard to the seizure, forfeiture, or destruction of infringing goods).

²⁹⁵ ACTA – Dec. 3, 2010, *supra* note 4, art. 27(2), at 15 n.13.

²⁹⁶ *Compare id.* (allowing for parties to create regimes with regard to the liabilities of and the available remedies against service providers), *with* ACTA Draft – April 2010, *supra* note 32, art. 2.18, at 21 (proposing an option that would prohibit the parties from imposing a monitoring requirement on service providers).

²⁹⁷ *See* 17 U.S.C. § 504(c)(3)(A) (2006) ("In a case of [copyright] infringement, it shall be a rebuttable presumption that the infringement was committed willfully for purposes of determining relief if the violator . . . knowingly provided . . . materially false contact information . . . used in connection with the infringement.").

²⁹⁸ ACTA Draft – April 2010, *supra* note 32, art. 2.18(4), at 22.

²⁹⁹ ACTA – Dec. 3, 2010, *supra* note 4, art. 27(6)(a)(i), at 16.

technological measure.”³⁰⁰

In the April draft, parties debated whether criminal or civil remedies should apply to removing digital rights management (DRM) and distributing works whose DRM had been removed should be subject to criminal or civil remedies.³⁰¹ The December draft includes language implying that criminal penalties are included, stating that civil remedies, which apply when offenders have “reasonable grounds to know” that the works have had their DRM removed, are included among other remedies, which apply when the offender acted knowingly.³⁰²

The December language on limitations or exceptions to the enforcement of technological measures adds the word “appropriate” before “limitations or exceptions,” restricting which limitations and exceptions may be applied.³⁰³

(e) Enforcement Practices

The provision on enforcement practices dictates the mandatory enforcement structures each signatory party must build domestically, and what information-sharing parties must promote. The December draft requires each party to both promote internal coordination among its competent authorities and “facilitate joint actions by” those competent authorities,³⁰⁴ where the April draft requires only the enhancement or promotion of internal coordination and not joint action.³⁰⁵

In the area of information-sharing, the December draft adds a paragraph allowing parties seizing infringing imported goods to provide the party of export with information necessary to identify parties and goods involved in the exportation, and permits the exporting party to “take action against those parties and future shipments.”³⁰⁶

In its section on procedural transparency, the December draft rejected April language requiring parties to “make available to

³⁰⁰ *Id.* art. 27(6)(a)(ii), at 16.

³⁰¹ ACTA Draft – April 2010, *supra* note 32, art. 2.18(4), at 22.

³⁰² ACTA – Dec. 3, 2010, *supra* note 4, art. 27(7), at 17.

³⁰³ Compare ACTA – Dec. 3, 2010, *supra* note 4, art. 27(8), at 17 (“[A] Party may adopt or maintain appropriate limitations or exceptions to measures implementing the provisions”), with ACTA Draft – April 2010, *supra* note 32, art. 2.18(7), at 24 (“Each Party may adopt [limitations or] exceptions to the requirements”) (brackets in original).

³⁰⁴ ACTA – Dec. 3, 2010, *supra* note 4, art. 28(3), at 18.

³⁰⁵ ACTA Draft – April 2010, *supra* note 32, art. 4.1(3), at 29.

³⁰⁶ ACTA – Dec. 3, 2010, *supra* note 4, art. 29(2), at 18.

the public information [within a reasonable period of time].”³⁰⁷ Instead, there is no time constraint on when parties must reveal information to the public.³⁰⁸

(f) Institutional Arrangements

ACTA creates a new institution, the ACTA Committee, and the December draft leaves out language which would require “a periodic mutual evaluation process of the implementation of the Agreement by the parties, according to the principles of equal treatment and a fair hearing,”³⁰⁹ and requiring that any development of the Agreement “does not duplicate other international efforts regarding the enforcement of intellectual property rights.”³¹⁰

The December draft is not explicitly subjected to WTO dispute resolution mechanisms. The draft omits an important April footnote requiring that “this provision shall not conflict with the rules and implementation of the Dispute Settlement Understanding of the World Trade Organization.”³¹¹

The current draft also vastly expands the section on “consultation” from the April draft, which allows parties to request consultations with another party on the implementation of the Agreement.³¹² Instead of clarifying that such consultations shall not conflict with WTO dispute resolution, ACTA’s December draft states that the consultations will “be without prejudice to the rights . . . of either Party in any other proceeding,” including

³⁰⁷ ACTA Draft – April 2010, *supra* note 32, art. 4.3(1), at 30 (brackets in original).

³⁰⁸ ACTA – Dec. 3, 2010, *supra* note 4, art. 30, at 18–19.

³⁰⁹ *Compare id.* art. 36, at 22–23 (authorizing the ACTA Committee to review the implementation of the agreement but not requiring periodic evaluation), *with* ACTA Draft – April 2010, *supra* note 32, art. 5.1(2)(a), at 33 (requiring the ACTA Committee to provide a means for parties to evaluate the implementation of the agreement).

³¹⁰ *Compare* ACTA – Dec. 3, 2010, *supra* note 4, art. 36(12), at 23 (“The Committee shall strive to avoid unnecessary duplication between its activities and other international efforts regarding the enforcement of intellectual property rights.”), *with* ACTA Draft – April 2010, *supra* note 32, art. 5.1(2)(b), at 33 (charging the ACTA Committee with the responsibility to avoid overlapping with other international intellectual property regimes).

³¹¹ *Compare* ACTA – Dec. 3, 2010, *supra* note 4, art. 36, at 22–23 (excluding language regarding WTO dispute resolution), *with* ACTA Draft – April 2010, *supra* note 32, art. 5.1(2)(c), at 33 & n.74 (explicitly abdicating to the dispute settlement rules of the WTO).

