

Research Report on the Best Practices to Initiate, Continue, or Revitalize IP Enforcement Efforts: A Focus on Trademark Anticounterfeiting

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Contents

About the Author.....	3
Introduction: Seven Guiding Best Practices.....	4
Country Profiles.....	5
The Philippines.....	5
Case Studies in the Philippines.....	8
Singapore.....	9
Thailand.....	10
Malaysia.....	11
Cambodia.....	11
Best Practices and Recommendations.....	12
Establishment of a Multi-Agency Task Force.....	12
Specialized IP Courts with Special IP Rules of Procedure.....	13
IP Enforcement Through Regional Coordination and Cooperation:	
Data Sharing Partnerships.....	14
Cooperation with China.....	15
Grant of Enforcement Powers to IP Offices.....	16
International Organizations Must Promote Active and	
Relevant Programs.....	16
ASEAN IP Rights Action Plan 2016-2025.....	16
Summary and Conclusions.....	17
Appendix.....	18



About the Author

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In December 2006, he was appointed to the Department of National Defense as Undersecretary for Legal Affairs and Special Concerns, and as concurrent Spokesperson and Assistant Chief Executive Officer, Anti-Council, and was one of the prime movers behind the enactment of Republic Act No. 9372 or the Human Security Act of 2007.

He later served as the Director General of the Intellectual Property Office of the Philippines and was the driving force behind the numerous achievements of the Office during this period.

Background: This paper has been produced for the International Trademark Association (INTA) (December 2021), to promote improvements to intellectual property protection in Southeast Asia. INTA's Anticounterfeiting Committee Asia-Pacific Subcommittee members had the privilege to review and provide input on earlier drafts of this report. The report expresses the views of the author and does not necessarily represent the views of INTA. While efforts have been made to ensure the accuracy of the information in this report, it should not be treated as the basis for formulating business decisions without professional advice.

Introduction: Seven Guiding Best Practices

The economic integration of the Association of Southeast Asian Nations (ASEAN) Economic Community (AEC) in 2016 has made intellectual property (IP) enforcement more relevant and important because of the likelihood of increased trade in the region. While there may be challenges ahead, IP enforcement should not be a major one, as there is already sufficient best practice experience among the IP offices of the ASEAN member states (AMSs) to overcome any difficulties.

This research report identifies high-level recommendations and best practices from a selection of five AMSs—Cambodia, Malaysia, the Philippines, Singapore, and Thailand, which taken together should offer a roadmap for improvements in IP enforcements for the region, in particular for trademark anticounterfeiting. Policy makers should consider how they can initiate, continue, or revitalize IP enforcement efforts in light of this research report's recommendations. These efforts are crucial because IP infringement can directly affect public health and safety, among other important policy considerations.

Although there is still room for improvement where enforcement efforts to combat counterfeiting are concerned, the experience of these five AMSs should be a good starting point. Considering their technical and policy expertise, IP Offices are in a unique position to support and encourage the adoption of the right mix of the following seven best practices.

A detailed checklist of recommended general and specific best practices is included in the Appendix at the end of this report.

The first best practice shared by these five AMS is the existence of a sound, pertinent, and comprehensive legislative environment. Many of the IP laws present in modern economies are already in place in many AMSs,¹ and these laws have been shepherded by their respective IP Offices.

Second, a transparent, experienced, and efficient judicial system must accompany the sound legislative environment. Indeed, without an effective judicial system the laws of the land cannot be of any help. According to the International Intellectual Property Institute (IIPI) and the U.S. Patent and Trademark Office (USPTO), some AMS may be considered advanced in terms of having a highly functioning judicial system that can truly support a progressive IP regime.² Specialized IP courts are ideal but designated commercial courts also go a long way in promoting IP regimes. The Intellectual Property Office of the Philippines (IPOP HL) has worked with several organizations to push for enhanced IP enforcement. The American Bar Association Rule of Law Initiative (ABA ROLI) is working with the USPTO and the Philippine Judicial Academy (PHILJA) to train officials from the IPOP HL, the Bureau of Customs, and other government agencies, to enforce its new IP rights laws. In addition, ABA ROLI, the IPOP HL, and the USPTO are developing a standard operating procedures manual for judges, court employees, and others in relevant government agencies.³

Third, IP enforcement is too complex to be left to one enforcement agency alone, even a specialized IP enforcement unit.⁴ The enemy is various criminal organizations, both international and domestic. They are capable of shifting strategies and are often a step ahead of law enforcement officials. The only way to counter this is to engage in a multi-agency approach to fight criminals in every aspect of their illegal activities. While many counterfeit products originate from a single source abroad, and therefore border enforcement units are the first line of defense, national and local police are still necessary to protect the public from counterfeits that go undetected by enforcement officers at the border. Because the criminals are unified in a common goal of selling counterfeit goods, whereas brand owners are in direct competition with each other, there is also a need to rely on government intelligence units to complement the resources of the brand owners.

¹See *Intellectual Property Law in Southeast Asia: Recent Legislative and Institutional Developments*, Christoph Antons, University of Wollongong Australia, available at <http://ro.uow.edu.au/cgi/viewcontent.cgi?article=1479&context=lawpapers>.

²See International Intellectual Property Institute (IIPI) and United States Patent and Trademark Office (USPTO), "Study on Specialized Intellectual Property Courts" (Jan. 25, 2012) in <http://iipi.org/2012/05/study-on-specialized-intellectual-property-courts-published/>.

³*Current Rule of Law Programs in the Philippines* in http://www.americanbar.org/advocacy/rule_of_law/where_we_work/asia/philippines/programs.html.

⁴See *Guidebook on Enforcement of Intellectual Property Rights*, Prof. Michael Blakeney, Queen Mary Intellectual Property Research Institute, Queen Mary, University of London, in http://trade.ec.europa.eu/doclib/docs/2005/april/tradoc_122641.pdf.

Fourth, some AMSs are fortunate in that their high-ranking political authorities are actively involved in IP enforcement. IP Offices in such countries will surely be emboldened to pursue their objectives if they have the support and encouragement of higher authorities.⁵

Fifth, some AMSs promote IP enforcement, in particular—and a progressive IP regime, in general—as part of a bigger economic development plan.⁶ Some IP Offices have been successful in integrating the world of IP into their overall economic development plan. This in turn makes it easy to get support from other government bureaucrats, especially where the private sector can benefit immensely.

The sixth best practice is to not only plan for the future but also to be flexible enough to keep up with the rapid pace of technology. This is especially true where counterfeits are widely marketed online. IP legislation on enforcement should empower enforcement officers to be “one step ahead” of the criminal element, with sufficient leeway to address and adapt to any new methods that criminals may have developed to commit IP crimes.⁷

The last best practice is the implementation of a successful IP enforcement program. Many IP Offices have extensive experience implementing past and current programs introduced by international organizations to curb the proliferation of counterfeits. This knowledge could be shared to help individual AMSs implement their own enforcement programs without having to “reinvent the wheel.”

Country Profiles

To illustrate how some AMSs have adopted the above practices, the following are some initiatives that have been successfully implemented in each of the five AMSs examined in this report.

