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A UNITARY ASEAN PATENT LAW IN THE AFTERMATH OF TRIPS

Christian H. Nguyen

Abstract: Members of the Association of Southeast Asian Nations ("ASEAN") have come to recognize that rigorous protection for industrial and technological innovations is essential to the economic viability of the Southeast Asian region. This recognition has heightened since the inception of the Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPs"). TRIPs imposes minimum standards for patent protection upon signatories to the World Trade Organization, which includes most of the ASEAN member countries. Strict compliance with TRIPs standards can severely aggravate the administrative deficiencies in national patent systems, but such deficiencies can be considerably alleviated with the institution of a regional patent scheme for the administration of patents. In addition to the definite advantages that an ASEAN Patent Office will present for individual countries, the ASEAN members can also ensure patent owners optimum patent protection only with the adoption of uniform post-grant enforcement procedures. In the absence of such procedures, patents granted in either the national ASEAN offices or the regional office would be accorded inadequate protection in light of existing weak enforcement mechanisms for intellectual property rights. These weaknesses are exacerbated by cultural and political norms unfavorable to national efforts at heightened protection. Accordingly, a unitary ASEAN patent law is indispensable if the ASEAN countries are to maintain internationally competitive markets and achieve vigorous economic development.

I. INTRODUCTION

Southeast Asia has undergone rapid dynamic economic development since the inception of the Association of Southeast Asian Nations ("ASEAN"), but inadequate protection accorded patent owners in ASEAN countries has curtailed further growth in the region.¹ In order to participate in international trade and to maintain globally competitive markets, the ASEAN countries must adhere to multi-national treaties which address intellectual property ("IP") matters, particularly the recently adopted Trade-

¹ With ten member countries, ASEAN is the leading economic and political organization in the Southeast Asian region. It was founded in 1967 by Indonesia, Malaysia, Singapore, Thailand, and the Philippines in an effort to expand regional cooperation in various business sectors. *COMMERCIAL LAWS OF EAST ASIA 3* (Alan Gutterman & Robert Brown eds., 1997). It was later joined by Brunei Darussalam in 1984 and Vietnam in 1995. Chia Siow Yue & Joseph L. H. Tan, *An Overview of ASEAN in the WTO: Challenges and Responses*, in *ASEAN IN THE WTO: CHALLENGES AND RESPONSES I* (Chia Siow Yue & Joseph L. H. Tan eds., 1996). The most recent members to become parties to ASEAN are Laos and Myanmar in 1997 and Cambodia in 1998. ASEAN, *History and Evolution of ASEAN* (visited Mar. 10, 1999) <http://www.asean.or.id/history/asn_his2.htm>.

Related Aspects of Intellectual Property Rights ("TRIPs").² The TRIPs Agreement imposes minimum standards of patent protection upon signatory members, and reinforces multi-lateral cooperation to harmonize patent laws.

National efforts by many of the ASEAN members to reform the administrative procedures and infrastructures of existing local patent systems have been substantial, but this Comment argues that regional cooperation would better facilitate compliance with international standards implied under TRIPs. Indeed, the ASEAN nations have taken affirmative measures toward extensive cooperative efforts that members anticipate will culminate in the creation of a regional ASEAN Patent Office.³ As in any patent system, the ultimate goal that ASEAN members envision for the regional office is greater protection for industrial and technological innovations.⁴ The advantages of establishing a regional office in Southeast Asia for the administration of patents are significant as demonstrated by the successes of existing regional patent offices world-wide such as the European Patent Convention ("EPC").⁵ Particularly, an ASEAN Patent Office would arguably alleviate the enormous and ongoing administrative burdens which ASEAN nations encounter in their struggle to comply with international standards. Moreover, a regional scheme for the administration of patents enforceable in all ASEAN countries would ultimately bring the members closer to conformance with the TRIPs Agreement.

An ASEAN Patent Office would be ineffective, however, without the harmonization of post-grant enforcement procedures. The legal frameworks for enforcing intellectual property rights in many of the ASEAN countries are considerably deficient. In addition to outdated administrative and judicial infrastructures, weak enforcement is attributable in large part to political and cultural attitudes and norms that are unfavorable to the establishment of effective enforcement mechanisms.⁶ Thus, in the absence of uniform enforcement measures, a patent granted through an ASEAN regional patent office would not be afforded the optimum level of protection within ASEAN member countries.

² Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organizations, Annex 1C, Results of the Uruguay Round vol. 31, 33 I.L.M. 1125 (1994) [hereinafter TRIPs Agreement].

³ See ASEAN Framework Agreement on Intellectual Property Cooperation, Dec. 15, 1995, available in *ASEAN Homepage* (visited Nov. 9, 1998) <http://www.asean.or.id/ECONOMIC/eco_ipr.htm> [hereinafter Framework Agreement].

⁴ See *id.*

⁵ See Gerald J. Mossinghoff & Vivian S. Kuo, *World Patent System Circa 20XX A.D.*, 80 J. PAT. & TRADEMARK OFF. SOC'Y 523, 534-40 (1998) (discussing regional patent systems).

⁶ See *infra* Part VI.C.

This Comment continues in Part II by discussing the importance of heightened protection of intellectual property rights to the ASEAN economies. Part III summarizes the multi-national developments that have reinforced international cooperation in the intellectual property arena and served as the stepping stone for the creation of the TRIPs Agreement. The principal TRIPs patent provisions are also highlighted. Part IV generally discusses the reforms to intellectual property systems that were adopted by ASEAN countries subsequent to the conception of TRIPs. This Comment explores in Part V the deficiencies inherent in existing national patent systems—lack of expertise, inadequate funding, and inefficient processing—which hinder optimal compliance with TRIPs. It further discusses the prospect of an ASEAN Patent Office as a favorable alternative to the existing scheme for patent administration. Part VI illustrates that, given the potential advantages of a regional patent office to ASEAN nations, the member countries should commit to establishing an ASEAN Patent Office in the near future. This Comment further proposes that ASEAN go beyond the existing regional patent arrangements to establish a unitary patent law and an ASEAN court to oversee patent infringement claims. Such a centralized scheme would ensure that potential and existing patent owners have sufficient protection against encroachment of their rights.

II. OVERVIEW OF THE RISING IMPORTANCE OF PATENT PROTECTION TO ASEAN COUNTRIES

Despite their geographical proximity, the ten members of ASEAN have developed distinct approaches to intellectual property law.⁷ Because of the striking diversity in colonial history and economic and political culture among the countries, the extent to which the individual members have become integrated into global economic politics varies greatly.⁸ Some countries have a longer,⁹ hence, stronger, history of intellectual property protection than others.¹⁰ All members of ASEAN, nevertheless, have in recent years been faced with the clear reality that more rigorous protection for intellectual

⁷ See generally *INTELLECTUAL PROPERTY LAWS OF EAST ASIA* (Alan Gutterman & Robert Brown eds., 1997).

⁸ See generally *COMMERCIAL LAWS OF EAST ASIA*, *supra* note 1.

⁹ Geoffrey Yu, *Issues in the Protection of Intellectual Property Rights in ASEAN: An International Perspective*, in *ASEAN IN THE WTO: CHALLENGES AND RESPONSES*, *supra* note 1, at 71, 73.