³¹² ACTA Draft – April 2010, *supra* note 32, art. 5.5, at 36.

WTO proceedings.³¹³ This envisions ACTA's consultation proceedings as being a separate, parallel track to the WTO instead of subject to it as the earlier draft language suggested.

In another example of ACTA utilizing government resources for the benefit of right holders, the December draft adds language suggesting that the Committee "share information and best practices with third parties on reducing intellectual property rights infringements, including techniques for identifying and monitoring piracy and counterfeiting."³¹⁴ The April draft did not explicitly mention sharing such information with third parties.³¹⁵

The provision on Institutional Arrangements no longer includes language on transparency, requiring prompt publication of laws, regulations, and administrative rulings.³¹⁶ This language is now included only in the chapter on Enforcement Practices,³¹⁷ and the publication is not required to be prompt or timely.³¹⁸ The December draft also entirely cuts language on allowing non-party and nongovernmental entities to observe or monitor Committee sessions.³¹⁹ This prevents transparency, closing out nongovernmental groups from participation and observance.

(g) Final Provision

The Agreement enters into force in 30 days from the last signature of its first six parties, as opposed to three months as

³¹³ ACTA – Dec. 3, 2010, *supra* note 4, art. 38(2), at 24.

³¹⁴ *Id.* art. 36(3)(d), at 22.

³¹⁵ *See* ACTA Draft – April 2010, *supra* note 32, art. 5.1(3), at 33–34.

³¹⁶ *Compare* ACTA Draft – April 2010, *supra* note 32, art. 5.4(1), at 35 (outlining language including transparency), *with* ACTA – Dec. 3, 2010, *supra* note 4, art. 36, at 22–23 (including no mention of transparency).

³¹⁷ ACTA – Dec. 3, 2010, *supra* note 4, art. 30, at 18–19.

³¹⁸ *Compare* ACTA – Dec. 3, 2010, *supra* note 4, art. 30, at 18–19 (declining to provide for prompt publication or public disclosure), *with* ACTA Draft – April 2010, *supra* note 32, art. 5.4(1), at 35 (outlining an option requiring for the prompt publication or public disclosure of laws, regulations, and rulings).

³¹⁹ *Compare* ACTA Draft – Dec. 3, 2010, *supra* note 4, art. 36, at 22–23 (excluding any provisions creating an observer status for invited non-parties and non-governmental organizations), *with* ACTA Draft – April 2010, *supra* note 32, art. 5.6, at 36 ("Countries candidate to become a Party to the Agreement may be invited [by the Committee] to attend sessions or part thereof of the Oversight Committee as observers. An invitation under the same status may be extended [by the Committee] to international organizations active in the field of intellectual property and to non-governmental groups of intellectual property stakeholders.") (brackets in original).

proposed in the April draft.³²⁰ This gives potential signatories less time to study the text to comply with its provisions.

Only a member of the WTO may apply to accede to ACTA.³²¹ The April draft proposed allowing members of WIPO, or WTO, or of the UN to apply.³²² WIPO and the UN contain less stringent IP agreements than the WTO,³²³ so this prescreens membership for maximalist countries subject to existing international enforcement mechanisms.

The April draft contemplated allowing new parties to join based on a two-thirds majority of the Committee,³²⁴ while the December draft requires consensus between committee members,³²⁵ making ACTA harder to join. This creates a closed door whereby the original signatories have an immense amount of power in being able to single-handedly veto other countries from joining the agreement, or control the terms of accession.³²⁶

B. Contextualizing Vague Language

This section addresses places in which the December draft provides vague or broad language, looking to the original language from the April draft to get a sense of what the December language might actually mean. Again, I do not propose using the April draft to define terms in the December draft—just to understand how parties themselves might understand the text.

1. Liability of Government Officials

In the December draft, it is not clear what Article 6.4 on restricting liability for government officials³²⁷ means. The December draft states that “[n]o provision of this Chapter shall

³²⁰ Compare ACTA – Dec. 3, 2010, *supra* note 4, art. 40(1), at 25 (“This Agreement shall enter into force thirty days after the date of deposit of the sixth instrument of ratification . . .”), with ACTA Draft – April 2010, *supra* note 32, art. 6.2(1), at 38 (“This Agreement shall enter into force . . . [three months] [90 days] after the date on which the [fifth] instrument of ratification . . . has been deposited.”) (brackets in original).

³²¹ See ACTA – Dec. 3, 2010, *supra* note 4, art. 43(1), at 26.

³²² ACTA Draft – April 2010, *supra* note 32, art. 6.1(1), at 37.

³²³ See Kaminski, *supra* note 11, at 248 (comparing the general scope of the WIPO/UN regulations to those of the WTO).

³²⁴ ACTA Draft – April 2010, *supra* note 32, art. 6.1(1), at 37.

³²⁵ ACTA – Dec. 3, 2010, *supra* note 4, art 36(4), at 22–23.

³²⁶ See *id.* art. 36(4), 43(2), at 22–23, 26.

³²⁷ See *id.* art. 6(4), at 5.

be construed to require a Party to make its officials subject to liability for acts undertaken in the performance of their official duties.”³²⁸ It is not clear whether the liability refers to liability for infringements, or liability for damages incurred during enforcement. The April draft indicates that it may include both. The April draft explains that parties intended to insert a provision “on limitations on remedies available against use by governments as well as exemptions of public authorities and official [sic] from liability.”³²⁹ The first half of this language appears to limit government liability for IP infringements; the second, however, may refer instead to the now excluded language from the border measures section stating that “each Party shall provide measures concerning the liability of competent authorities in the execution of their duties.”³³⁰ This indicates that parties expect to be able to limit the liability of border authorities for damages incurred during the execution of enforcement.