The Philippines

In 2014, the Philippines was removed from the Watch List of the United States Trade Representative (USTR) Special 301 Report after having been included in the USTR Watch List or Priority Watch List continuously since 1994.⁸ Recently, the Philippines was delisted from priority categories on the European Commission’s Watch List.⁹

A few years prior to the said developments, in 2010, the ASEAN Working Group on IP Cooperation (AWGIPC) launched the ASEAN IP Rights Action Plan 2011–2015 and designated the Philippines as the country champion for IP rights enforcement in ASEAN.¹⁰

Under the ASEAN IP Rights Action Plan 2016–2025, the Philippines is described as a country champion/co-champion in 13 out of a total of 19 initiatives.¹¹ The Philippines, as co-country champion on enforcement, was designated Chair of the ASEAN Network of IP Enforcement Experts (also known as ANIEE). The IPOPHL took the reigns as Chair of the AWGIPC in 2021.¹²

Two institutional reforms can be attributed to these developments. First, a National Committee on Intellectual Property Rights (NCIPR) was established on June 21, 2008, by virtue of an Executive Order issued

⁵See, for example, the cases of Thailand in the establishment of the National Intellectual Property Policy Committee (NIPPC) headed by the Prime Minister, in <http://www.thaigov.go.th/index.php/en/government-en1/item/106547-nippc-to-collaborate-with-us-in-developing-action-plan-on-thailand%E2%80%99s-intellectual-property>.

⁶See, for example, the case of Singapore, as outlined in “The Development of Singapore’s Intellectual Property Rights Regime,” Lee Kuan Yew School of Public Policy—Microsoft Case Studies Series on Information Technology, Public Policy and Society, available at https://lkyspp.nus.edu.sg/wp-content/uploads/2014/11/LKWMS_Series01_SG_IP.pdf.

⁷See, for example, the case of the Philippines in “The Enforcement Function of the Intellectual Property Office of the Philippines: Best Practices and Challenges,” in http://www.wipo.int/edocs/mdocs/enforcement/en/wipo_ace_11/wipo_ace_11_6.pdf.

⁸“U.S. Removes the Philippines from the Special 301 Watch List,” in <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2014/April/US-Removes-the-Philippines-from-the-Special-301-Watch-List>.

⁹<https://www.ipophil.gov.ph/news/eu-clears-philippines-of-priority-label-in-counterfeit-watchlist/> and https://trade.ec.europa.eu/doclib/docs/2020/january/tradoc_158561.pdf.

¹⁰ASEAN Intellectual Property Rights (IPR) Action Plan 2011–2015, <https://www.aseanip.org/About-Us/ASEAN-IPR-Action-Plan-2011-2015>.

¹¹<https://www.ipophil.gov.ph/news/the-ipophil-takes-over-management-of-asean-it-tools-on-intellectual-property/>.

¹²<https://www.ipophil.gov.ph/news/ph-assumes-chairmanship-of-asean-intellectual-property-cooperation-group/>.

by the President.¹³ Among the factors that improved the NCIPR's recognition among IP stakeholders as an effective coordinating mechanism for IP rights enforcement were (a) the intensified efforts among the member-agencies; (b) the increased visibility and frequency of joint enforcement operations; and (c) the designation of permanent representatives that met regularly.¹⁴ In fact, the NCIPR was cited in the 2014 USTR Special 301 Report as one of the best IP rights practices featuring enhanced interagency cooperation.¹⁵

Second, the enactment of legislation granting enforcement and visitorial powers to the IPOPHL was itself a monumental development.¹⁶ These powers, which do not ordinarily come under the purview of an administrative agency such as an IP office, in effect provided rights holders with additional remedies to report and take action on IP rights violations.¹⁷

The NCIPR and IPOPHL in turn spearheaded the adoption of several programs on IP rights enforcement in the Philippines. First, special judicial rules of procedure were adopted by the Supreme Court of the Philippines specifically for cases involving litigation of IP rights.¹⁸ Although the Philippines does not have specialized IP courts exclusively dedicated to handling IP cases, the Special Rules on IP litigation, which took effect on November 8, 2011, effectively streamlined the entire process of IP litigation from filing to trial to resolution.

As recently as 2020, the Rules of Procedure for IP Cases were amended by the Supreme Court of the Philippines to expedite IP cases.¹⁹ The promulgation of the Rules of Procedure for IP Cases also served as a take-off point for the IPOPHL and the Philippine Judicial Academy (PHILJA)²⁰ to undertake joint specialized training programs and colloquia for judges and court personnel.²¹ This has led to the effective creation of subject matter experts and expertise among the members of the judiciary when it comes to IP rights. In 2019, the IPOPHL requested that the Supreme Court increase the number of Special Commercial Courts with authority to issue search warrants enforceable nationwide, consider the feasibility of designation of courts that focus solely on IP cases, and revisit the special rules on IP litigation.²²

Second, the IPOPHL and the NCIPR also adopted a whole-of-government approach when it pushed for the implementation of remedies other than pure IP rights enforcement. Instead of being limited to the enforcement of IP rights laws, the NCIPR was able to use other existing legal remedies—including diplomatic channels—to address violations. For example, it reached out to the U.S. Embassy to inform that known trademark infringers in the Philippines who were holders of U.S. visas would have those visas revoked.

Legal reforms were also pushed for by the NCIPR, such as the amendments to the Anti-Money Laundering Act. Under the amendments enacted in 2013, violations of IP rights are considered as predicate offenses

¹³Executive Order No. 736, Institutionalizing Permanent Units to Promote, Protect and Enforce Intellectual Property Rights (IPR) in Different Law Enforcement and Other Agencies under the coordination of the National Committee on Intellectual Property Rights (NCIPR), in <http://www.gov.ph/2008/06/21/executive-order-no-736-s-2008/>.

¹⁴See "Philippines enforcement - the role of the National Committee on IP rights," in <http://www.lexology.com/library/detail.aspx?g=d1d3ab28-a282-43a0-aa73-e33248e21295>, and "The Philippines' National Policy and Actions Against Counterfeiting Goods," in http://www.apaaonline.org/pdf/APAA_62nd_council_meeting/AntiCounterfeitingCommitteeReports2013/Philippines-Special-Report-2013.pdf.

¹⁵See 2014 Special 301 Report of the Office of the United States Trade Representative (USTR), in <https://ustr.gov/sites/default/files/USTR%202014%20Special%20301%20Report%20to%20Congress%20FINAL.pdf>.

¹⁶As provided under Republic Act No. 10372, amending the Intellectual Property Code of the Philippines, in http://ipophil.gov.ph/images/IPResources/ra.10372_v2.pdf.

¹⁷See "The Enforcement Function of the Intellectual Property Office of the Philippines: Best Practices and Challenges," in http://www.wipo.int/edocs/mdocs/enforcement/en/wipo_ace_11/wipo_ace_11_6.pdf.

¹⁸Supreme Court Administrative Matter (A.M.) No. 10-3-10-SC or the Rules of Procedure for Intellectual Property Rights Cases, in <http://www.wipo.int/edocs/lexdocs/laws/en/ph/ph097en.pdf>.

¹⁹<https://www.managingip.com/article/b1plvq29by7ffm/2020-revised-rules-of-procedure-for-intellectual-property-rights-cases>.

²⁰PHILJA is a body created under Republic Act No. 8557, mandated to serve as the training school for justices, judges, court personnel, lawyers and aspirants to judicial posts, and to provide and implement a curriculum for judicial education. The Academy is responsible for the conduct of seminars, workshops, and other training programs designed to upgrade the legal knowledge, moral fitness, probity, efficiency, and capability of members of the judiciary and court personnel.

²¹See article on "IPOPHL and PHILJA hold Seminar on the Rules of Procedure for IPR Cases," in http://www.ipophil.gov.ph/images/WhatsNew/IPO%20ISSUE%203_final%20dated%202009.14.12.2pdf.pdf.