¹⁰ S. Tiwari, *Intellectual Property Rights: An ASEAN Perspective*, in *ASEAN IN THE WTO: CHALLENGES AND RESPONSES*, *supra* note 1, at 98, 105.

property rights ("IPRs") means the potential for greater economic development.¹¹

A. Recognition of IP Protection as Integral to Economic Development

For the most part, the ASEAN countries wavered for many years as to whether reforms to national intellectual property laws should be a priority.¹² This state of reservation dates back to 1990.¹³ The potential economic return for investments in IP development was not always fully recognized. Moreover, ASEAN leaders viewed intellectual property cooperation as undermining domestic legal systems, and perpetuating economic, scientific, and technological disparities amongst themselves,¹⁴ and with respect to developed countries.¹⁵ In recent years, however, ASEAN countries have begun to share the common revelation that intellectual property protection is essential to economic advancement.¹⁶ This realization has been due in large part to the inclusion of intellectual property issues in international trade negotiations, specifically the Uruguay Round of the General Agreement on Tariffs and Trade ("GATT"),¹⁷ which engendered the TRIPs Agreement.¹⁸

Participants in the Uruguay Round addressed the potential benefits of intellectual property protection for both developed and developing countries.¹⁹ Greater protection provides incentives for investments in

¹¹ *Id.* See *infra* notes 12-16 and accompanying text.

¹² Yu, *supra* note 9, at 76. See also Mustappa Sirat, *Intellectual Property Cooperation Among Association of Southeast Asian Nations ASEAN: Present Status and Future Plans*, INTELL. PROP. ASIA & PAC.: Q.J. WORLD INTELL. PROP. ORG., Apr.-June 1997, at 36, 37 (paper presented at the WIPO-ASEAN Sub-Regional Round Table on the Implications of the ASEAN Free Trade Area ("AFTA") on the Intellectual Property System, May 9-10, 1997).

¹³ *Id.*

¹⁴ *Id.*

¹⁵ Alan Gutterman & Robert Brown, *Intellectual Property in the Global Marketplace*, in INTELLECTUAL PROPERTY LAWS OF EAST ASIA, *supra* note 7, at 16-18.

¹⁶ Sirat, *supra* note 12, at 37.

¹⁷ Yu, *supra* note 9, at 76. See also COMMERCIAL LAWS OF EAST ASIA, *supra* note 1, at 45. Cooperative efforts pursuant to the General Agreement on Tariffs and Trade ("GATT") in 1947 created a comprehensive international trading system which eliminated much uncertainty in cross-border trades and liberalized trading policies in post-World War II. The GATT system at its inception had two fundamental functions: to establish a set of procedures governing countries' trade-related policies and to provide a forum for multi-lateral negotiations and dispute resolutions. Richard Blackhurst, *The Capacity of the WTO to Fulfill Its Mandate*, in THE WTO AS AN INTERNATIONAL ORGANIZATION 31, 44 (Anne O. Krueger ed., 1998).

¹⁸ Several years of multi-lateral trade negotiations under GATT in the Uruguay Round in 1994 resulted in the conception of many important events, including the replacement of GATT functions by the World Trade Organization ("WTO") and the execution of the TRIPs Agreement. Kevin C. Kennedy, *The GATT-WTO System at Fifty*, 16 WIS. INT'L L.J. 421, 443-44 (1998).

¹⁹ Mossinghoff & Kuo, *supra* note 5, at 531-32.

domestic technological and industrial research and development ("R & D")²⁰ which in turn stimulates economic progress. In addition, more stringent protection may potentially result in an increase in foreign technology transfers to developing markets.²¹ The number of patent applications, local or foreign, in a particular country is indicative of that country's ability to attract medium and long-term investments in technology.²² Additionally, the number of patent applications from local companies, inventors, and R & D institutions in a given country is evidence of domestic technological advancement.²³ The lack of scientific and financial resources has severely limited domestic research and development in many developing countries.²⁴ Consequently, some ASEAN countries, such as the Philippines, have begun to rely on technology transfers for the introduction of innovative techniques and technologies to spur and facilitate the production and manufacture of new products in local markets.²⁵

B. Commitment to Patent Law Reformation

As ASEAN nations recognized the importance of intellectual property to Southeast Asia, their commitment to restructuring national patent law systems intensified. ASEAN leaders anticipated that new laws and administrative facilities would induce greater interest in intellectual property and thus heighten the demand for patent protection in their countries.²⁶ Indeed, the increase in the number of technology transfer arrangements has been considerable for certain countries, most notably those that adopted revisions to patent laws.²⁷ With respect to applications from local inventors, the numbers have not been quite so impressive. In fact, the ASEAN region lags by comparison to not only industrialized countries, but also to those with comparable economic standing in the Latin American region.²⁸ Weak

²⁰ *Id.* at 532.

²¹ *Id.*

²² Yu, *supra* note 9, at 77.

²³ *Id.*

²⁴ Gutterman & Brown, *supra* note 15, at 19.

²⁵ Jacinto D. Jimenez, *Philippines*, in *INTELLECTUAL PROPERTY LAWS OF EAST ASIA*, *supra* note 7, at 267, 268.

²⁶ Yu, *supra* note 9, at 76.

²⁷ Since the implementation of Singapore's current Patent Act in February 1995, monthly patent applications have more than doubled. *Id.* Moreover, from 1978 to 1993, a total of 1,504 technology transfer arrangements were registered in the Philippines. The top five countries which had, during that period, been the source of technology suppliers are United States 614; Japan 267; United Kingdom 98; Switzerland 98; and Germany 75. In 1994, 135 technology transfer arrangements were registered in the Philippines. Jimenez, *supra* note 25, at 269.

²⁸ Yu, *supra* note 9, at 77.

activity in the intellectual property arena within the ASEAN region, therefore, is a legitimate concern for ASEAN leaders.

III. TRIPS: THE LEADING INITIATIVE ON GLOBAL HARMONIZATION OF INTELLECTUAL PROPERTY RIGHTS PROTECTION

A. *Establishing a Framework for International Cooperation in Intellectual Property*

The creation of the Trade Related-Aspects of Intellectual Property Agreement, enacted in 1994, has been a motivating factor behind the extensive revamping of national policies for greater intellectual property protection in Southeast Asia. The TRIPs Agreement sets minimum standards of intellectual property protection for all members of the World Trade Organization ("WTO"), of which most of the ASEAN countries are currently members. Vietnam, Laos, Cambodia, and Myanmar are the only countries that are not members of the WTO.²⁹ Before the TRIPs Agreement, international standards were unsettled.

1. *The Paris Convention*

Global cooperation on IP matters did not initiate with the TRIPs Agreement. Specific to the coverage on patent, the Agreement builds upon the Paris Convention of 1884 ("Paris Convention").³⁰ The Paris Convention established the principles of "national treatment," "right of priority," and "special agreements," which have been integrated in subsequent multi-national patent treaties, including the TRIPs Agreement.³¹ As the first

²⁹ Membership in the WTO now stands at 119. Twenty-eight countries, including China, Taiwan, Russia, and Vietnam are seeking accession to the WTO. K. Kesavapany, *An Overview of Recent Developments in the WTO, in ASEAN IN THE WTO: CHALLENGES AND RESPONSES*, *supra* note 1, at 17, 25-26.

³⁰ The founding members of the Paris Convention are Belgium, Brazil, France, Guatemala, Italy, the Netherlands, Portugal, Salvador, Serbia, Spain, and Switzerland. Currently, the Paris Convention has 144 members, including Indonesia, Malaysia, the Philippines, Singapore, and Vietnam. Beside patents, the Convention also addresses trademarks, trade names, industrial designs, and unfair competition. Mossinghoff & Kuo, *supra* note 5, at 526 & n.10.