2. Injunctions and Preliminary Measures

The December draft adds language in the injunctions section providing injunctions “where appropriate, to a third party.”³³¹ There is no indication in the December draft of who these third parties might be. But the April draft proposes allowing injunctions against an “[infringing] intermediar[y] whose services are used by a third party to infringe an intellectual property right.”³³² The April language indicates that injunctions against third parties in the December draft may in fact be referring to injunctions against ISPs or other digital intermediaries.

In the civil enforcement provisions, the December draft refers to “provisional measures” where the April draft used to refer explicitly to interlocutory injunctions.³³³ In April, “provisional

³²⁸ *Id.*

³²⁹ ACTA Draft – April 2010, *supra* note 32, art. 2.X(4), at 4.

³³⁰ *See id.* art. 2.X(4) at 4, 2.X(1), at 14 (brackets omitted).

³³¹ ACTA – Dec. 3, 2010, *supra* note 4, art. 8(1), at 6.

³³² ACTA Draft – April 2010, *supra* note 32, art. 2.X(2), at 5 (first brackets in original).

³³³ *Compare* ACTA – Dec. 3, 2010, *supra* note 4, art. 12, at 8 (using the term “provisional measures” to describe the powers of a Party’s courts to prevent an infringement), *with* ACTA Draft – April 2010, *supra* note 32, art. 2.5(X), at 8 (using the term “interlocutory injunction” to describe the powers of a Party’s courts to prevent an infringement).

measures” were defined as being measures employed “even before the commencement of proceedings on the merits.”³³⁴ The use of the term “provisional measures” instead of “interlocutory injunction,” plus the change in the December draft of the word “plaintiff” to “applicant”³³⁵ indicates that these provisional measures are meant to occur before the commencement of legal proceedings, instead of after proceedings on the merits have occurred.

3. Ex Officio in Border Measures

The December draft appears not to contain an explicit section on ex officio action in border measures. However, the language from the April draft is for the most part still there; it is now split between Art 16.1 and 16.2, which provide that customs authorities may act upon their own initiative.³³⁶

4. Relationships between right holders and other businesses

The December draft obscures the deliberate development of relationships between online service providers and right holders. The April draft originally proposed developing “mutually supportive relationships between online service providers and right holders”—i.e., encouraging private ordering graduate response whereby OSPs cooperate with right holders to monitor users and curtail site access.³³⁷ The December language is more generalized: “Each Party shall endeavor to promote cooperative efforts within the business community to effectively address trademark and copyright or related rights infringement”³³⁸ This language may be a euphemism for what was originally proposed in the April draft, encouraging a relationship between right holders and online service providers.

³³⁴ ACTA Draft – April 2010, *supra* note 32, art. 2.5(X), at 8.

³³⁵ Compare ACTA – Dec. 3, 2010, *supra* note 4, art. 12(1), 12(4), at 8 (using the terms “provisional measures” and “applicant” respectively to describe the powers of a Party’s court to prevent an infringement), with ACTA Draft – April 2010, *supra* note 32, art. 2.5(X), 2.5(3), at 8 (using the terms “interlocutory injunction” and “plaintiff” respectively to describe the powers of a Party’s court to prevent an infringement).

³³⁶ Compare ACTA – Dec. 3, 2010, *supra* note 4, art. 16, at 10 (entitled “Border Measures”), with ACTA Draft – April 2010, *supra* note 32, art. 2.7, at 11–12 (entitled “Ex-Officio Action”).

³³⁷ ACTA Draft – April 2010, *supra* note 32, art. 2.18(3 *quater*), at 22; Bridy, *supra* note 47, at 2, 8, 9.

³³⁸ ACTA – Dec. 3, 2010, *supra* note 4, art. 27(3), at 16.

5. Circumvention of technological measures

In the section on circumvention of technological measures, the December draft uses the vague term “protection.”³³⁹ The April draft contextualizes that criminal penalties may be included in the parties’ understanding of “protection” by using, in the place of “protection,” “civil remedies, [or] [as well as] criminal penalties] in appropriate cases of willful conduct.”³⁴⁰

6. Domestic coordination and enforcement

In the section on domestic enforcement practices and coordination, the April draft contained language suggesting that “[o]ne means of implementation is through specialized law enforcement authorities for the investigation and prosecution of cases concerning the infringement of intellectual property rights.”³⁴¹ The aim of the current section on domestic enforcement might be the creation of such specialized law enforcement authorities.³⁴²

7. Sharing information

Where the December draft discusses sharing information with the “competent authorities of other Parties on border enforcement,” they are likely referring to “border authorities” or “custom authorities” as described in the April draft.³⁴³

The December draft language on sharing information with the authorities of other parties³⁴⁴ replaces two portions of the April draft, one of which refers to exchanging data during enforcement proceedings,³⁴⁵ while the other refers to more generally sharing broad “approaches that are developed to provide greater

³³⁹ *Id.* art. 27(5), at 16.

³⁴⁰ ACTA Draft – April 2010, *supra* note 32, art. 2.18(6), at 23 (footnote omitted) (brackets in original).

³⁴¹ *Id.* art. 4.1(1), at 29 (brackets omitted).

³⁴² *See* ACTA – Dec. 3, 2010, *supra* note 4, art. 28(1), at 18 (“Each Party shall encourage the development of specialized expertise within its competent authorities responsible for the enforcement of intellectual property rights.”).