²²<https://www.ipophil.gov.ph/news/supreme-court-and-ipophil-to-work-on-speeding-up-disposal-of-ipr-cases/>.

that lead to money laundering.²³ An agreement was also reached with the Philippine Bureau of Internal Revenue to conduct tax investigations on known infringers, and possibly file charges for tax evasion.²⁴

In December 2019, IPOPHL published the National Intellectual Property Strategy (NIPS), which sets out the agenda to make the Philippine IP system more effective, by harnessing innovation and improving IP protection. One of the key strategies laid down in NIPS is the enhancement of the legal system, institutions, and structures related to IP. This strategy includes the following: (1) the amendment of current IP laws, regulations, and issuances; (2) strengthening organizational structures to support the IP system; (3) conducting interagency initiatives on IP and IP-related matters; (4) enhancing enforcement of IP systems and procedures—including “establishing an institutionalized IP unit in each NCIPR/law enforcement agency with dedicated IP personnel and budgetary resources”; and (5) capturing international cooperation related to IP.²⁵

To increase IP rights protection in the country, the IPOPHL implemented many legislative changes that were covered in model law guidelines and board resolutions published by the International Trademark Association (INTA)²⁶ and the 25 Best Practices for IPR Enforcement,²⁷ published by the International Chamber of Commerce’s Business Action to Stop Counterfeiting and Piracy.

On February 28, 2013, Republic Act No. 10372, , was enacted by the Philippine Congress, giving the IPOPHL enforcement powers. One of the compelling reasons for the passage of this law—what convinced the legislators that the IPOPHL must be given enforcement powers—was the fact that these powers would also be used to address other problems within the national government. Many lawmakers were shocked when they were presented with the facts of Case No. 1, cited below, wherein fake liquor seized was found to contain human urine. Terrorism, then as it is now, is a major concern of the Armed Forces of the Philippines and the Philippine National Police. When intelligence agencies disclosed the links between a well-known terrorist group (Abu Sayyaf) and the sale of counterfeit branded commodities, it did not take much to convince the legislators to give enforcement powers to the IPOPHL.

Due to the advancement of technology, counterfeit goods continue to proliferate in online space. The Philippine Supreme Court cleared the implementation of the Cybercrime Prevention Act in 2014. The Cybercrime Prevention Act has provisions to address counterfeiting.²⁸ As the IPOPHIL can receive IP complaints, the online violations of IP are increasing²⁹ and practically all complaints received by IPOPHIL are endorsed to the pertinent enforcement agency.”³⁰

²³See Republic Act No. 10365 amending the Anti-Money Laundering Act of 2001, in <http://www.gov.ph/2013/02/15/republic-act-no-10365/>.

²⁴See “Retailers of Knockoff Items Beware: The Taxman Cometh” in <http://www.interaksyon.com/business/54113/retailers-of-knockoff-items-beware-the-taxman-cometh> and also <http://www.ipophil.gov.ph/index.php/20-what-s-new/231-we-are-launching-the-new-patent-information-analytics-and-technology-monitoring-division>.

²⁵<https://www.ipophil.gov.ph/national-intellectual-property-strategy-nips/>;
https://drive.google.com/file/d/1R3zwex1ccuadq4YRYMCDV_xpBPXtAkZc/view.

²⁶<https://www.inta.org/wp-content/uploads/public-files/advocacy/model-laws-guidelines/INTA-Model-Trademark-Law-Guidelines-v2019.pdf>.

²⁷<https://iccwbo.org/publication/bascap-25-best-practices-for-ipr-enforcement/>.

²⁸ Republic Act No. 10173, Sections 4,5, & 6

²⁹ Intellectual Property Office of the Philippines. Nov 23, 2021. IEO Presentation.

³⁰ *Ibid.*

Case Studies in the Philippines

CASE STUDY NO. 1

COUNTERFEITING IS NOT JUST A TRADE OR IP ISSUE. It is also a public health issue. The case of fake liquor sales is one such classic example. A nationwide market survey from 1996 to 2002 revealed that 15 to 18 percent of imported liquor brands were deemed counterfeit. These counterfeit products were displayed and sold in potentially all market outlets—from street vendors to grocery chains.

In 1997, an anticounterfeit program dedicated to issues related to liquor was commenced. Extensive market surveys and investigations were conducted. The program uncovered shocking counterfeiting activities headed by community leaders and public officials, the main financiers and distributors of the counterfeit products. Apart from the issue of child labor, there was also a substitution of raw materials. Due to steep competition among the counterfeited brands, manufacturers took the time to study and train mixers who refilled empty bottles. Their job was to replicate the taste of authentic brands by using mixtures of local or cheaper brands as well as other additives. Human urine was one of the components discovered to be used in counterfeit liquor mixtures by some manufacturers. It was claimed that urine provided a wood/oak scent.

It should be noted that counterfeiting is a serious issue that involves not only trade or commerce but also public health. Lives are deliberately put in danger as a consequence of producing cheap products.

CASE STUDY NO. 2

COUNTERFEITING IS LINKED TO TERRORISM. What links counterfeiting to terrorism is the issue of financing. Terrorist groups have been found to be involved in the financing and distribution of counterfeit products. Terrorism in the Philippines after the 9-11 tragedy in the United States has become more advanced, with unified attacks, more arms, and more money—now oftentimes aided by technology.

In 2001, members of the terrorist group Abu Sayyaf kidnapped 20 people, both foreigners and Filipinos, who were staying in the luxurious Dos Palmas Island Resort in Palawan. The dreaded Abu Sayyaf was based in the southern Philippines, but it also had members in Metropolitan Manila. The terrorist who headed the urban terrorist unit was Abdulmukin Idris. Idris was also a major trader in counterfeits, actively operating in Manila, in both Quiapo and Greenhills.

The Greenhills Shopping Center and Quiapo appear on the USTR's list of Notorious Markets over a number of years. The Notorious Markets List "highlights specific physical and online markets around the world that are reported to be engaging in and facilitating substantial copyright piracy and trademark counterfeiting."³¹

With this information in mind, the need for better enforcement of IP legislation and implementation of best practices becomes more apparent to prevent financing of terrorist activities.

³¹"2016 Notorious Markets List Spotlights Fight against Global Piracy and Counterfeiting of American Products," available at <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2016/december/2016-notorious-markets-list>.

Singapore

Singapore's IP rights regime is "consistently recognized as one of the best in the world by international surveys."³² In the International Property Rights Index 2019, Singapore had risen from its previous position, achieving a second-place ranking in the Asia and Oceania region and a fourth place ranking worldwide for 2019.³³ Singapore garnered high marks in the areas of judicial independence, rule of law, political stability, and control of corruption. Singapore ranked first in the world in the World Economic Forum's Global Competitiveness Report 2019, citing the country's transparent and highly efficient public institutions.³⁴ It ranked second in the Economic Freedom of the World: 2019 Annual Report, garnering high marks in the category of legal system and property rights, specifically on judicial independence, impartial courts, protection of property rights, integrity of the legal system, and the reliability of police.³⁵

When Singapore joined the World Trade Organization in 1995 and committed to full compliance with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) by 2000, its record on IP rights protection was by no means stellar. In 2000, it was still included on the USTR Special 301 Report Watch List, citing the country's "self-help" approach to IP rights enforcement, which shifted the primary burden and expense of investigating and prosecuting infringements to IP rights owners.³⁶ But the year after, Singapore was no longer included in the USTR Special 301 Report.³⁷

Two best practices can be gleaned from Singapore's experience on IP rights enforcement. First, the country's consistent high rankings in global IP rights enforcement standards may be attributed to general good governance, specifically in terms of judicial independence and political stability. Judicial independence translates to the speedy, transparent, and efficient disposition of cases, and the rendering of quality decisions that are internationally accepted. Singapore has a strong legal system "with an international reputation for transparency, efficiency, and neutrality."³⁸ The Supreme Court has designated Justices with considerable IP expertise and experience to handle increasingly complex IP cases.³⁹ Similarly, political stability is the basis for having efficient and reliable law enforcement personnel, which fosters trust among rights holders. This makes rights holders more willing to invest their resources and efforts in enforcing their rights, knowing that their compliance with the required enforcement procedures will yield predictably successful results.