³¹ According to the principle of "national treatment," all signatory members to the Convention must afford nationals of other member countries the same rights and privileges which they provide to their own nationals under their patent laws. The nationals of foreign member countries, however, are subject to the domestic laws of the member country from which they seek patent protection. *Id.*

The "right of priority" entitles a patent application filed in one member country to an extended period of 12 months after the initial filing of the application to submit the application in any or all of the other member countries. If any subsequent applications are filed by nationals of member countries during this one-year period, the pertinent date is the earliest filing date. According to the "right of priority," patent

crucial effort at international cooperation in the intellectual property arena, the Paris Convention eliminated barriers obstructing the acquisition of impartial cross-national patent protection, and promoted international exchange of industrial and technological innovations. However, it did not impose any substantive standards of patent law.³²

2. *The World Intellectual Property Organizations*

The establishment of the World Intellectual Property Organization ("WIPO") on July 14, 1967 pushed intellectual property protection to the forefront of global focus.³³ Membership in WIPO now stands at 171 countries, including the ASEAN countries except for Laos, Cambodia, and Myanmar, the most recent ASEAN members.³⁴ With the mission "to promote the protection of intellectual property throughout the world,"³⁵ WIPO has become the centralized international forum for the discussion of intellectual property issues worldwide.³⁶ In addition to promoting the fundamental objectives and coordinating activities prescribed by the Paris Convention, the organization is an essential source of legal and technical assistance as well as financial guidance to developing countries,³⁷ including ASEAN countries,³⁸ on all matters relating to intellectual property. Moreover, WIPO administers numerous international treaties on intellectual

owners who seek ultimately to obtain multi-national patent protection can: 1) avoid the threat of intervening claims of prior art, which would otherwise prevent acquisition of a patent; 2) overcome the novelty requirement; and 3) evaluate the economic viability of their inventions and determine whether protection should be sought. *Id.* at 527.

The Paris Convention, moreover, provided a forum for the creation of "special agreements" to further the dialogue and cooperation among member countries on intellectual property ("IP") matters consistent with the provisions of the Convention. As a result, all subsequent multinational and regional patent protection arrangements, including the TRIPs Agreement, conceived under the catalyst of the Convention are considered "special agreements." *Id.*

³² *Id.*

³³ The secretariat of the Paris Convention, the *Bureaux Internationaux Reunis pour la Protection de la Propriete Intellectuelle*, became a specialized agency of the United Nations ("UN") under the title of the World Intellectual Property Organization ("WIPO"). *Id.* at 528. As one of the 16 specialized agencies of the UN system of organizations, the WIPO has its own constitution, member states, and secretariat. Yu, *supra* note 9, at 72.

³⁴ A list of member countries can be found at WIPO, *General Information about WIPO* (visited Feb. 23, 1999) <<http://www.wipo.org/eng/infbroch/infbro98.htm>>.

³⁵ *Id.*

³⁶ Mossinghoff & Kuo, *supra* note 5, at 528.

³⁷ *Id.* Robert Sherwood, *The TRIPs Agreement: Implications for Developing Countries*, 37 IDEA 491, 540-42 (1997).

³⁸ Yu, *supra* note 9, at 82-83.

property, notably the Patent Cooperation Treaty ("PCT") in the area of patent protection.³⁹

3. *The Patent Cooperation Treaty*

The Patent Cooperation Treaty, effective since 1978, implemented a system for "rationalizing" the patent application procedure to reduce duplicate application and examination within the signatory countries.⁴⁰ Of the ninety-five member countries of the PCT, only three ASEAN countries are parties: Singapore, Indonesia, and Vietnam.⁴¹ Submission of an application under this international convention does not result in an issuance of an "international patent,"⁴² nor does it necessarily guarantee patent protection in the designated member countries. The PCT provides only a multi-national mechanism through which an inventor may acquire protection in multiple PCT signatory states by filing only one application in any of nine designated national offices.⁴³ These international searching authorities have been delegated to perform a preliminary search and examination, and in most cases, an examination of substance of patent applications filed under the PCT.⁴⁴ The reports resulting from the examination of the application are then relied upon by PCT members designated in the applications to determine, under their own

³⁹ See WIPO, *supra* note 34.

⁴⁰ Prior to the Patent Cooperation Treaty ("PCT"), in order to acquire patent protection, inventors had to file an individual application with each country in which they wished to secure protection for their inventions. Applicants inevitably incurred enormous costs associated with the acquisition procedure, including translation costs and local attorney fees. The effort on the part of the United States during the 1960s to eliminate the duplication of patent applications and examinations resulted in the execution of the Washington Treaty in 1970, which was later recognized as the PCT. Mossinghoff & Kuo, *supra* note 5, at 529.

⁴¹ A list of members of the PCT can be found in INTELL. PROP. ASIA & PAC.: Q.J. WORLD INTELL. PROP. ORG., *supra* note 12, at 80.

⁴² Mossinghoff & Kuo, *supra* note 5, at 530.

⁴³ An inventor seeking to file for patent protection through the PCT must first submit an "international application" in any one of the following designated international searching authorities: Australia, Austria, China, Japan, the Russian Confederation, Spain, Sweden, the United States, and the European Patent Office. Sherwood, *supra* note 37, at 529. For as long as thirty months, an applicant may designate on the patent application as many of the PCT signatory countries where the applicant wishes to acquire protection. Mossinghoff & Kuo, *supra* note 5, at 529.

⁴⁴ Once a designated international authority receives an "international application," the office conducts a preliminary examination as to the formal requirements of the application and a novelty search, and completes an "International Search Report." Mossinghoff & Kuo, *supra* note 5, at 529. In the majority of cases, applicants request an International Preliminary Examination, which is an examination of an application for substance. A non-binding report is produced as to whether the invention "appears to be novel, to involve an inventive step (to be non-obvious), and to be industrially applicable." *Id.* (quoting Patent Cooperation Treaty of June 19, 1970, ch. II, art. 33, cl. 1, *reprinted in* SELECTED INTELLECTUAL PROPERTY AND UNFAIR COMPETITION STATUTES, REGULATIONS AND TREATIES 805 (Roger E. Schecter ed., 1997)).

national laws, whether to grant patent protection.⁴⁵ By consolidating what had previously been a laborious, multi-filing process for many inventors into a single procedure, the Patent Cooperation Treaty has rendered the filing process increasingly efficient.⁴⁶ Shifting the burden of preliminary and substantive examination upon the international authorities has alleviated considerable administrative costs for PCT signatory members.⁴⁷ This is especially significant for the ASEAN countries, and presents an incentive for non-signatory countries to pursue membership.⁴⁸

4. *The Trade-Related Aspects of Intellectual Property Agreement*

The Paris Convention formed the crucial framework for subsequent global cooperative efforts in intellectual property and the Patent Cooperation Treaty harmonized the preliminary procedure for patent acquisition, but substantial steps towards international harmonization of substantive patent laws were not realized until the TRIPs Agreement.⁴⁹ The Agreement introduced a novel matter—intellectual property rights—into the ongoing dialogue within GATT, which historically dealt strictly with trade-of-goods issues.⁵⁰ The inclusion of IPRs into GATT negotiations illustrates the weight that intellectual property protection bears on international trade.⁵¹

The TRIPs Agreement proposes to standardize the creation, protection, and enforcement of IPRs for all members and potential members, thereby affecting WTO members in varying degrees. TRIPs provides developed countries with minimum standards of procedural and substantive

⁴⁵ Once the International Search Report and an International Preliminary Examination have been completed, the applicant enters a "national phase" and has the option of continuing submission of the application to national offices where protection is sought. The national offices would then conduct an examination under domestic laws in light of the PCT reports. Mossinghoff & Kuo, *supra* note 5, at 530.