³⁴³ *Compare* ACTA – Dec. 3, 2010, *supra* note 4, art. 29(1)(b), at 18 (using the term “competent authorities” in allowing the Parties to share information to improve border enforcement”), *with* ACTA Draft – April 2010, *supra* note 32, art. 4.2(1), 4.2(2)(b), at 29–30 (using the terms “custom authorities” and “border authorities” in allowing the Parties to share information to improve border enforcement).

³⁴⁴ ACTA – Dec. 3, 2010, *supra* note 4, art. 29(1), at 18.

³⁴⁵ *See* ACTA Draft – April 2010, *supra* note 32, art. 4.2(1)(b), at 30.

effectiveness.”³⁴⁶ The December draft appears to refer to data exchange during the course of enforcement procedures (“including relevant information to better identify and target [shipments] for inspection”³⁴⁷), rather than sharing broad, non-case-specific approaches to law enforcement.

The December draft on information sharing contains three paragraphs: sharing statistical information, sharing information on legislative and regulatory measures, and “other information as appropriate and mutually agreed.”³⁴⁸ The April draft contained only two: one on statistical data,³⁴⁹ and one on legislative and regulatory measures.³⁵⁰

However, the April draft contained a third, separate paragraph that may give some context to the “other information” language in the December draft. This third paragraph requires parties to share “either on request or on its own initiative” information necessary to enforce, prevent, investigate, or prosecute IP infringement.³⁵¹ This explicit enforcement paragraph is now missing from the December draft.³⁵² Parties are still encouraged to form mutually agreed arrangements for sharing “other information,” and the April draft suggests that “other information” means information for prosecution and other enforcement.³⁵³

8. Capacity building

The capacity-building language in the December draft no longer contains repeated references to developing countries, but the inclusion of the label “developing countries” in the April draft³⁵⁴ indicates that capacity building is meant to apply to

³⁴⁶ *Id.* art. 4.2(1)(c), at 30.

³⁴⁷ *See* ACTA – Dec. 3, 2010, *supra* note 4, art. 29(1)(b), at 18 (allowing parties to share information to improve border enforcement).

³⁴⁸ *Id.* art. 34, at 20.

³⁴⁹ ACTA Draft – April 2010, *supra* note 32, art. 3.2(1)(a), at 26.

³⁵⁰ *Id.* art. 3.2(1)(b), at 26.

³⁵¹ *Id.* art. 3.2(2), at 26.

³⁵² *See* ACTA – Dec. 3, 2010, *supra* note 4, art. 34, at 20.

³⁵³ *Id.* art. 34(c), at 20. The April draft specifically contained the phrase “criminal investigation or prosecution” that was subsequently cut from the December draft. *Compare* ACTA – Dec. 3, 2010, *supra* note 4, art. 33, 34, at 20, *with* ACTA Draft – April 2010, *supra* note 32, art. 3.1(2), at 25.

³⁵⁴ *Compare* ACTA – Dec. 3, 2010, *supra* note 4, art. 33, at 20 (making no mention of developing countries), *with* ACTA Draft – April 2010, *supra* note 32, art. 3.3(1)–(3), (5), at 26–27 (mentioning developing countries in several provisions, which may imply that this draft is intended to apply to developing

them.

9. Dispute Resolution

As previously mentioned, the December agreement cuts April language allowing the ACTA Committee to perform dispute resolution under ACTA.³⁵⁵ However, in its generalized language on what the Committee shall do, the December draft says that “[t]he Committee shall . . . consider any other matter that may affect the implementation and operation of this Agreement.”³⁵⁶ In April, the word “implementation” did not exist in this description.³⁵⁷ “Implementation” may turn out to be a stand-in for dispute resolution.

C. What Was Cut from the December Draft and Will Come Up in the Future

This section addresses perhaps the most significant result of comparing the April and December drafts of ACTA: what has been left out of the final product. Multiple ACTA parties are also parties to the newly developing Trans-Pacific Partnership (TPP),³⁵⁸ which is plurilateral in nature, formed outside of existing international institutions, and addresses intellectual property rights.³⁵⁹ The final draft of ACTA excludes ISP liability

countries).

³⁵⁵ Compare ACTA – Dec. 3, 2010, *supra* note 4, art. 36(2), at 22 (omitting any reference to the Committee’s authority to handle disputes), with ACTA Draft – April 2010, *supra* note 32, art. 5.1(2)(c), at 33 (“The Committee shall . . . [[resolve][facilitate the avoidance of] disputes that may arise regarding [its][the] interpretation or application [of this Agreement] . . .”) (footnote omitted) (brackets in original).

³⁵⁶ ACTA – Dec. 3, 2010, *supra* note 4, art. 36(2)(e), at 22.

³⁵⁷ See ACTA Draft – April 2010, *supra* note 32, art. 5.1(2)(d), at 33.

³⁵⁸ See *Trans-Pacific Partnership: Frequently Asked Questions*, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE, http://www.ustr.gov/webfm_send/1711 (last visited May 28, 2011) (listing the United States, Singapore, New Zealand, and Australia as countries that are involved in the TPP); ACTA – Dec. 3, 2010, *supra* note 4, art. 39, at 25 n.17 (listing the countries that are involved with ACTA negotiations).