Second, Singapore's experience exemplifies the link between a strong IP rights regime and economic development. Because it has a small, open economy compared to its ASEAN neighbors, Singapore could be considered receptive to welcoming IP-based trade agreements based on its dealings with major multinational trading partners. Initially, Singapore was faced with the challenge of undertaking an assessment of the relative costs and benefits of a strong IP regime. But in retrospect, it appears that the country's emphasis on long-term benefits, vis-à-vis short-term costs, has resulted in its reaping the benefits of increased foreign direct investment inflows brought about by a strong IP regime.⁴⁰

³²"The Development of Singapore's Intellectual Property Rights Regime," Lee Kuan Yew School of Public Policy—Microsoft Case Studies Series on Information Technology, Public Policy and Society, available at https://lkyspp.nus.edu.sg/wp-content/uploads/2014/11/LKWMS_Series01_SG_IP.pdf.

³³*The International Property Rights Index 2019*; the full report is available at <https://www.internationalpropertyrightsindex.org/full-report> <http://internationalpropertyrightsindex.org/country?c=SINGAPORE>.

³⁴World Economic Forum (WEF), *The Global Competitiveness Report 2019*; the full report is available at http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport2019.pdf.

³⁵*Fraser Institute's Economic Freedom of the World: 2019 Annual Report*, available at <https://www.fraserinstitute.org/sites/default/files/economic-freedom-of-the-world-2019.pdf>.

³⁶See *USTR 2000 Special 301 Report*, available at <https://ustr.gov/sites/default/files/2000%20Special%20301%20Report.pdf>.

³⁷See *USTR 2001 Special 301 Report*, available at <https://ustr.gov/sites/default/files/2001%20Special%20301%20Report.pdf>.

³⁸Intellectual Property Policy, Singapore Ministry of Law, in <https://www.mlaw.gov.sg/our-work/intellectual-property-policy.html>.

³⁹*Id.*

⁴⁰See "The Development of Singapore's Intellectual Property Rights Regime," available at https://lkyspp.nus.edu.sg/wp-content/uploads/2014/11/LKWMS_Series01_SG_IP.pdf, stating that: "Strong IP protection is just one of many factors that influence FDI inflows, but it is well known that Singapore has always had a good business environment and has welcomed FDI. A strong IP regime influences not just the quantity of FDI inflows, but also the quality. In other words, it influences which activities MNCs choose to locate in Singapore. Stronger IP protection attracts R&D intensive activities and creates a demand for skilled workers and therefore higher-paid jobs. Singapore has not only attracted R&D intensive investment in the life sciences sector but also in digital media and aviation, among others. Examples include Pfizer, Novartis, Koei Entertainment, Electronic Arts, Ubisoft, Lucas Im, ETH Zurich, Rolls Royce and Thales. IP Management companies include Thomson Reuters, Intellectual Ventures Asia and Transpacific c IP Management Group. In 2013 more than 300 new jobs were created in the IP sector including for lawyers, consultants and patent and trademark agents."

Thailand

The great influence and role of the Monarchy in Thailand's political and legal framework, as well as its cultural structure, is readily apparent in the veneration accorded to the Royal Family by the Thai people. In fact, a primary policy of the Thai government is "protecting and upholding the Institution of the Monarchy," and guidance from His Majesty the King is carried forward in the work of the government.⁴¹ This influence also flows into the realm of IP, where the priority and importance given to IP by the King has contributed to institutional and legal reforms in Thailand. In fact, in 2009, the late King Bhumibol Adulyadej received the World Intellectual Property Organization (WIPO) Global Leader Award "in recognition of his extraordinary commitment to promoting intellectual property and his important contribution to society as a prolific inventor."⁴²

Among these institutional and legal reforms, Thailand is most notable for the establishment of the region's first specialized court for IP and international trade law in 1996. Pursuant to the Act for the Establishment of and Procedure for Intellectual Property and International Trade Court 1996, a royal decree was subsequently enacted to inaugurate the Central Intellectual Property and International Trade (IPIT) Court on December 1, 1997.⁴³ The IPIT Court has original jurisdiction over IP and international trade matters,⁴⁴ but more significantly, it has its own rules of court. This is a departure from the civil law tradition of Thailand, which would ordinarily call for the amendment of the general rules governing Civil and Criminal Procedure Codes.⁴⁵ Since its establishment, it has been noted that the experience and expertise of the judges of the IPIT is continuously being enhanced through local and international training.⁴⁶ Also, the creation of specialized courts has had a spillover effect, with the creation of specialized police units and public prosecutors.⁴⁷

Another institutional initiative is the establishment of the National Intellectual Property Policy Committee (NIPPC) headed by the Prime Minister. The NIPPC has successfully kept Thailand off the USTR Special 301 Report Priority Watch List since 2018.⁴⁸ Previously, the Department of Intellectual Property established the National Intellectual Property Center for Enforcement (NICE), which was composed of 25 government agencies with functions that involve the enforcement of IP rights, particularly relating to organized and transnational crimes.⁴⁹ In 2016, the NIPPC established the Suppression of Intellectual Property Infringement Subcommittee to take over the work of NICE. The Subcommittee was tasked to "solve issues on preventing [IP rights] infringement, reduce problems for IP rights holders, increase IP protection in accordance with international standards, and build Thailand's image as an IP-friendly country."⁵⁰ The new Subcommittee is composed of 16 government agencies and individuals, including the Royal Thai Army, the Thai Customs Department, the Royal Thai Police, and the Internal Security Operations Command.⁵¹

⁴¹Gist of Policy Statement delivered by the Prime Minister to the National Legislative Assembly, in <http://www.thaigov.go.th/index.php/en/policy-statement-en>.

⁴²King of Thailand Receives WIPO Award for Contribution to Intellectual Property, in http://www.wipo.int/pressroom/en/articles/2009/article_0001.html.

⁴³Rethinking Intellectual Property Rights Enforcement in the Light of TRIPS and Specialized Intellectual Property Court in Thailand, Vichai Ariyanuntaka, copy available at http://www.malaysianbar.org.my/index.php?option=com_docman&task=doc_view&gid=133.

⁴⁴"TRIPS to Thailand: The Act for the Establishment of and Procedure for Intellectual Property and International Trade Court," Andrea Morgan, *Fordham International Law Journal*, available at <https://pdfs.semanticscholar.org/eaf3/d9a2003d1a02d7212a9b47eaa919a5aa036c.pdf>.

⁴⁵Intellectual Property Law in Southeast Asia: Recent Legislative and Institutional Developments, Christoph Antons, University of Wollongong Australia, available at <http://ro.uow.edu.au/cgi/viewcontent.cgi?article=1479&context=lawpapers>.

⁴⁶IP Factsheet: Thailand, Southeast Asia IPR Help Desk EU, available at <http://www.southeastasia-iprhelpdesk.eu/sites/default/files/publications/Thailand%20factsheet.pdf>.

