



# FROM TPP TO CP-TPP A CANADIAN PERSPECTIVE

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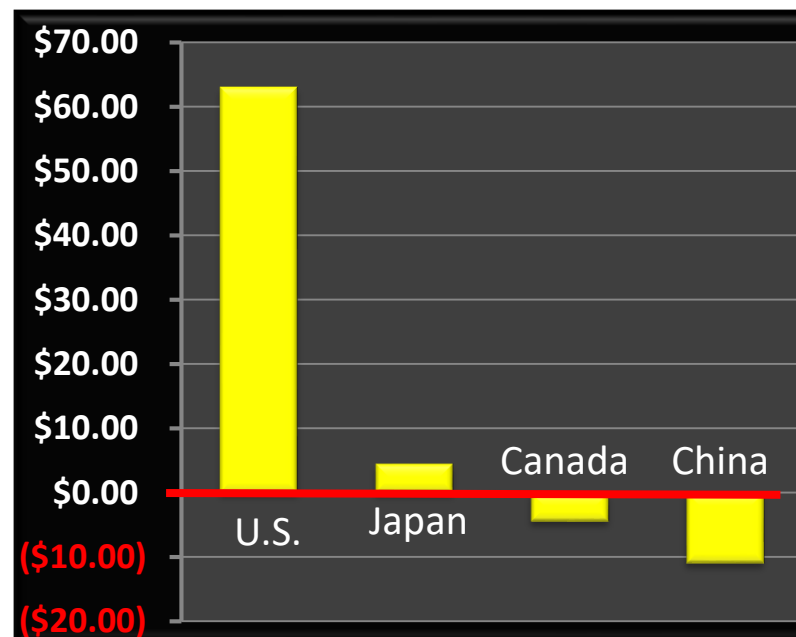
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# Harmonization vs. Domestic Needs

- All countries are NOT at the same level of development
- IP Exporters
  - Net-gain from IP
  - Incentive for strong IP rights
  - e.g. United States today
- IP Importers
  - Strong IP rights may be viewed as impediment to development
  - e.g., China today, US in the 19<sup>th</sup> century
  - In tension with harmonization

Royalty and License Fees 2009 (\$ Billions USD)



*\*adapted from "Rights and Rents", Canadian International Council, citing data from The World Bank on Royalty & License Fees*

# NAFTA - 1993



- For a generation, Canada's most significant international IP obligations
- Preceded TRIPS, but text based on draft chapter of TRIPS
- **IP Chapter set minimum standards, enforcement mechanisms, and dispute-settlement procedures for:**
  - Patents, Copyright (incl. software) and Trademarks
  - Trade Secrets (including pharmaceutical data protection)
  - Geographical Indications
  - Industrial Designs
- **The PM(NOC) Regulations were a result of NAFTA**

# CETA – 2014 – Being Implemented in Phases

- **Copyright**
  - No significant changes
- **Trademark**
  - Compliance with other international agreements on harmonizing TM law (e.g., MADRID)
  - Significant focus on GIs (meats, cheeses, etc.)
- **Counterfeiting – Increasing Enforcement**
  - Combating Counterfeit Products Act
- **Pharmaceuticals**
  - Patent term extensions up to 2 years
  - Right to appeal for brand pharmaceutical companies has led to overhaul of *PM(NOC) Regulations*



# THE TRANS-PACIFIC PARTNERSHIP



# The *Original* TPP - 2015

- A Multilateral Agreement: between 12 Pacific Rim countries representing 40% of global economy
  - Excluded China
- 7+ years of negotiations, culminating in 6,000-page agreement
- Covered typical trade subjects plus subjects never previously addressed:
  - State-owned enterprise conduct
  - Transparency and corruption
  - Transfer of data and cybersecurity

# HISTORY OF THE TPP

- **2006 to 2010**
  - Built on the Trans-Pacific Strategic Economic Partnership Agreement between Brunei, Chile, New Zealand and Singapore
  - In 2010, Australia, Malaysia, Peru, the United States and Vietnam join the TPP negotiating group

# But for Canada. . .

- **Economic impact is uncertain**
  - Impact of IP provisions has not been studied
- **Reflected a trade-off for Canada**
  - Agricultural and auto are Canadian priorities
- **Original agreement was designed to live and die by the U.S.**
  - If they didn't sign on, what would incentive for others?
  - If they DID, could Canada afford *not* to?



# HISTORY OF THE TPP

- **2012 - 2015**
  - Canada and Mexico join the negotiations in 2012
  - Japan joins in 2013
  - Talks conclude in Atlanta, Georgia on October 5, 2015

# HISTORY OF THE TPP

- **November 2015**
  - Text made public on November 5
  - The Government of Canada launches extensive public consultations on Canada's participation in the agreement
- **February 2016**
  - The 12 TPP member countries sign the agreement on February 4, 2016 in Auckland, New Zealand

# From TPP to CP-TPP

- **January 2017:** President Trump campaigns against TPP and immediately withdraws US from TPP after inauguration
- **Late 2017:** The remaining TPP-11 countries attempt to salvage TPP without US involvement, as NAFTA renegotiation begins
- **November 2017:** Canada stalls finalization of TPP-11 and insists on changes including to TPP IP provisions
- **January 2018:** TPP-11 negotiations conclude with agreement, including suspension of various IP provisions
- **March 2018:** CP-TPP is signed