³⁵⁹ The USTR announced that it is conducting “an unprecedented fifty-state domestic outreach strategy for TPP.” *TPP Outreach and Updates*, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE, www.ustr.gov/trade-agreements/free-trade-agreements/trans-pacific-partnership/tpp-outreach-and-updates (last visited May, 28 2011); see also Claude Barfield & Philip I. Levy, *Tales of the South Pacific: President Obama and the Transpacific Partnership*, AM. ENTERPRISE INST. FOR PUB. POL’Y RESEARCH (Dec. 2009), <http://www.aei.org/outlook/100927> (explaining the plurilateral nature of TPP as

measures, and comparatively narrowed the definition of criminal offenses. It is likely that parties to the ACTA will try to reinstate rejected ACTA provisions in future agreements such as the TPP.

1. What May Be Mandatory instead of Permissive in Future Agreements

Future agreements may, like the April draft, mandate that the destruction of goods “shall” be carried out at the expense of the infringer.³⁶⁰ They may mandate the application of border measures to transshipped goods, as did the April draft,³⁶¹ rather than merely permitting such application, as did the December draft.³⁶² They may mandate criminal enforcement against recording movies in movie theaters, or distributing such copies.³⁶³

Future agreements may mandate that parties cooperate internationally on criminal law enforcement and border measures. The December draft chose to permit parties to participate in international cooperation on criminal law enforcement and border measures, while the April draft said that cooperation definitively “includes” both criminal law enforcement and border measures.³⁶⁴

The drafts evidence conflict over requirements for capacity building at the expense of signatory parties. The April draft mandated that parties “shall [endeavour to] provide” for capacity building.³⁶⁵ The December draft includes the “endeavour to” language, requiring parties that parties merely “shall endeavour to provide” capacity building.³⁶⁶ Future agreements may require parties to shoulder such costs.

2. Criminal Enforcement

The criminalization standard in the older drafts of ACTA was significantly more stringent than the standard adopted in the

“interlacing” agreements between many nations).

³⁶⁰ ACTA Draft – April 2010, *supra* note 32, art. 2.3(3), at 7. The word “shall” does not appear in the corresponding section of the December draft. *See* ACTA – Dec. 3, 2010, *supra* note 4, art. 10(3), at 7.

³⁶¹ ACTA Draft – April 2010, *supra* note 32, art. 2.6(1), at 10.

³⁶² ACTA – Dec. 3, 2010, *supra* note 4, art. 16(2), at 10.

³⁶³ *See* ACTA – Dec. 3, 2010, *supra* note 4, art. 23(3), at 13.

³⁶⁴ *Compare id.* art. 33(2), at 20, *with* ACTA Draft – April 2010, *supra* note 32, art. 3.1(2), at 25.

³⁶⁵ ACTA Draft – April 2010, *supra* note 32, art. 3.3(1), at 26 (brackets in original).

³⁶⁶ ACTA – Dec. 3, 2010, *supra* note 4, art. 35(1), at 20.

December draft,³⁶⁷ and is likely to be reintroduced in future agreements. The December draft requires criminalization of “acts carried out on a commercial scale [which] include at least those carried out as commercial activities for direct or indirect economic or commercial advantage.”³⁶⁸ The broader standard from the April draft, however, criminalizes “(a) significant willful . . . infringements [with] no direct or indirect motivation of financial gain; and (b) . . . infringements for purposes of commercial advantage or financial gain,” with financial gain including the “receipt of anything of value.”³⁶⁹ In U.S. law at least, this standard has led to the criminalization of copyright infringement for personal use over a certain monetary amount, within a certain amount of time.³⁷⁰ Other countries may be reluctant to apply such broad criminalization to such a large percentage of their population.

Future agreements may criminalize “inciting” in addition to “aiding and abetting.”³⁷¹ Gwen Hinze of EFF has pointed out that this language in the April draft comes from failed proposed EU law.³⁷²

Future agreements may include April’s language suggesting imprisonment of legal persons.³⁷³ They may also exclude ACTA’s current language stating that parties are not obligated to impose imprisonment and monetary fines in parallel, thereby increasing

³⁶⁷ Compare *id.* art. 23–24, at 13–14 (providing for criminalization in the case of economic growth or advantage), with ACTA Draft – April 2010, *supra* note 32, art. 2.14–15, at 15–17 (criminalizing activities regardless of financial gain).

³⁶⁸ ACTA – Dec. 3, 2010, *supra* note 4, art. 23(1), at 13.

³⁶⁹ ACTA Draft – April 2010, *supra* note 32, art. 2.14(1), at 15 & n.37.

³⁷⁰ No Electronic Theft (NET) Act, Pub. L. No. 105-147, 111 Stat. 2678 (1997) (codified as amended at 17 U.S.C. §§ 101, 506; 18 U.S.C. § 2319; 28 U.S.C. § 1498) (“Any person who infringes a copyright willfully either—(1) for purposes of commercial advantage or private financial gain, or (2) by the reproduction or distribution, including by electronic means, during any 180-day period, of 1 or more copies or phonorecords of 1 or more copyrighted works, which have a total retail value of more than \$1,000, shall be punished as provided under section 2319 of title 18, United States Code.”) (quotation marks omitted).

³⁷¹ Compare ACTA – Dec. 3, 2010, *supra* note 4, art. 23(4), at 13 (“[Each] Party shall ensure that criminal liability for aiding and abetting is available under its law.”), with ACTA Draft – April 2010, *supra* note 32, art. 2.15(2), at 16 (“The provisions of this section shall apply to [inciting,] aiding and abetting . . .”) (brackets in original).

³⁷² See Gwen Hinze, *Preliminary Analysis of the Officially Released ACTA Text*, ELECTRONIC FRONTIER FOUND. (Apr. 22, 2010), www.eff.org/deeplinks/2010/04/eff-analysis-officially-released-acta-text.