⁴⁷International Intellectual Property Institute (IIPI) and United States Patent and Trademark Office (USPTO) "Study on Specialized Intellectual Property Courts," Jan. 25, 2012, in <http://iipi.org/2012/05/study-on-specialized-intellectual-property-courts-published/>.

⁴⁸NIPPC to Collaborate with U.S. in Developing Action Plan on Thailand's Intellectual Property, in <http://www.thaigov.go.th/index.php/en/government-en1/item/106547-nippc-to-collaborate-with-us-in-developing-action-plan-on-thailand%E2%80%99s-intellectual-property>.

⁴⁹Update on the National Intellectual Property Center for Enforcement, in <http://www.lexology.com/library/detail.aspx?g=007bbd5e-cb32-47c3-9b13-0b900f032d38>.

⁵⁰Suppression of Intellectual Property Infringement Subcommittee, in <http://www.tilleke.com/resources/suppression-intellectual-property-infringement-subcommittee>.

⁵¹Suppression of Intellectual Property Infringement Subcommittee, in <http://www.tilleke.com/resources/suppression-intellectual-property-infringement-subcommittee>.

Malaysia

In 2012, Malaysia was removed from the USTR Special 301 Report Watch List, citing legislative reforms strengthening the protection of copyrights and its enforcement against piracy.⁵² Prior to this, in December 2011, amendments to the copyright law were enacted by the Malaysian Parliament in order to comply with the WIPO Internet Treaties, to which it acceded in September 2012.⁵³ The amendments also defined the liabilities of Internet service providers and penalized the unauthorized recording of motion pictures in cinemas.⁵⁴

In December 2019, the Trademarks Act 2019 came into force in Malaysia, which marked Malaysia's accession to the Madrid Protocol. The new regime consolidated all the relevant provisions for criminal enforcement procedures against counterfeiting activities by including in the new Act, the relevant provisions formerly found under the Trade Descriptions Act 2011. Further to the introduction of criminal sanctions under the new Act, enforcement officers now have the powers to investigate, arrest suspects, and seize suspected illegal goods.

In 2013, the Ministry of Domestic Trade and Consumer Affairs (MDTCA) (previously known as the Ministry of Domestic Trade, Cooperatives, and Consumerism) re-established the Special Anti-Piracy Task Force (SAPTF) composed of representatives from various government agencies and relevant industries.⁵⁵ Four subcommittees of the SAPTF, including a digital piracy subcommittee, were also created to address specific IP rights issues.⁵⁶ This cooperation and coordination mechanism among government agencies has proven to be effective in deterring and preventing infringing distribution networks and was highlighted in the 2016 USTR Special 301 Report as a best practice for IP rights enforcement.⁵⁷

Malaysia's targeted approach to specific problems in IP rights enforcement is also evident in the creation of a Special Internet Forensics Unit (SIFU) within the MDTCA, in response to the rising trend of Internet piracy. This specialized IP enforcement unit was created in order to launch investigations based on information and complaints from legitimate host sites and content providers.⁵⁸ Officials from the SIFU monitor sites suspected of distributing infringing content, and regularly undergo capacity building and orientation with the Malaysian Communications and Multimedia Commission (MCMC), which is responsible for overall regulation of Internet content. According to a U.S. State Department report in 2019, capacity building remains a priority for the SIFU. Coordination with the MCMC has been improving, according to many rights holders in Malaysia.⁵⁹

These initiatives highlight the need for laws, regulations and practices to quickly and flexibly address advances in technology.

Cambodia

The mandate for IP rights protection in Cambodia is promoted by multiple ministries of the government. Among these are the Ministry of Commerce (MOC), which deals with trademarks, geographical indications, and trade secrets; the Ministry of Industry, Science, Technology and Innovation, responsible for patents, industrial designs, utility models, and integrated circuits; the Ministry of Culture and Fine Arts, responsible for copyright and related rights; the Ministry of Information, in charge of broadcasting; and the Ministry of Posts and Telecommunication, which governs Internet domains.⁶⁰ Because of the wide distribution of agency

⁵²See 2012 USTR Special 301 Report, available at

https://ustr.gov/sites/default/files/2012%20Special%20301%20Report_0.pdf.

⁵³US Department of State: Investment Climate Statements for 2015—Malaysia, in <https://www.state.gov/e/eb/rls/othr/ics/2015/241648.htm>.

⁵⁴US Department of State: Investment Climate Statements for 2015—Malaysia, in <https://www.state.gov/e/eb/rls/othr/ics/2015/241648.htm>.

⁵⁵International Intellectual Property Alliance (IIPA) 2014 Special 301 Report on Copyright Protection and Enforcement—Malaysia, in <http://www.iipawebsite.com/rbc/2014/2014SPEC301MALAYSIA.PDF>.

⁵⁶International Intellectual Property Alliance (IIPA) 2014 Special 301 Report on Copyright Protection and Enforcement—Malaysia, in <http://www.iipawebsite.com/rbc/2014/2014SPEC301MALAYSIA.PDF>.

⁵⁷USTR 2016 Special 301 Report, available at <https://ustr.gov/sites/default/files/USTR-2016-Special-301-Report.pdf>.

⁵⁸US Department of State: Investment Climate Statements for 2015—Malaysia, in <https://www.state.gov/e/eb/rls/othr/ics/2015/241648.htm>.

⁵⁹US Department of State: Investment Climate Statements for 2019—Malaysia, in <https://www.state.gov/reports/2019-investment-climate-statements/malaysia/>.

⁶⁰OECD-WTO Aid-for-Trade Case Story: Cambodia, The Implementation of Cambodia's "Work Programme of Legal Reforms and Commitments Resulting from WTO Accession," available at <https://www.oecd.org/aidfortrade/48413417.pdf>.

functions relating to IP, it became necessary to enhance coordination among the many actors responsible for implementing and enforcing IP rights. The needed coordination was not limited to the foregoing line ministries, but also included other offices, such as the Economic Police under the Ministry of Interior's Anti-Economic Crime Police Department, the Cambodia Counter Counterfeit Committee, the Cambodia Customs Authority of the Ministry of Economy and Finance of the General Department of Customs and Excise, the Cambodia Import-Export Inspection and Fraud Repression Directorate-General (Camcontrol) under the MOC, and the Ministry of Justice.⁶¹

In 2008, Cambodia's National Committee for Intellectual Property Rights (NCIPR) was established by the Prime Minister as an extension of the Inter-Ministerial Committee created in 1999 for governing the three areas of IP: copyright, trademarks, and patents. The objectives of the NCIPR include, among other things, enhancing smooth cooperation between ministries and institutions, and cooperating with competent authorities and the courts to prevent and eradicate IP rights infringement. The NCIPR is composed of 14 government ministries, and the Department of Intellectual Property Rights of the MOC serves as secretariat.⁶²

The NCIPR is composed of two subcommittees, one focusing on IP enforcement and the other on IP education and dissemination. The enforcement subcommittee plans to "strengthen coordination among agencies working in the field, clarify responsibilities, develop consistent guidelines, and develop enforcement databases," whereas the education subcommittee "intends to develop curriculum materials to train legal professionals at the university level as well as active professionals, and to raise public awareness."⁶³

These initiatives are seen as positive developments, indicating that Cambodia has "graduated" from the initial process of legislating IP protection to the bigger task of institution building.

Best Practices and Recommendations

Based on the foregoing survey of national IP rights enforcement initiatives in Cambodia, Malaysia, the Philippines, Singapore, and Thailand, the following best practices may be observed in further detail.