⁴⁶ Another major advantage to inventors in submitting an "international application" under the PCT scheme is the delay in the moment when substantial costs for final examinations in each national IP office are due. Such costs may include application fees, translation costs, and local agent fees. Sherwood, *supra* note 37, at 530.

⁴⁷ *Id.*

⁴⁸ Yu, *supra* note 9, at 72-73.

⁴⁹ See *infra* notes 59-79 and accompanying text.

⁵⁰ Kennedy, *supra* note 18, at 473.

⁵¹ The impetus for international enhancement of Intellectual Property Rights ("IPRs") protection generated from certain industries, including the United States pharmaceutical industry, of developed countries that relied upon the protection of their intellectual properties. Developed countries regarded GATT as the most favorable forum in which to raise international recognition of IPRs and the harmonization of national intellectual property systems since most intellectual property disputes involved trade. Gutterman & Brown, *supra* note 15, at 12. Nonetheless, the provisions of the TRIPs Agreement were intended to supplement existing international treaties administered by the WIPO. *Id.*

protection for their nationals.⁵² Simultaneously, it affords developing countries a transition period during which they may amend and promulgate national laws, and rebuild IP administrative infrastructures.⁵³ The deadline for developed countries was January 1996, whereas developing countries and countries in transition from centrally-planned to market economies have until the years 2000 and 2005 respectively to implement the TRIPs provisions.⁵⁴ Thailand, Indonesia, the Philippines, Malaysia, Brunei, and Myanmar are classified as developing countries, and Singapore is likely deemed a developed country for the purpose of compliance with TRIPs.⁵⁵ Vietnam is considered both a developing country and one in transition.⁵⁶ Given the disparate levels of sophistication in current ASEAN national IP systems, the ASEAN countries will encounter different challenges in their efforts to satisfy the new standards. For the more developed members, particularly Singapore, the direct benefits of the TRIPs Agreement are imminent and the burdens may be minimal.⁵⁷ For other member countries, such as Vietnam, Laos, and Cambodia, successful compliance with international standards may be costly, and the realization of the advantages of TRIPs will require more than just the implementation of new laws and regulatory enforcement mechanisms. Nonetheless, compliance by ASEAN countries will ultimately generate an in-flow of technology, goods and services to Southeast Asia as a whole,⁵⁸ thereby contributing to the economic development of each country.

B. *International Standards for Patent Protection Under TRIPs*

The TRIPs Agreement provides a minimum level of protection to facilitate trade for seven forms of intellectual property, including patents.⁵⁹ As a general matter, since each ASEAN country already has some type of

⁵² Kennedy, *supra* note 18, at 474.

⁵³ *Id.*

⁵⁴ Marie Wilson, *TRIPs Agreement Implications for ASEAN Protection of Computer Technology*, 4 ANN. SURV. INT'L & COMP. L. 18, 24 (1997).

⁵⁵ *Id.*

⁵⁶ *Id.* at 25.

⁵⁷ Chia Siow Yue & Tan, *supra* note 1, at 8.

⁵⁸ *See id.*

⁵⁹ Other intellectual properties covered by the TRIPs Agreement include Copyright and Related Rights, Trademarks, Geographical Indications, Industrial Designs, Layout-Designs (Topographies) of Integrated Circuits, and Protection of Undisclosed Information. The seven forms of intellectual property are addressed categorically in Sections 1 through 7 of Part II of the TRIPs Agreement.

For a discussion on the various possible levels of intellectual property protection: 1) non-robust level of protection, 2) a level which facilitates trade, as per TRIPs, and 3) a robust level capable of investment stimulation, see Sherwood, *supra* note 37, at 494.

infrastructure in place for administering IP protection, the obligations imposed for all categories of intellectual property are likely to require the modification or strengthening of existing features of national systems rather than the implementation of new procedures.⁶⁰

The coverage of patents is considered the most significant achievement of Part II of the Agreement, entitled "Standards Concerning the Availability, Scope and Use of Intellectual Property."⁶¹ It is also the section requiring the greatest compromise between the competing interests of developed and developing countries.⁶²

The minimum standards of patent protection are clearly enumerated in the Agreement. First, patent applications cannot be discriminated against due to subject matter; patents must be "available for any inventions, whether products or processes, in all fields of technology, provided that they are new, involve an inventive step and are capable of industrial application."⁶³ Discrimination is also prohibited "as to the place of invention, field of technology and whether inventions are imported or locally produced."⁶⁴

Moreover, where a patent's subject matter is a product, the rights conferred on patent owners must encompass the right to prevent third parties from "making, using, offering for sale, selling, or importing for these purposes that product."⁶⁵ Simultaneously, a patent owner of a process must be afforded the right to prevent non-consensual acts of "using, offering for sale, selling, or importing for these purposes at least the product obtained directly by that process."⁶⁶

⁶⁰ *Id.* at 513.

⁶¹ Kennedy, *supra* note 18, at 477.

⁶² *Id.*

⁶³ The terms "inventive step" and "capable of industrial application" are synonymous with "non obvious" and "useful" respectively. TRIPs Agreement art. 27.

⁶⁴ Member countries, however, may refuse patents for inventions if "necessary to protect order or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by their law." *Id.*

Other possible exclusions from patentability are "(a) diagnostic, therapeutic and surgical methods for the treatment of humans or animals; (b) plants and animals other than micro-organisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes." *Id.* Protection for plant varieties, however, must be made available "either by patents or by an effective sui generis system or by any combination thereof." *Id.* Furthermore, any such sui generis system must be consistent with the International Convention for the Protection of New Varieties of Plants. Kennedy, *supra* note 18, at 481.

⁶⁵ TRIPs Agreement art. 28.

⁶⁶ Patent owners must also be afforded "the right to assign, or transfer by succession, the patent and to conclude licensing contracts." *Id.*

Member countries must also require that an application for a patent "disclose the invention in a manner sufficiently clear and complete for the invention to be carried out by a person skilled in the art."⁶⁷

The most extensive TRIPs provisions with respect to patents cover compulsory licensing.⁶⁸ Out of concern of excessive government encroachment on the rights of patent owners, Article 31 imposes numerous restrictions on national prescriptions of compulsory licenses before the use of existing patented inventions or processes can be granted by country members.⁶⁹ A compulsory license can be granted only after efforts have been made to secure authorization from the patent holder, unless the grant is necessary to remedy an anti-competitive practice.⁷⁰ The Agreement mandates that several conditions be met before a compulsory license can be granted notwithstanding infringement of the rights of the patent owner, and requires judicial review of the grant.⁷¹ TRIPs provides that compensation must be afforded to the holder once a compulsory license is granted, and also limits the scope and usage of the license.⁷²

Apart from the requisite review of compulsory licenses, a patent owner must be afforded an opportunity for judicial review of any decision of

⁶⁷ Member countries have the option of demanding "the applicant to indicate the best mode for carrying out the invention known to the inventor at the filing date or, where priority is claimed, at the priority date of the application[,]" and/or "to provide information concerning the applicant's corresponding foreign applications and grants." *Id.* art. 29.

Countries may also "provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties." *Id.* The terms "unreasonable" and "legitimate" are undefined, leaving a potential for future disputes. Kennedy, *supra* note 18, at 481.

⁶⁸ Compulsory licensing is the grant under the law of any member country "for other use of the subject matter of a patent without the authorization of the right holder, including use by the government or third parties authorized by the government." TRIPs Agreement art. 31. The common bases for the authorization of a compulsory license in countries with compulsory licensing systems include the patent owner's failure to implement the invention within a certain time-frame following receipt of a patent, or to prevent or remedy other anti-competitive practices that may result or have resulted from the exercise of the exclusive patent rights of the owner. Kennedy, *supra* note 18, at 481.