# Key Outcomes – Original TPP

## What WAS in TPP

- Extension of copyright term
- Patent term adjustment
- Patent grace-period
- 8-year biologic protection (with flexibility)
- Limitations on GI rights
- Stronger trade secret protection

## What WAS Out

- Patent opposition scheme
- Patenting of animals
- Codification of judicial disclosure and utility standards for patents
- International exhaustion of rights
- Specific traditional knowledge scheme
- 12-year biologic protection

# Key Outcomes – CP-TPP – What's In Now

## What's In CP-TPP

- ~~Extension of copyright term~~
- ~~Patent term adjustment~~
- Patent grace-period
- ~~8-year biologic protection (with flexibility)~~
- Limitations on GI rights
- Stronger trade secret protection

## What's (Still) Out

- Patent opposition scheme
- Patenting of animals
- Codification of judicial disclosure and utility standards for patents
- International exhaustion of rights
- Specific traditional knowledge scheme
- 12-year biologic protection

# Patents

- **Grace Period:**
  - 1 year grace period for inventor disclosure
- **Subject matter:**
  - Exclusions OK for diagnostics and therapeutics, animals
  - *Impact on business methods?*
- **Patentability of New Uses of Known Product suspended**

# Patents

- **General Patent Term Adjustment suspended:**
  - Unreasonable delays by the patent office would have been accounted for by increasing term
  - Later of 5 years from filing or 3 years from exam request, excluding delays attributed to *applicant*
- **Pharma Patent term adjustment suspended:**
  - Must adjust patent term or provided *sui generis* protection for “unreasonable curtailment” in regulatory process

# Pharmaceutical/Biologic Exclusivities

- **Pharmaceutical Data Protection suspended:**
  - 5 years of protection for “new pharmaceutical product”
  - Plus 3 years for new indication, new formulation, or new method of administration
  - Or: 5 years for product containing new chemical entity (e.g., combination product or vaccine)
- **Biologic Data Protection suspended:**
  - 8 years of protection, or 5 years plus other measures that “deliver a comparable outcome in the market”
  - Consultation to re-evaluate in 10 years



# Copyright & Related Rights

- Extension of Copyright Term suspended:
  - Natural persons: life of author + 70 years
  - Otherwise:
    - 70 years from publication
    - 70 from creation (if no publication within 25 years of creation)

# Trademarks – *Survived CP-TPP!*

- **Non-traditional marks**
  - Sound marks – *required*
  - Scent marks – *make best efforts*
- **Registered TMs protected from subsequent GIs**
  - GIs treated as private rights, not ‘super rights’
- **Well-known marks**
  - References WIPO standards that include dilution, passing off and bad faith
- **Opposition or cancellation proceedings *required***

# In the Meantime NAFTA to CUSMA

- **Shortly After Election, President Trump Announces NAFTA Renegotiation**
- **July 2017**
  - US releases list of “NAFTA Objectives”
- **Includes general comments on IP, including:**
  - Adopting protection standards similar to US legal norms
  - Ensuring rightsholders have legal and technological means to prevent unauthorized uses
  - Provide strong civil and criminal penalties

# In the Meantime NAFTA to CUSMA

- In **December 2017**, the Standing Committee on International Trade presented the report “Priorities of Canadian Stakeholders Having an Interest in Bilateral and Trilateral Trade in North America, Between Canada, United States and Mexico”. The Standing Committee made the recommendation that “the Government of Canada, during the *North American Free Trade Agreement* negotiations, oppose provisions that would reduce its ability to ensure that the Canadian intellectual property regime balances the interests of right holders and users. As well, the government should work to preserve Canada’s ability to modernize its regime following domestic reviews.”

# In the Meantime NAFTA to CUSMA

- The CUSMA was signed on **November 30, 2018**.

# CUSMA & TPP

## Patentable Subject Matter

- **Original TPP:**
  - Inventions in “all fields of technology”
    - Inconsistent with Canadian law (s. 2 definition of invention)
  - “industrial applicability”
    - Inconsistent with current definition of “utility”
  - Other aspects that are inconsistent with Canadian law: animal patents (Harvard Mouse case), surgical methods (Tennessee Eastman), business methods (Amazon.com)

# CUSMA & TPP

## Patentable Subject Matter

- **CP-TPP:**
  - Part of the Provision on patentable subject matter suspended, including that patents are available at least for inventions derived from plants
  - “All fields of technology” and “capable of industrial application” are not suspended

# CUSMA & TPP

## Patentable Subject Matter

- **CUSMA:**
  - Essentially the same as the original TPP



# CUSMA & TPP

## Patent Term Adjustment

- **Original TPP:**
  - Provides patent term adjustment for “unreasonable delay”
- **CP-TPP:**
  - These provisions are suspended
- **CUSMA:**
  - Essentially the same as the original TPP

# CUSMA & TPP

## Pharmaceutical Data Protection

- **Original TPP:**
  - In the case of biologics, the protection is at least 8 years
- **CP-TPP:**
  - These provisions are suspended
- **CUSMA:**
  - Requires data protection of at least 10 years for biologics



# Thank you

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