Establishment of a Multi-Agency Task Force

A common initiative adopted by several AMSs is the establishment of a multi-agency task force that coordinates and cooperates on the implementation of government initiatives involving IP rights enforcement. There is also a growing trend of the IP office itself leading such a task force, in light of its technical and policy expertise. Oftentimes, smaller sub-units are established to deal with more specific IP rights issues that require some but not all the member agencies. Good results have been observed when representatives from private stakeholders, such as associations of rights holders or brand owners, and consumer organizations, work together in a multi-agency IP task force. In this regard, it has been noted that "[t]he fight against counterfeiting and piracy would have much greater chances for success if it is a coordinated one, involving all the relevant stakeholders, and dealing with all the various intellectual property rights."⁶⁴

In the Philippines, the IPOPHL provides NCIPR members with educational training programs, and capacity building workshops for law enforcers. NCIPR members include employees of the Department of Justice, the Food and Drug Administration, and the Philippine Ports Authority.⁶⁵ Members of the NCIPR meet once a

⁶¹OECD-WTO Aid-for-Trade Case Story: Cambodia, The Implementation of Cambodia's "Work Programme of Legal Reforms and Commitments Resulting from WTO Accession," available at <https://www.oecd.org/aidfortrade/48413417.pdf>.

⁶²See Presentation on IP Development in Cambodia, WTO Workshop Realizing Developmental Objectives of the IP System: LDC Priority Needs for Technical and Financial Cooperation (Geneva, 2014), available in https://www.wto.org/english/tratop_e/trips_e/Cambodia.pdf, and Presentation of Cambodia during the WIPO Training Course on Enforcement of Intellectual Property Rights (Bangkok, 2013), available in artnet.unescap.org/tid/projects/infringing-goods-cam.pdf.

⁶³OECD-WTO Aid-for-Trade Case Story: Cambodia, The Implementation of Cambodia's "Work Programme of Legal Reforms and Commitments Resulting from WTO Accession," available at <https://www.oecd.org/aidfortrade/48413417.pdf>.

⁶⁴Guidebook on Enforcement of Intellectual Property Rights, Prof. Michael Blakeney, Queen Mary Intellectual Property Research Institute, Queen Mary, University of London, in http://trade.ec.europa.eu/doclib/docs/2005/april/tradoc_122641.pdf

⁶⁵"What Makes for an Effective IP Awareness Campaign," Oct. 19, 2011, available in

http://www.wipo.int/export/sites/www/about-wipo/en/offices/singapore/archive/2011Oct/Theme_5b_Case_study_Insights_on_What_Makes_for_an_Effective_IP_Awareness_Campaign.pdf.

month to harmonize current programs on counterfeit prevention. Information on raids and seizures are shared with local law enforcement agencies. The IPOPHL informs members and local enforcement agencies of the workshops available to them.

Each multi-agency task force provides a centralized body or contact point for IP rights enforcement. For rights holders, this serves as a convenient one-stop-shop for all their enforcement concerns since all agencies with IP rights mandates are represented in the task force. The spill-over effect here is the easy cooperation among international organizations, dialogue partners, and brand owners, and the capacity building programs generated by enforcement-related government instrumentalities.

In 2018, INTA published a white paper titled *A Guide to Building an Intellectual Property Rights Coordination Center*, written by Bruce M. Foucart, a consultant for INTA and former Director of the U.S. National Intellectual Property Rights Coordination Center (NIPRCC). The paper is meant to provide national governments with a step-by-step guide to establishing an IP enforcement coordination center, with the NIPRCC example as its basis. The full report can be found on INTA's website.⁶⁶

Specialized IP Courts with Special IP Rules of Procedure

Most of the cited AMSs have established or designated specialized courts which have been granted specific exclusive jurisdiction concerning IP disputes. In most cases, these courts handle only IP cases, to the exclusion of other subject matters. In other instances, the courts handle trade or commercial disputes together with IP, but there are special rules of procedure that only apply to IP cases as distinguished from the general civil or criminal rules of procedure.

The establishment of these specialized courts and the adoption of special rules applicable only to IP disputes present several benefits, which include the following:⁶⁷

- a. Creation of subject matter experts/expertise. Outside of the PHILJA, there is very little expertise in IP among legal practitioners in the Philippines as an example. The IIPi study mentioned earlier in this report describes the advantages of specialized IP courts in terms of expediency and efficiency for brand owners and governments, and how this would benefit AMSs.
- b. Effectiveness of decisions. Both judges and legal practitioners are well aware of current trends in international jurisprudence, should proper training and specialization take place. Where such specialization is lacking, the result is that brand owners will not hesitate to settle criminal IP prosecution. Only two countries, Singapore⁶⁸ and Cambodia,⁶⁹ can proceed with criminal prosecution without the participation of private parties. Such procedures may allow for more comprehensive effectiveness in dealing with IP enforcement matters.
- c. Ability to create special court procedures to enhance efficiency and accuracy. The presence of specialized IP courts results in better jurisprudence. This may create efficiencies in the administration of IP rights; for example, trademark examiners may take into consideration IP court decisions in reviewing trademark applications after complicated cases have been settled and precedent set in the court.
- d. Consistency and predictability of case outcomes. With few judges dedicated to creating IP jurisprudence, consistencies can be achieved—and to brand owners that invest significant resources promoting their brands, nothing is more important than the predictability of these decisions.
- e. Progressive development and dynamism. The rapid development of international trade and business has resulted in many new and complex areas of adjudication of rights. Lawyers and judges

⁶⁶<https://www.inta.org/perspectives/bruce-foucart-how-to-build-an-intellectual-property-rights-coordination-center/>.

⁶⁷International Intellectual Property Institute (IIPi) and United States Patent and Trademark Office (USPTO), "Study on Specialized Intellectual Property Courts," Jan. 25, 2012, in <http://iipi.org/2012/05/study-on-specialized-intellectual-property-courts-published/>.

⁶⁸"INTELLECTUAL PROPERTY RIGHTS (IPR) ENFORCEMENT STRATEGIES" Of The Asia-Pacific Economic Cooperation - Sub-Committee On Customs Procedures, Sept. 2006, in http://www.Apec.Org/Groups/Committee-On-Trade-And-Investment/Intellectual-Property-Rights-Experts-Group/~Media/Files/Groups/IP/06_Sccp_IPR_Strategies_Inventory.Ashx.

⁶⁹"IPR Enforcement in Cambodia," in <http://www.kenfoxlaw.com/ipr-in-cambodia/12930-ipr-enforcement-in-cambodia.html>.

who are familiar with changes in international jurisprudence and best practices will effectively promote more trade by creating efficient and effective adjudication of commercial IP disputes, which would further incentivize investment and trade. This is especially true in the ASEAN economic community which is in its early years of development.

f. Government investment in specialized IP courts signals to the public that IP rights will be enforced. Many foreign investors shied away from the ASEAN region because many courts took too long to decide cases, and protracted legal battles in IP are bad for business. As a result, further economic development does not accelerate. Specialized IP courts allow for shorter and more effective trial periods, which in the long-term incentive investment.

IP Enforcement Through Regional Coordination and Cooperation: Data Sharing Partnerships

For common data sharing, we suggest two sets of measures: deterrent and operational. Deterrent measures include IP enforcement through referral information, summary documentation, and evidence. The aim is to shame counterfeiters and criminals.

On the other hand, operational data is more proactive; that is, there is additional analysis of the data gathered, which gives rise to operational intelligence that can be used to either stop a shipment or catch the criminal.