⁶⁹ TRIPs Agreement art. 31.

⁷⁰ "This requirement may be waived by a member country in the case of a national emergency or other circumstances of extreme urgency or in cases of public non-commercial use," but "the right holder shall, nevertheless, be notified as soon as reasonably practicable." *Id.*

⁷¹ *Id.* Two important qualifications regarding compulsory licenses set forth in the Paris Convention, and integrated into the TRIPs Agreement, are 1) no proceedings for the forfeiture or revocation of a patent may be instituted before the expiration of two years from the grant of the first compulsory license; and 2) a compulsory license may not be applied for on the ground of failure to work or insufficient working of the invention before the expiration of a period of four years from the date of filing of the patent application or three years from the date of the grant of the patent, whichever period expires last. Kennedy, *supra* note 18, at 481-82.

⁷² TRIPs Agreement art. 31.

revocation or forfeiture of a patent.⁷³ The TRIPs Agreement also prescribes a minimum period of patent protection of twenty years from the filing date.⁷⁴

With respect to adjudication of infringement claims, the Agreement shifts the burden of proof to the alleged infringer in an infringement action. It mandates that when an action concerns a patented process for obtaining a product, member countries must provide the national judiciary the authority to impose upon the defendant the burden of proving that the process used to obtain an identical product is different from the patented process.⁷⁵ Where a product produced by the alleged infringing process is identical to a product that produced by the patented process, the presumption that the identical product was obtained by the patented process is raised if, 1) the product obtained by the patented process is new, or 2) there is a substantial likelihood that the identical product was made by the process and through reasonable efforts the owner of the patent has been unable to determine the process actually used.⁷⁶

IV. RECONSTRUCTION OF NATIONAL LAWS IN COMPLIANCE WITH TRIPS

Compliance with the TRIPs provisions requires a heightened recognition by the governments of ASEAN members of the reforms needed in established national patent systems. This reform entails, largely, the promulgation of new laws or the modification of existing ones, consistent with international standards. Indeed, all of the ASEAN countries have begun implementing changes to their intellectual property legal framework.

For instance, in July of 1996, Vietnam implemented the Civil Code, a fair portion of which addresses intellectual property rights.⁷⁷ The Civil Code replaced the existing laws governing IP matters, including the Ordinance on the Protection of Industrial Property of January 28, 1989.⁷⁸ Considering Vietnam's history of weak IPR protection, the execution of the new piece of legislation, coupled with subsequent IP regulations, illustrates the great

⁷³ *Id.*

⁷⁴ *Id.* art. 33.

⁷⁵ *Id.* art. 34.

⁷⁶ *Id.*

⁷⁷ Stephen Hayward, *Vietnam Continues Trademark Reforms: Protection is Much Better, but There are Still Questions About Enforcement*, available in *Law Journal Extra!* (visited Nov. 9, 1998) <<http://www.ipcenter.com/express/030498/vietip.htm>>.

⁷⁸ MARTINDALE-HUBBELL INTERNATIONAL LAW DIGEST (1998). See generally Martin W. Chow, *Vietnam*, in *INTELLECTUAL PROPERTY LAWS OF EAST ASIA*, *supra* note 7, at 507, 513-19.

strides that Vietnam has made in its attempt to ensure greater protection for intellectual property.⁷⁹

Similarly, in March of 1997, the Indonesian House of Representatives passed several amendments consistent with international standards to the country's IP laws under the existing Patent Law of 1991.⁸⁰

The Philippines has come closer to conforming with TRIPs by enacting reforms to the intellectual property administrative structure and the implementation of recent laws governing IPRs. On June 6, 1997, a national intellectual property office was created to oversee all aspects of IP in the Philippines.⁸¹ The office, with broader enforcement authority than the intellectual property agency that it replaced, consists of six bureaus, including a separate bureau for patents.⁸² The government also enacted new legislation, effective January 1, 1998, which is intended to restructure the country's intellectual property system and to bring the country into compliance with the TRIPs provisions.⁸³ The Code incorporates the TRIPs standards and strengthens the Philippines' protection and enforcement of IPRs.⁸⁴

Singapore—the most developed member of ASEAN—is in substantial compliance with the TRIPs Agreement as a result of the new patent law enacted on February 23, 1997.⁸⁵ The legislation replaced the existing patent system under which an applicant seeking protection had to have acquired a British patent or a European Patent through the EPO with the United Kingdom as the designated country.⁸⁶

Apart from the adoption of reforms to individual national patent systems, the ASEAN countries have also pursued regional cooperation on IP matters. This intra-national collaboration prompted the formation of the 1995 ASEAN Framework Agreement on Intellectual Property Cooperation ("Framework Agreement").⁸⁷ Pursuant to the Framework Agreement, members formally recognized the important role which IPRs assumed in

⁷⁹ Hayward, *supra* note 77.

⁸⁰ *Indonesia Amends IP Laws*, J. PROPRIETARY RTS., July 1997, at 25. See generally Cita Citrawinda Priapantja, *Enforcing Intellectual Property Rights*, in INVEST IN INDONESIA 59 (Beena Sorab ed., 1997).

⁸¹ *New Intellectual Property Law Takes Effect in Philippines*, J. PROPRIETARY RTS., Apr. 1998, at 19.

⁸² *Id.*

⁸³ *Id.* See also Alonzo Q. Ancheta, *Philippines Begins New IP Regime*, available in *Law Journal Extra!* (visited Mar. 10, 1999) <<http://www.ipww.com/jan98/p9philippines.html>>. See generally Jimenez, *supra* note 25, at 279-80.

⁸⁴ Ancheta, *supra* note 83.

⁸⁵ Alban Kang, *Singapore*, in INTELLECTUAL PROPERTY LAWS OF EAST ASIA, *supra* note 7, at 323-24.

⁸⁶ *Id.*

⁸⁷ See Framework Agreement.

trade and economic development in Southeast Asia.⁸⁸ Acknowledging the need for compliance with international standards prescribed in established multi-lateral agreements on IP matters, particularly the TRIPs Agreement, signatory members conceded to strengthen ASEAN cooperation in intellectual property protection and enforcement, and to explore the possibility of establishing ASEAN patent and trademark systems.⁸⁹ The Framework Agreement marked a significant step towards the harmonization of national intellectual property laws of the ASEAN countries.⁹⁰

V. PROSPECT OF AN ASEAN PATENT OFFICE

As the Framework Agreement intimates, ASEAN member countries anticipate the creation of an ASEAN Patent Office in the near future.⁹¹ Although no formal deadline has been announced, the Framework Agreement states only that "Member States shall explore the possibility of setting up of an ASEAN patent system, including an ASEAN Patent Office, if feasible, to promote the region-wide protection of patent . . ."⁹²

The notion of consolidating national IP systems into a central regional system is by no means a new concept. Indeed, throughout the history of international intellectual property law several regional patent systems have been created. The oldest and most notable patent system is the European Patent Convention ("EPC").⁹³ Adopted in Munich in 1973, the EPC simplified the patent application process for all member countries.⁹⁴ An

⁸⁸ *Id.*

⁸⁹ *Id.* art. 3.

⁹⁰ A Working Group on Intellectual Property Cooperation ("WGIPC") was established to implement the Framework Agreement and to provide a forum for discussions on regional and international developments on intellectual property. The WGIPC formulated its Programme of Action (1996-98), in which the goals enumerated are:

- to enhance the IP enforcement and protection;
- to strengthen ASEAN IP administration;
- to strengthen ASEAN IP legislation;
- to promote human resources development;
- to promote public awareness of IPR;
- to promote private sector cooperation in IP; and
- to explore the possibility of setting up an ASEAN Patent and Trademark System.