³⁷³ See ACTA Draft – April 2010, *supra* note 32, art. 2.15(3)(a), at 16.

penalties for individual convictions of infringement.³⁷⁴ Future agreements may apply ex officio criminal enforcement in all cases, instead of “in appropriate cases.”³⁷⁵

3. Notice and Takedown

Future agreements will likely revive the specter of international notice-and-takedown provisions. ACTA’s April draft gave at least a flavor of what such provisions might look like. The April draft proposed essentially two options for digital enforcement provisions: one proposed by the United States,³⁷⁶ and one by the EU.³⁷⁷ Each proposed (1) a categorization system for different kinds of intermediary activity, and (2) a system of actions by intermediaries to remedy infringement and escape liability, such as notice and takedown.³⁷⁸ Both provisions applied to all intellectual property rights,³⁷⁹ not just copyright as the

³⁷⁴ See ACTA – Dec. 3, 2010, *supra* note 4, art. 24, at 14 & n.12.

³⁷⁵ Compare *id.* art. 23(3), 26, at 13, 15, with ACTA Draft – April 2010, *supra* note 32, art. 2.18(4), at 22.

³⁷⁶ See Working Document from the Gen. Secretariat of the Council of the European Union to the Delegations for the ACTA Negotiations 23–29 (Feb. 12, 2010) [hereinafter Working Document], available at <http://blog.die-linke.de/digitalelinke/wp-content/uploads/ACTA-6437-10.pdf> (outlining the proposals of the United States and the European Union for Section Four of ACTA); Memorandum of the European Comm’n Directorate-General for Trade (Sept. 30, 2009), available at http://www.wired.com/images_blogs/threatlevel/2009/11/actadoc1.pdf (referring to a United States proposal providing safe-harbors for ISP’s that would be based on the Digital Millennium Copyright Act and mentioning notice-and-takedown language); Scott M. Fulton III, *Latest ACTA Draft Finally Released, ISP ‘Safe Harbor’ Limitations Considered*, BETANEWS (Apr. 21, 2010), <http://www.betanews.com/article/Latest-ACTA-draft-finally-released-ISP-safe-harbor-limitations-considered/1271880147>. Compare ACTA Draft – April 2010, *supra* note 32, art. 2.18(3)(a)(Option 1), at 19–20 (allowing Parties to limit the civil liabilities of online service providers with regard to copyright infringement), with 17 U.S.C § 512 (2011) (stating the limitations on liability with respect to online service providers).

³⁷⁷ See Working Document, *supra* note 376, at 23–29 (outlining the proposals of the United States and the European Union for Section Four of ACTA). Compare ACTA Draft – April 2010, *supra* note 32, art. 2.18(3)(a)(Option 2), at 20–21 (stating the limitations on the liability with respect to online service providers), with Council Directive 2000/31/EC, art. 12–15, 2000 O.J. (L 178) 12–13 (EC) (regarding the “liability of intermediary service providers”).

³⁷⁸ See ACTA Draft – April 2010, *supra* note 32, art. 2.18, at 19–23 (discussing two options with regard to the digital enforcement procedures); Working Document, *supra* note 376, at 23–29 (outlining the proposals of the United States and the European Union for Section Four of ACTA).

³⁷⁹ ACTA Draft – April 2010, *supra* note 32, art. 2.X, 2.1, 2.18(1), at 4, 18.

DMCA does in the United States.³⁸⁰

The U.S.-proposed provisions do not purely export the Digital Millennium Copyright Act (DMCA), but instead describe a system resembling the DMCA but without balancing provisions.³⁸¹ They establish three categories for intermediary activity: (1) automatic technical processes, (2) independent actions of a provider's users, and (3) hyperlinking.³⁸² It should be noted that actual U.S. law does not use these categories, and describes not three but four categories of intermediary activity,³⁸³ raising the question of how such provisions would map onto U.S. law. The U.S.-proposed provisions of the April draft of ACTA refer to termination policies to be adopted by an ISP or OSP.³⁸⁴ They establish notice-and-takedown without allowing for (1) sanctions against right holders who abuse the system³⁸⁵ or (2) incentives for ISPs and OSPs to contact subscribers to provide them with an opportunity to protest takedown.³⁸⁶ Finally, the

³⁸⁰ 17 U.S.C. § 512(a), (b)(1).

³⁸¹ See *id.* § 512(a)–(d), (f), (g)(2) (generally limiting the liability of online service providers regarding infringement but also creating liability for a person who misrepresents an infringement, or lack thereof, to a service provider and negating the exemption from liability to service providers who fail to notify subscribers before taking down allegedly infringing material); ACTA Draft – April 2010, *supra* note 32, art. 2.18(3)(a), (b)(Option 1), at 20 (generally limiting the liability of online service providers but requiring that online service providers take down allegedly infringing material as a condition for the exemption from liability); Working Document, *supra* note 376, at 29–29 (outlining the proposals of the United States and the European Union for Section Four of ACTA).

³⁸² ACTA Draft – April 2010, *supra* note 32, art. 2.18(3)(a)(Option 1), at 20.

³⁸³ See 17 U.S.C. §§ 512(a)–(d) (regulating categories of intermediary activity for “transitory digital network communications,” “system caching,” “information residing on systems or networks at direction of users,” and “information location tools”).

³⁸⁴ See ACTA Draft – April 2010, *supra* note 32, art. 2.18(3)(b)(Option 1), at 21; Working Document, *supra* note 379, at 28–29 (outlining the proposals of the United States and the European Union for Section Four of ACTA).