Specifically, for operational data, we suggest the following steps: first, after the seizure of counterfeit goods, classify the seized items. Prioritize which are public health issues and which involve trade issues. Second, if the seizures are a border patrol matter, obtain the shipping documents indicating the shipper, the shipping line, the consignee, and the value of the goods. Third, feed this data into an online data collection system set up specifically for IP enforcement purposes, so that it can be shared with law enforcement offices quickly and effectively. Apply analytics to the data to determine, for example, if there is a common shipper or a common port of exit. Again, share this information with the appropriate entities. Eventually, this data should form part of a red flag system and risk matrix.

If the perpetrators are apprehended in shops or stores, then it should be determined who the distributors are, what warehouses they use, and whether the warehouses are customs-bonded. The counterfeits must be retraced if they are locally manufactured or assembled. If that is the case, then the warehouses must be raided; otherwise, the steps in the previous paragraph must be repeated. Ultimately, data gathered from these operations must be shared with relevant law enforcement agencies.

Just as concerted and coordinated enforcement efforts have been found to be beneficial on the national level, regional coordination would also be an important step toward strengthening enforcement mechanisms. The starting point for such regional cooperation may be the sharing of data on cross-border trade and internationally shipped goods.

According to the International Bar Association International Survey on Anti-Counterfeiting and Piracy Report (IBA Report) published in 2008: “The information used and the efforts undertaken [to share enforcement data on counterfeit shipments] should be coordinated on all levels: internationally, nationally, and regionally. By means of cooperation between various governmental departments and organizations, time is saved, costs are reduced[,] and the rate of efficiency enhanced. Better cooperation and communication between the rights holders and the organizations involved in combating counterfeiting and piracy is also crucial.”⁷⁰

There is plenty of data, statistics, and information already collected and available among AMSs. An information system that can be shared by all AMSs at a regional and cross-country level would be welcome. Shared information could include the identification of notorious infringers operating within the region, intelligence reports and information on incoming shipments that may be intercepted at the respective borders, and law enforcement experiences among government agents. Border control measures are the first line of defense against the organized entities across the region that commit large-scale IP rights violations. Coordination between the multi-agency IP rights task forces, and not just the customs officials of the respective AMSs, would also be effective.

⁷⁰International Bar Association International Survey on Anti-Counterfeiting and Piracy Report, Sept. 2008, with the link to the survey in http://www.ibanet.org/ENews_Archive/IBA_October_2008_ENews_Anticounterfeiting.aspx.

On a practical level, the process should be as follows: (1) to identify the source of the counterfeits; (2) to recognize the country which is source; and (3) to classify and prioritize the goods or commodities that present public health and safety issues. Additionally, the shared information could be used to identify the shippers, the shipping (or land) routes, and the consignees that are clearly associated with the counterfeiting operations. After identifying the counterfeiters, a blacklist system or a risk matrix could be set up. This is a simple system that could be easily implemented by getting all 10 AMSs to share information and pool intelligence.

As a step further, once regional coordination and cooperation has been established, closer ties and camaraderie between national law enforcement personnel may also be facilitated. This would make the conduct of regional enforcement operations a possibility, including the cross-border exchange of personnel to learn the operational nuances of other jurisdictions.

Cooperation with China

China is the world's top exporter and importer of merchandise, with total exports of US \$2.48 trillion and a 13.1 percent share of world exports, followed by the United States with an 8.8 percent share, equivalent to US \$1.66 trillion in 2018.⁷¹ In 2020, ASEAN became China's largest trade partner.

Despite its large share of global trade in goods, IP rights infringement for exported goods remains a challenge in China. In its staff working document, Report on the Protection and Enforcement of Intellectual Property Rights in Third Countries, the European Commission (EC) identified China as being the only country in the top category of Priority 1 with regards to the magnitude of its IP rights enforcement issues.⁷² The Report refers to a survey of European industries which clearly cites China's IP enforcement problems, as well as the statistics of a 2016 study by the OECD-EUIPO, Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact, which found China to be the world's main producer of counterfeit goods. The EC's 2018 Report on the EU Customs Enforcement of Intellectual Property Rights shows that, including Hong Kong SAR (China), around 80 percent of seized counterfeit goods by article come from China.

The AWGIPC established a memorandum of understanding with China in 2009, and continues work projects, including executing the 2020–2021 ASEAN-China IP Cooperation Work Program.⁷³

In order to directly address anticounterfeiting enforcement issues in the cross-border environment, ASEAN may want to reference the European Union's approach in its international engagement with China on IP rights issues. In 2015, the EU and China celebrated the 10th anniversary of their IP Dialogue Mechanism, which allows both parties to regularly and systematically exchange information on IP rights issues. The dialogue mechanism is ongoing.⁷⁴ In 2014, a new cooperation program, IP Key China, was established in China, with the EUIPO, to undertake a dialogue mechanism supported by technical cooperation programs.⁷⁵ The EU has also been cooperating with China on border control since 2009, through the EU-China Joint Customs Cooperation Committee, which is tasked with implementing the EU-China Customs Intellectual Property Rights Action Plan. The Action Plan "foresees the exchange of general risk information and trends, the creation of networks of sea- and airports to target high risk consignments, strengthening cooperation with other law enforcement agencies, and the development of partnerships between business communities and customs authorities in China and the EU."⁷⁶

Grant of Enforcement Powers to IP Offices

A new institutional trend is the granting of enforcement powers to IP Offices. A key feature of the IP office is being able to provide technical and legal expertise. IP offices can provide some of the enforcement needs of stakeholders, and they also have the necessary contacts with other IP offices, which exposes them to

⁷¹WTO World Trade Statistical Review 2019, available at https://www.wto.org/english/res_e/statis_e/wts2019_e/wts19_toc_e.htm.

⁷²See European Commission (EC) Report on the Protection and Enforcement of Intellectual Property Rights in Third Countries (2020), with the link to the report in https://trade.ec.europa.eu/doclib/docs/2020/january/tradoc_158561.pdf.

⁷³<https://www.aseanip.org/News-Events/Latest-News-Events/ctl/Details/mid/1956/aid/80>.

⁷⁴See European Commission (EC) Report on the Protection and Enforcement of Intellectual Property Rights in Third Countries (2015) with the link to the report in <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1349>.

⁷⁵See European Commission (EC) Report on the Protection and Enforcement of Intellectual Property Rights in Third Countries (2015), with the link to the report in <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1349>.

⁷⁶ See European Commission (EC) Report on the Protection and Enforcement of Intellectual Property Rights in Third Countries (2015), with the link to the report in <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1349>.

international best practices. The IP Office is generally the repository of policy expertise on IP rights and is well-positioned to come up with novel and innovative ways to address IP rights infringement. This would put IP Offices in the position to lead a national IP rights enforcement initiative.

In the IBA Report cited above AMSs, it was shown that eight out of 10 countries have government offices which can investigate IP violations. However, of the 10, only two countries have the power to investigate without a brand owner initiating a complaint. If this approach does not change, there will be no proactive solution to the problem of IP rights infringement and the result will be a passive attitude towards IP violations.

International Organizations Must Promote Active and Relevant Programs

Over the past two decades, some AMSs have been repeatedly holding the same capability building seminars. What is needed now is a platform, such as a summit or a regional conference, sponsored by international organizations, with the end goal of setting up regular enforcement programs to be participated in by all AMSs. This could start with simple data sharing and monitoring programs.

In view of the on-going ASEAN economic integration efforts, the AWGIPC, which comprises IP offices from the 10 AMSs, has prepared a 10-year action plan to meet the goals of the AEC. This 10-year roadmap, also known as the ASEAN IP Rights Action Plan 2016–2025, identifies the strategic goals and initiatives that will contribute to the collective transformation of ASEAN into an innovative and competitive region through the use of IP.