ASEAN, *Cooperation in Intellectual Property* (visited Nov. 9, 1998) <<http://www.asean.or.id/asc/r9697/asc96t6.htm>>.

⁹¹ Framework Agreement art. 1.

⁹² *Id.*

⁹³ Other existing regional patent offices are the European Community Patent Convention ("CPC"), the African Industrial Property Convention ("OAPI"), the African Regional Industrial Property Organization ("ARIPO"), and the Eurasian Patent Convention. Yu, *supra* note 9, at 94.

⁹⁴ There are currently 19 country members party to the European Patent Convention ("EPC"), including all the members of the European Union: Austria, Belgium, Cyprus, Denmark, Finland, France,

applicant may file an application with the European Patent Office ("EPO") in one of the three official languages—English, French, and German—to obtain patent protection in any or all designated member countries.⁹⁵ A patent granted by the EPO affords an applicant the same rights as would be afforded a national patent granted in a designated member country.⁹⁶

An ASEAN patent office, as envisioned by ASEAN members, would essentially create a central patent application and acquisition system for the ASEAN region. Such a scheme would benefit both ASEAN members and inventors interested in acquiring IPRs protection in any or all of the ASEAN countries. It would enable an inventor, or existing patent owner, to submit to the regional office an application which, following a substantive examination, would result in a grant of an ASEAN patent enforceable in the countries designated by the applicant. The rights afforded with the grant of an ASEAN patent would attach as if the applicant had individually filed applications in the designated countries. This would greatly reduce the amount of time, labor, and costs generally associated with patent acquisition for inventors under the current system. Moreover, the institution of a regional patent office would relieve national patent offices of the task of performing extensive and time-consuming application examinations, hence, administrative and financial burdens would be lessened.

Under the envisioned ASEAN patent office, if patterned similarly to the EPC, patent enforcement remains within the jurisdiction of individual countries.⁹⁷ Thus, infringement claims of an ASEAN patent are subject to

Germany, Hellenic Republic, Ireland, Italy, Liechtenstein, Luxembourg, Monaco, Netherlands, Portugal, Spain, Sweden, Switzerland, and United Kingdom. Mossinghoff & Kuo, *supra* note 5, at n.30.

⁹⁵ *Id.* at 535. Applicants who are nationals of member countries may file in their own language, provided that a translation in one of the three official languages is made available within 13 months of the priority date accorded upon receipt of the patent application by the European Patent Office ("EPO"). *Id.* at 536. See *supra* note 31 and accompanying text.

The EPC adheres to the first-to-file system, under which the first true inventor who files for patent protection with the EPC and discloses his or her invention to the public has priority to an EPC patent. Priority may also be claimed through a prior national application as provided in the Paris Convention. Mossinghoff & Kuo, *supra* note 5, at 536.

Once the EPO receives an application, it conducts a formal requirements examination. Upon payment of proper fees, the application is sent to a Search Division, which conducts a novelty search and provides a European search report (and for each international application under the PCT, a "Euro/PCT" search report). The European patent application is published eighteen months from its filing date or the priority date, along with the search report. *Id.*

⁹⁶ A European patent, however, is not equivalent to a community patent; a European patent owner receives a series of patents that are enforceable only in the EPC member countries designated in the application. *Id.* at 535. Enforcement of rights acquired under a European patent falls, therefore, within the jurisdiction of the individual designated countries, subject to national laws. *Id.*

⁹⁷ See *supra* note 96 and accompanying text.

national laws and are invariably enforced differently from one country to another.

Confronted with international standards imposed by TRIPs under the current patent framework, the ASEAN countries endure and will continue to endure a heavy burden on the public administration of patent rights.⁹⁸ In fact, over time the struggle for compliance with the standards will reveal the deficiencies, particularly lack of expertise, inadequate funding, and inefficient processing, in the public administration of many of the existing national systems. Such deficiencies could impede or render such compliance impossible. Given these constraints, the institution of a regional patent office would alleviate the administrative strain on the national systems. The consolidation of resources can empower the ASEAN countries to administer patent rights in an efficient and resourceful manner.

A. *Administrative Efficiency*

As the ASEAN countries restructure their national patent systems to achieve compliance with the TRIPs requirements, they encounter greater burdens on public administration.⁹⁹ This burden is probably more acute for countries with recently established and still unsophisticated patent systems such as Cambodia,¹⁰⁰ Vietnam,¹⁰¹ and Indonesia.¹⁰² Of the seven categories of intellectual property protection addressed in the TRIPs Agreement, patent acquisition and maintenance imposes the heaviest burden on public administration for developing countries.¹⁰³ The TRIPs Agreement will presumably have the effect of requiring adjustments to existing administrative structures rather than the creation of new infrastructures.¹⁰⁴ Nonetheless, the process of reconstructing administrative practices may gradually expose the deficiencies inherent in the administration of existing ASEAN national systems and ultimately confirm the need for an ASEAN Patent Office to remedy such deficiencies.

Of the requirements imposed by TRIPs, several in particular may cause administrative strain on the ASEAN countries. With the expansion of patentable subject-matters in all fields of technology and few exceptions

⁹⁸ See Sherwood, *supra* note 37, at 518.

⁹⁹ See *id.* at 511.

¹⁰⁰ See generally Dolores A. Donovan & Jeffrey S. Brand, *Cambodia, in* INTELLECTUAL PROPERTY LAWS OF EAST ASIA, *supra* note 7, at 107.

¹⁰¹ See generally Chow, *supra* note 78.

¹⁰² See generally Priapantja, *supra* note 80.

¹⁰³ Sherwood, *supra* note 37, at 518.

¹⁰⁴ See *id.*

allowed under TRIPs, those ASEAN countries that have traditionally enjoyed broad exclusionary practices are now burdened with examining many types of inventions previously excluded from patentability.¹⁰⁵ The administrative burden presented by this provision may be further aggravated by the restriction on discriminating against certain patent applications. Moreover, the requirement that patent applications disclose inventions sufficiently clearly and completely for the inventions to be carried out by persons skilled in the art may demand some administrative adjustments for ASEAN members that have not previously recognized such a practice.¹⁰⁶ Finally, the provisions covering compulsory licensing could also present an occasional but definite strain on public administration for the ASEAN countries.¹⁰⁷

1. *Expertise*

There is a strong need for patent law training in the ASEAN region.¹⁰⁸ The TRIPs Agreement has had the effect of broadening the scope of patent law¹⁰⁹ and possibly rendering more technical the administration of patents in light of the expansive range of patentable inventions. Given the inadequate level of expertise in patent law in most national offices, strict conformance with international standards by the ASEAN countries would compel substantial investment in the training of public officials as well as certain members of the private sectors.¹¹⁰

Greater expertise in patent law is required of government officers who administer patent offices and of lawyers and engineers acting in their capacity as advisors and representatives of patentees.¹¹¹ The latter group is generally referred to as "agents."¹¹² Officials performing a "substantive examination" of patent applications¹¹³ have the most critical need for

¹⁰⁵ See *id.*

¹⁰⁶ See *id.*

¹⁰⁷ See *id.* at 519.

¹⁰⁸ Yu, *supra* note 9, at 79.

¹⁰⁹ Sherwood, *supra* note 37, at 524.

¹¹⁰ See Yu, *supra* note 9, at 79.