³⁸⁵ See 17 U.S.C. § 512(f) (creating liability for a person who misrepresents an infringement, or lack thereof, to a service provider); ACTA Draft – April 2010, *supra* note 32, art. 2.18(3)(b)(Option 1), at 21 (requiring that online service providers take down allegedly infringing material as a condition for the exemption from liability); Working Document, *supra* note 376, at 28–29 (outlining the proposals of the United States and the European Union for Section Four of ACTA).

³⁸⁶ See 17 U.S.C. § 512 (g)(2) (negating the exemption from liability to service providers who fail to notify subscribers before taking down allegedly infringing material); ACTA Draft – April 2010, *supra* note 32, art. 2.18(3)(b)(Option 1), at 21 (requiring that online service providers take down allegedly infringing material as a condition for the exemption from liability); Working Document,

U.S.-proposed provisions complicate and obscure the “mere conduit” category for ISPs, indicating that ISPs conducting network management (i.e. not being “solely . . . a conduit”) may be subject to notice-and-takedown under the April ACTA language.³⁸⁷

The second proposal for ISP liability limitations³⁸⁸ comes from the EU and resembles the E-Commerce directive.³⁸⁹ This option also establishes three categories of intermediary activity,³⁹⁰ but they are three different categories from the U.S. proposal, again making it unclear where caching and hyperlinking would fit in. This provision proposes a lower knowledge standard for takedown than the actual E-Commerce directive, and permits graduated response by allowing parties to establish “procedures governing the removal or disabling of access to information” by ISPs operating as “mere conduits.”³⁹¹

Like the U.S.-proposed provisions, these are not a pure export of existing EU law, and lack balancing elements from the E-Commerce directive. They lack the nod to freedom of expression that the E-Commerce directive contains.³⁹² The proposed language restricting monitoring obligations when an ISP complies with safe harbors³⁹³ is narrower than in EU law, which prevents member states more generally from imposing an obligation “to monitor the information which they transmit or store,” regardless of compliance with safe harbors.³⁹⁴

The April draft of ACTA sets up a legal backdrop conducive to private ordering graduated response, by requiring that governments encourage the cooperation between ISPs and right holders.³⁹⁵ It allows right holders to contact ISPs directly for

supra note 376, at 28–29 (outlining the proposals of the United States and the European Union for Section Four of ACTA).

³⁸⁷ See ACTA Draft – April 2010, *supra* note 32, art. 2.18(3)(b)(Option 1), at 21.

³⁸⁸ *Id.* art. 2.18(3)(a), (b)(Option 2), at 20–21.

³⁸⁹ See Council Directive 2000/31/EC, *supra* note 377, art. 12–15; Working Document, *supra* note 376, at 23–29 (outlining the proposals of the United States and the European Union for Section Four of ACTA).

³⁹⁰ ACTA Draft – April 2010, *supra* note 32, art. 2.18(a)(Option 2), at 20.

³⁹¹ *Id.* art. 2.18(a)(i), (b)(Option 2), at 20 & n.56, 21.

³⁹² Compare *id.* art. 2.18(a), (b)(Option 2) (making no mention of freedom of expression), with Council Directive 2000/31/EC, *supra* note 377, ¶ 9, 46 (making mention of fundamental freedoms).

³⁹³ ACTA Draft – April 2010, *supra* note 32, art. 2.18(3)(b)(Option 2), at 21.

³⁹⁴ Council Directive 2000/31/EC, *supra* note 377, art. 15.

³⁹⁵ See ACTA Draft – April 2010, *supra* note 32, art. 2.18(3 *quater*), at 22.

user information.³⁹⁶ It defines third-party liability,³⁹⁷ implicating OSPs and ISPs, proposes sanctions for inciting, aiding and abetting infringement,³⁹⁸ and proposes sanctions for legal persons,³⁹⁹ all of which encourage ISPs to cooperate directly with right holders or risk suit or criminal penalties.

4. Other

Future agreements may contain stiffer penalties. Patent infringement may be subject to attorneys' fees.⁴⁰⁰ Authorities may be granted an expanded ability to order the destruction of infringing goods of all intellectual property rights, not just pirated copyright goods and counterfeit trademark goods.⁴⁰¹ Governments may no longer be permitted to decide "in exceptional circumstances" not to dispose of goods seized during border enforcement outside of the channels of commerce.⁴⁰²

The relationship between right holders and OSPs will be fostered, to the detriment of Internet users. A right holder may, in the future, have a lower standard of proof to meet before officials can order an OSP to disclose identifying information about subscribers. In the December draft, the right holder must file "a legally sufficient claim" before an authority will order disclosure of identifying information,⁴⁰³ while in the April draft, the right holder need only have provided "effective notification" directly to the OSP rather than a judicial authority.⁴⁰⁴

In the area of technological circumvention, future agreements may encompass a wider span of violating products. Such agreements may protect against parts of products that are designed for circumvention, instead of looking to whole products only, implicating more designs.⁴⁰⁵ Future agreements may, like the April draft, state that each circumvention offense is a separate offense from infringement itself.⁴⁰⁶ Parties may be

³⁹⁶ *Id.* art. 2.18(3 *ter.*), at 21.

³⁹⁷ ACTA Draft – April 2010, *supra* note 32, art. 2.18(3), at 19 & n.47.

³⁹⁸ *Id.* art. 2.15(2), at 16.

³⁹⁹ *Id.* art. 2.15(3)(b), at 16–17.

⁴⁰⁰ *Id.* art. 2.2(5), at 6.

⁴⁰¹ *Id.* art. 2.3(1), at 7.

⁴⁰² *See id.* art. 2.3(1)–(2), at 7 (proposing that the authority shall vest in the court upon election made by the rights holder).