ASEAN IP Rights Action Plan 2016-2025

The ASEAN IP Rights Action Plan 2016–2025 is intended to enhance existing programs and initiatives on IP education and awareness; expand capability building for relevant institutions and groups; improve border control measures; establish mechanisms to ensure the speedy and quality disposition of IP rights cases; strengthen institutional partnerships on the international and regional level; explore the reconfiguration of enforcement tools and mechanisms to keep pace with advancements in technology; and establish platforms for strengthened coordination among the public authorities in the AMSs in order to curb counterfeiting and piracy in the region.

The Action Plan aims to follow the principles and achieve the objectives of the framework agreed upon by the AMSs on IP rights. It calls for a unified and holistic approach to enforcement that would include all stakeholders—not only public institutions. Enforcement agencies are zealously implementing strategic actions against pirates and counterfeiters, and their efforts need to be supported by all those who have a stake in the fight against IP rights violations.

The Action Plan takes into full consideration the different levels of development and capacities of each AMS when it comes to IP rights enforcement. This diversity may be addressed by cooperation and collaborative mechanisms, not only between AMSs, but also together with dialogue partners and international institutions. In the final analysis, the Action Plan aims to empower each AMS to effectively address and undertake measures to curb counterfeiting and piracy within its borders, which also positively impacts the presence of counterfeiting and piracy in the entire region.⁷⁷

In 2021, the Action Plan was updated following a mid-term review. Two new enforcement related provisions were added, addressing online infringement issues. One new deliverable will be the creation of an information exchange for online enforcement. The other new deliverable will create an ASEAN guideline for online enforcement.

Summary and Conclusions

The demand for economic growth and the hindering factors caused by IP infringement within the region is not something to be ignored: we undoubtedly have to face these challenges, which are not insurmountable. As markets continue to grow and evolve, so do legislation and IP enforcement practices. Many examples can be found, and global support is strong, with research materials and information readily available.

⁷⁷<https://www.aseanip.org/Portals/0/ASEAN%20IPR%20Enforcement%20Action%20Plan.pdf?ver=2018-01-04-150134-093>.

There are still many challenges that need to be addressed. As previously stated, there is no need to “reinvent the wheel.” IP offices already have a variety of past and present programs; however, some nations are still at the stage of conducting capacity-building seminars instead of proactively pursuing cases. IP Offices should have monitoring centers and information-sharing initiatives at the least.

International organizations can help shepherd national legislation to enact the following:

- Higher fines and penalties for trademark infringement;
- Longer prison terms for criminal trademark infringers; and
- Criminal prosecution allowing law enforcement units to proceed with criminal prosecution without the brand owner initiating a complaint.

National governments must pay more attention to promoting progressive IP regimes. IP offices are repositories of IP knowledge and expertise and should be the first stop for IP owners and users of the IP system. They can be the most effective advocates in this complex area of law, trade, health, security, and the economy. To convince national leaders that there is indeed a real and urgent need to stop unabated IP violations, these three arguments must be strongly presented and accepted:

- A robust and progressive IP environment can be an engine of economic growth;
- IP enforcement is not just a trade or IP issue, it is a public health and safety issue (see “Case Study No. 1,” under the heading “The Philippines,”) and;
- Illicit trade in counterfeits is also linked to organized criminal networks, including terrorist financing (see “Case Study No. 2,” under the heading “The Philippines,” in Section I).

The future of IP enforcement, and the further integration of the ASEAN Economic Community will benefit by close analysis of the experiences of individual AMSs presented in this report. We hope policy makers in ASEAN, and indeed elsewhere, find these best practices to initiate, continue, or revitalize IP enforcement efforts, in particular in the area of trademark counterfeiting useful to protect consumers and promote innovation.

Appendix

Recommendations: A Checklist of General and Specific Best Practices

Support sound, pertinent, and comprehensive legislation on IP.

- Secure enforcement powers for the IP office, including:
 - Investigative, visitorial powers; and
 - Powers to investigate ex officio.
- Enact legislative best practices as identified by industry associations.
- Enact more aggressive deterrents, including:
 - Higher fines and penalties for trademark infringement;
 - Longer prison terms; and
 - Allow law enforcement to proceed with criminal prosecution without brand owner complaint.

Support a transparent, experienced, and efficient judiciary.

- Educate members of the judiciary through
 - joint cooperation with existing judicial training academies.

Enhance enforcement through a multi-agency body.

- Establish a national committee on IP rights:
 - The IP office can act as secretariat.
 - Designate permanent representatives from participating agencies.
 - Meet frequently (for example, once a month).
 - Increase visibility/frequency of joint enforcement operations.
 - Build stronger understanding of IP through education of officials.
 - Set clear, achievable goals.
 - Include industry stakeholders as appropriate.
 - Provide a one-stop contact point for industry on enforcement needs.
 - Government bodies to include depend on the structure of government, but have included: IP offices (including those charged with copyright, trademarks, patents, and designs); Office of Prime Minister/President and related executive offices, Ministries/Departments of Commerce, Trade, Justice, Information, Broadcasting, Telecommunications, Agriculture, Health; Army/Military, Attorney General, Food and Drug Regulators, Anti-Money Laundering Authorities, Tax Authorities, National/local police, customs, Administrative Enforcement Agencies; Quality/Standards Regulators; Market Supervision Authorities, Book/Optical Media Boards.
- Use international channels:
 - Work with interested foreign governments; and
 - Use diplomatic channels to frustrate criminal networks (for example, revoke visas).
- Use alternative legal remedies:
 - Include counterfeiting as a predicate offense in anti-money laundering laws; and
 - Form partnerships with tax authorities to investigate known infringers for tax evasion, filing charges where possible.

Secure top-of-government support.

- Communicate linkages to counterfeiting with politically important issues:
 - Record and publicize negative aspects of counterfeiting (for example, public health, forced/child labor, and links to terrorism).
- Work with partners for recognition:
 - Strive for awards from third parties (for example, WIPO); and
 - Highlight innovative approaches; be a first mover.

Link IP and the economy.

- Fund or encourage research on the benefits of IP to the economy.

Address technology and emerging issues.

- Keep focus on online and digital issues:
 - Multi-agency approaches should include task forces/working groups on digital issues; and
 - Enforcement agencies should include Internet forensics units.

Do not reinvent the wheel: Share data, coordinate regionally, and partner with industry.

- Move from capacity building to operational action;
- Foster spill-over effects from one agency to another:
 - Duplicate successful models (for example, IP specialization in courts/police units); and
 - Leverage existing copyright piracy-focused groups for trademarks.
- Review successes and failures regularly.
- Share data on cross-border trade:
 - Use existing data and share intelligence reports; and
 - Share law enforcement experiences internationally.
- Create a platform for data already available for each AMS.
- Focus on two forms of data—Deterrent Data and Operational Data:
 - Deterrent Data includes successful seizures, criminal arrest, indictments, and convictions—and can be industry or company specific to discourage counterfeiters; and
 - Operational Data should be classified and prioritized focusing on public health.
- Cooperate with China:
 - Build an ASEAN-China IP Dialogue with deliverables similar to existing EU-China Dialogue; and
 - Incorporate technical cooperation programs.
- Publish and disseminate data:
 - Industries and companies should be highlighted to discourage counterfeiters from entering the industry.
- Convene a regional gathering of stakeholders:
 - Include a summit on setting up regular enforcement programs; and
 - Include a summit on establishing a simple data-sharing and data-monitoring program.



International
Trademark
Association