¹¹¹ *Id.*

¹¹² *Id.*

¹¹³ Under the TRIPs Agreement and in all ASEAN nations, patents are granted for inventions only if they satisfy the general formal requirements of novelty, inventiveness, and industrial use, which may be variably defined. See generally INTELLECTUAL PROPERTY LAWS OF EAST ASIA, *supra* note 7. While the patent laws of some developing countries, including the ASEAN countries with the exception of Brunei and Singapore, provide that the national patent offices shall perform substantive examinations of applications, others do not address the matter. See Yu, *supra* note 9, at 80. See also Sherwood, *supra* note 37, at 527. In reality, most of those countries that statutorily stipulate for substantive examinations do not perform such examinations due to the high level of expertise required. *Id.* Currently, only a few patent

training because they must be able to decipher the technical language in patent applications and also possess sufficient expertise in both the relevant technological field and the legal requirements for patentability.¹¹⁴ That level of expertise requires not only extensive knowledge of the domestic patent laws, but also a solid understanding of international standards and those of national competitors.

While the market demand for patent examiners is high world-wide, the number of qualified candidates is limited.¹¹⁵ At the international level, highly specialized examiners are primarily scientists and engineers who have been trained in large intellectual property offices, such as those in Japan, the United States, and the European Patent Office.¹¹⁶ Due to the rapid expansion of the scope of patentability in various specialized technological areas, larger IP offices employ between 1,500 to 2,000 examiners on a permanent basis.¹¹⁷

Since the salaries at such larger offices are higher than what the ASEAN countries can offer, the ability of the member countries to recruit and retain qualified patent examiners is frustrated by lack of financial resources.¹¹⁸ Given the lack of financial resources in many ASEAN member countries, adequate training of their resident specialists may also prove to be too costly. A deficiency in specialized patent examiners for the ASEAN countries might, in the long run, hinder reforms to existing national patent systems of ASEAN countries.

A regional ASEAN Patent Office would allow member countries to share the costs associated with the training of patent examiners by individual countries. Indeed, as specified in the Framework Agreement, the ASEAN countries have agreed to explore viable cooperative activities to promote the "[n]etworking of intellectual property training facilities or centres of excellence on intellectual property" and the "[e]xchange of intellectual property personnel and experts"; and "to explore the possibility of establishing a regional training institute for intellectual property."¹¹⁹ Rather than have each country incur expenses rebuilding national administrative personnel, the ASEAN members can consolidate their resources to recruit and secure a team of diversely specialized experts of a higher caliber.

offices are financially and administratively capable of meaningful examinations of patent applications for substance. *Id.*

¹¹⁴ Yu, *supra* note 9, at 79-80.

¹¹⁵ See *id.* at 80.

¹¹⁶ *Id.*

¹¹⁷ *Id.*

¹¹⁸ *Id.*

¹¹⁹ Framework Agreement art. 3.

2. Costs

Compliance with international standards imposed under TRIPs will entail considerable administrative expenses apart from those attributable to training staff personnel and experts. Such expenses include both start-up costs for the institution of new functions as well as operating costs.¹²⁰

Of the reforms which the TRIPs Agreement imposes on WTO members, the expansion of patentability to other fields of inventions probably has the most significant impact on the public administration of national IP offices, and results in the largest increase in administrative costs for the ASEAN countries.¹²¹ As the deadline for compliance with TRIPs draws near, the ASEAN IP offices must be prepared for a potential influx of applications that will invariably burden examination and processing procedures.¹²²

For most, if not all, of the ASEAN countries, the potential increase of submissions may call for extensive reconstruction of the infrastructure of patent systems, and thus increase administrative costs. To safeguard the efficient administration of patents, national IP offices must enhance their information technology systems. This may entail upgrading documentation systems, installing electronic databases of industrial property information, or developing intra-regional and international information networks.¹²³ The extent to which the countries will incur expenses will depend on the degree to which they are currently in compliance with TRIPs, and certainly on national leaders' willingness to expend resources. Regardless, the establishment of an ASEAN Patent Office has the potential for greatly reducing the aggregate administrative costs for the ASEAN region.

Another form of administrative cost which the countries may shoulder stems from substantive examinations.¹²⁴ Because of the expenses and expertise compelled by such procedures, many countries tend to forgo examinations for substance altogether.¹²⁵

¹²⁰ Sherwood, *supra* note 37, at 522.

¹²¹ *See id.* at 524.

¹²² *See id.*

¹²³ *See* Hisamitsu Arai, *Policy Issues Relating to Industrial Property Rights Protection in the 21st Century*, INTELL. PROP. ASIA & PAC.: Q.J. WORLD INTELL. PROP. ORG., July-Sept. 1997, at 24, 28-30 (paper presented at the WIPO Asian Regional Forum on Intellectual Property Rights in the 21st Century Sept. 10-12, 1997). *See also* Kamil Idris, *Address at the WIPO Asian Regional Forum on Intellectual Property Rights in the 21st Century*, INTELL. PROP. ASIA & PAC.: Q.J. WORLD INTELL. PROP. ORG., July-Sept. 1997, at 17, 19-21.

¹²⁴ Sherwood, *supra* note 37, at 527-28.

¹²⁵ *See supra* note 113 and accompanying text. In many developing countries, national IP offices would, as an unofficial matter, ask applicants for proof that a patent for an invention for which protection is sought has been previously granted by another patent office, usually of a major developed country such as the United States. Sherwood, *supra* note 37, at 529. Indeed, Singapore expressly requests such

Again, a regional patent office can alleviate the financial impediments to substantive examinations for the ASEAN countries. It would eliminate the need for each individual member country to execute technical examinations. A centralized scheme for examining patent applications for substance, through a pooling of national resources, is economically sound and should be equally, if not more, effective than substance examinations performed by national IP offices.

In addition, with the advent of a multi-lateral system for "rationalizing" application filing under the Patent Cooperation Treaty, the administrative costs associated with technical examinations can be further curtailed.¹²⁶ As mentioned above, of the seven ASEAN country members, only Vietnam, Indonesia, and Singapore are signatories to the international convention. Therefore, the unequivocal advantages that underlie the PCT scheme cannot likely be realized until all ASEAN countries accede to the treaty.¹²⁷

3. *Efficiency in the Application Process*

A common concern shared by all inventors seeking patent protection in foreign countries is the lagging administration of a patent.¹²⁸ This concern is probably multiplied several times for those seeking protection in developing countries, including the ASEAN countries, of which many have in the past earned the reputation for delays in the application process.¹²⁹ Patentees and applicants evaluate the performance of an IP office by the range of services provided as well as by the expediency of the process for the granting of IPRs.¹³⁰ An extended lapse of time between the date of application and its disposition leaves applicants in an unnecessary state of uncertainty, with a potential for damage to business ventures.¹³¹ Such a scenario is of a particular concern for foreign applicants, who generate over ninety percent of the patent applications in ASEAN region.¹³²

There are a variety of reasons that may account for the delays in patent processing. One is poor budget allocations, which may impede national patent

information. *Id.* Generally employed by countries without the capability of performing substantive examination, this practice is a reliable indicator of whether an application, by international standard, has satisfied the formal requirements for patentability. *Id.*

¹²⁶ See *supra* Part III.A. There has been recent discussion on the possibility of extending the multi-lateral system for filing patent application that exists currently under the PCT to the entire WIPO.

¹²⁷ See Yu, *supra* note 9, at 72-73, 76.

¹²⁸ *Id.* at 75.

¹²⁹ *Id.*

¹³⁰ *Id.*

¹³¹ *Id.*

¹³² *Id.*

offices from smoothly functioning.¹³³ With an independently financed regional patent office, refined accounting records would ameliorate resource budgeting, secure consistent allotments of funds, and insure against under-funding.