⁴⁰³ ACTA – Dec. 3, 2010, *supra* note 4, art. 27(4), at 16.

⁴⁰⁴ ACTA Draft – April 2010, *supra* note 32, art. 2.18(3 *ter.*), at 21.

⁴⁰⁵ *Id.* art. 2.18(4)(b), at 22–23.

⁴⁰⁶ *Id.* art. 2.18(5), at 23.

obligated to require “that the design of . . . a . . . product provide for a response to any particular technological measure.”⁴⁰⁷ And the ban on the distribution of works from which DRM has been removed may include “other subject matters specified under Article 14 of the TRIPS Agreement” instead of just “work[s], performance[s], or phonogram[s].”⁴⁰⁸

If the April draft is any indication, government resources will be further harnessed on the behalf of private right holders. In enforcement practices, parties may be required to develop specialized expertise “in order to [ensure] [promote] effective enforcement of [intellectual property rights] [copyright and trademark rights],”⁴⁰⁹ rather than be “encourage[d]” to develop a more specialized expertise on IP.⁴¹⁰ This costs money and time. The April draft considers mandatory language concerning government collection of statistical data (“Each Party shall . . . [endeavor to collect] statistical data and other [relevant] information”)⁴¹¹ while the December draft is more passive (“Each Party shall promote the collection and analysis of statistical data and other relevant information”).⁴¹² The April draft requires parties to publish “any statistical information that the Party may collect.”⁴¹³ This harnesses government-collected statistical data for private use by private companies, by requiring such data to be communicated to the public and thereby to private companies. The April draft further contemplated requiring parties to create educational and dissemination projects that “may include joint initiatives with the private sector.”⁴¹⁴

Parties may also be explicitly required to work more closely with right holders. The December draft permits parties to hear the views of right holders and other relevant stakeholders in domestic enforcement,⁴¹⁵ while the April draft actively suggested that parties “foster dialogue and information exchanges with

⁴⁰⁷ ACTA – Dec. 3, 2010, *supra* note 4, art. 27(6)(b)(ii), at 17 & n.15.

⁴⁰⁸ See ACTA Draft – April 2010, *supra* note 32, art. 2.18(6)(b), at 24; *id.* art. 2.18(4)(a), at 22.

⁴⁰⁹ ACTA Draft – April 2010, *supra* 32, art. 4.1(1) at 29 (brackets in original).

⁴¹⁰ ACTA – Dec. 3, 2010, *supra* note 4, art. 28(1), at 18.

⁴¹¹ ACTA Draft – April 2010, *supra* note 32, art. 4.1(2), at 29 (brackets in original).

⁴¹² ACTA – Dec. 3, 2010, *supra* note 4, art. 28(2), at 18.

⁴¹³ ACTA Draft – April 2010, *supra* note 32, art. 4.3(1)(d)(Option 2), at 31.

⁴¹⁴ *Id.* art. 4.4, at 32.

⁴¹⁵ ACTA – Dec. 3, 2010, *supra* note 4, art. 28(4), at 18.

shareholders.”⁴¹⁶ In the intersection of privacy and use of government resources, the April draft proposed permitting border officials or other authorities to conduct audits of an importer’s business records to detect infringement.⁴¹⁷

Future agreements will likely contain more language on international information sharing. The April draft proposed that international information sharing be explicitly linked to enforcement, as opposed to best practices, proposing to include that parties cooperate “in order to deal with the increasingly global problem of the trade in counterfeit and pirated goods.”⁴¹⁸ The draft contained several paragraphs suggesting mandatory cooperation⁴¹⁹ and information sharing in IP enforcement.⁴²⁰ It also proposed requiring periodic meetings between the parties expressly for the purpose of information sharing.⁴²¹

In the area of capacity-building, future agreements may contain mandatory language on creating and promoting legislation for developing countries.⁴²² They may, like the April draft, require the creation of a special fund to finance capacity building.⁴²³ This uses government resources inappropriately, having countries’ taxpayers effectively pay for enforcement installation in other countries.

V. CONCLUSION

The Anti-Counterfeiting Trade Agreement represents the most recent maximalist push for increasing enforcement of international intellectual property law, outside of existing legitimated international forums. ACTA ratchets up the international standard for IP enforcement, even as it leaves out large portions of problematic law from its earlier drafts. The more stringent provisions of ACTA’s earlier drafts are likely to recur, however, in upcoming plurilateral agreements, such as the

⁴¹⁶ ACTA Draft – April 2010, *supra* note 32, art. 4.1(4), at 29 (brackets omitted).

⁴¹⁷ *Id.* art. 4.2(3), at 30.

⁴¹⁸ *Id.* art. 3.1(1), 3.2(2), at 25–26 (brackets omitted).

⁴¹⁹ *Id.* art. 3.1(3), at 25.

⁴²⁰ *Id.* art. 3.2(2), at 26.

⁴²¹ *Id.* art. 3.2(1), at 26.

⁴²² Compare *id.* art. 3.3(2), at 26–27 (considering language that would require creating and promoting legislation for developing countries), with ACTA – Dec. 3, 2010, *supra* note 4, art. 35, at 20–21 (omitting language that would require creating and promoting legislation for developing countries).

⁴²³ ACTA Draft – April 2010, *supra* note 32, art. 3.3(4) & 3.3(5), at 27.

Trans-Pacific Partnership (TPP). The agendas of ACTA's negotiators are now clear. Hopefully this will make the process of future agreement-forming more transparent, if only because non-negotiators will have a clearer understanding, based on ACTA's history, of what language is to come.