Delayed patent processing also stems from outdated infrastructure.¹³⁴ Notwithstanding the promulgation of new laws, regulations, and procedural adjustments, national efforts to conform to international standards are frustrated by sub-standard infrastructures in many of the ASEAN countries.¹³⁵ Recognizing the need for reform of national IP administrative infrastructures, the ASEAN countries have begun to join together in an effort to "strengthen ASEAN intellectual property administration."¹³⁶ As prescribed in the Framework Agreement, members shall participate in activities geared toward the institution of "automation to improve the administration of intellectual property" and an "ASEAN database on intellectual property registration."¹³⁷

Once formed, an ASEAN Patent Office would alleviate many of the administrative burdens currently endured by each country under the current framework for the patent disbursement. By raising the level of expertise in patent law for the ASEAN region, reducing the costs associated with patent administration, and improving the efficiency of the application process, the office can improve the overall productivity of patent administration in the ASEAN region. It would thereby bring ASEAN country members considerably closer to international standards.

VI. GOING BEYOND THE EUROPEAN PATENT CONVENTION— HARMONIZATION OF SUBSTANTIVE PATENT LAWS

A legal framework for the administration and regulation of patents is indispensable in all patent systems, but the ultimate consideration for an inventor as to whether protection should be sought in any one particular country is the degree to which patent rights are enforceable under the country's legal framework.¹³⁸ A scheme for the protection of rights, as applied to all forms of intellectual property, is futile absent administrative

¹³³ See Sherwood, *supra* note 37, at 522-23.

¹³⁴ See *supra* Part V.A.2.

¹³⁵ See Dato Kandan, *Information Technology and Information Network for Strengthening Industrial Property Administration*, INTELL. PROP. ASIA & PAC.: Q.J. WORLD INTELL. PROP. ORG., July-Sept. 1997, at 37 (paper presented at the WIPO Asian Regional Forum on Intellectual Property Rights in the 21st Century; discussing Malaysia's plan to incorporate information technology into the administration of industrial property through the Multimedia Super Corridor project).

¹³⁶ Framework Agreement art. 3.

¹³⁷ *Id.*

¹³⁸ Yu, *supra* note 9, at 78.

and judicial enforcement mechanisms.¹³⁹ Recognizing this, the TRIPs Agreement sets forth minimum standards for the enforcement of intellectual property rights.¹⁴⁰

Although a regional patent arrangement has enormous potential for providing the level of protection implied under TRIPs, it would fail to operate in its optimal capacity if it lacks an effective means of enforcement. The lack of uniform post-grant enforcement procedures under the European Patent Convention has resulted in disparate treatment of patents granted by the European Patent Office, and created a patent system that can be considerably refined.¹⁴¹ While the situation has not substantially undermined the operation of the EPO, the absence of harmonization of post-grant proceedings under an ASEAN regional patent scheme could have adverse consequences for patent owners in ASEAN nations. Given the exceedingly deficient enforcement mechanisms under most of the existing national patent systems in Southeast Asia,¹⁴² a patent granted through an ASEAN regional patent office may have little force in those designated countries. Thus, the need for harmonization of enforcement procedures under a unitary patent law in the ASEAN region is compelling.

A. *Enforcement Under TRIPs*

The TRIPs Agreement sets forth in broad terms, in Articles 41 to 61, measures to ensure that legal remedies are accessible under national patent systems for protection against the infringement of intellectual property rights. WTO signatory members are to implement expeditious remedies for the prevention and deterrence of infringements.¹⁴³ Civil, judicial, and administrative procedures must be made available to intellectual property owners. They must be implemented in a fair and equitable manner, with consideration to the rights of both the patent owners and the accused violators.¹⁴⁴ The Agreement dictates that judicial authorities shall have the authority to order injunctions and award

¹³⁹ Sherwood, *supra* note 37, at 536.

¹⁴⁰ TRIPs Agreement arts. 41-61.

¹⁴¹ Mossinghoff & Kuo, *supra* note 5, at 537.

¹⁴² See Jeffrey J. Blatt & Phillip H. Miller, *Preparing for the Pacific Century: Fostering Technology Transfer in Southeast Asia*, 3 ANN. SURV. INT'L & COMP. L. 235, 251-53 (discussing deficient enforcement remedies for technology transfer agreements in Southeast Asian countries).

¹⁴³ TRIPs Agreement arts. 41-61.

¹⁴⁴ *Id.*

damages as deemed appropriate when infringement is found.¹⁴⁵ They may order indemnification to an accused when a patent owner abused enforcement procedures.¹⁴⁶ Criminal sanctions shall also be made available.¹⁴⁷ Moreover, protection for IPR must be afforded at national borders; patent owners may file a request for the suspension by custom authorities of the release into free circulation of goods protected.¹⁴⁸

Despite the extensive enforcement provisions in actuality, the TRIPs Agreement provides only general guidance. It aspires to impose upon signatory countries minimum requirements for the enforcement of IPRs, but grants members enormous leeway in the implementation of enforcement measures. The Agreement appears to recognize the constraints in establishing standardized remedial procedures in light of the differences in national legal systems and limitations confronted by many developing countries.¹⁴⁹ Article 41(5) provides that the TRIPs Agreement:

does not create any obligation to put in place a judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general, nor does it affect the capacity of Members to enforce their law in general . . . [Nor does it create] any obligation with respect to the distribution of resources as between enforcement of intellectual property rights and the enforcement of law in general.¹⁵⁰

In effect, countries are at liberty to adopt any enforcement procedures they deem financially and legally feasible under domestic legal frameworks.

For many developing countries with deficient legal systems, the ASEAN countries included, it is debatable whether they can observe the tasks charged under TRIPs. Indeed, the domestic judicial systems of many of the developing signatory members are already ill-functioned in other areas of law; there is little expectation that intellectual property law would differ in this respect.¹⁵¹

¹⁴⁵ *Id.*

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

¹⁴⁸ *Id.*

¹⁴⁹ Sherwood, *supra* note 37, at 537.

¹⁵⁰ TRIPs Agreement art. 41.

¹⁵¹ Sherwood, *supra* note 37, at 537.

B. Inadequate Intellectual Property Rights Enforcement in ASEAN Countries

As a general matter, an enormous risk involved in conducting business in Southeast Asia is the lack of reliable legal redress.¹⁵² In many ASEAN countries, legal systems are antiquated and discretionary in comparison with those of developed countries.¹⁵³ General weaknesses inherent in national judicial systems are equally apparent in the area of intellectual property law. They account for the inadequate enforcement of IPRs in the ASEAN region, and are associated with uncontrollable upsurge of counterfeiting and piracy of protected goods.¹⁵⁴ Remedies for intellectual property rights violations can become completely effective only with a sweeping reconstruction of judicial systems,¹⁵⁵ which is probably an impossible task for most of the ASEAN members at the present time. Moreover, any form of international imposition of domestic judicial reforms might invoke resistance from certain political elites.¹⁵⁶

Notwithstanding new legislation governing IPRs, the lack of administrative and judicial mechanisms to ensure that patent rights are enforced undermines the efforts of ASEAN governments to strengthen protection. For instance, the Civil Code in Vietnam fails to provide a comprehensive law on intellectual property rights.¹⁵⁷ The lack of enforcement regulations renders provisions governing IP essentially ineffective.¹⁵⁸ Regulations were passed thereafter in October 1996, but only recapitulated the provisions in the Civil Code.¹⁵⁹ Enforcement procedures in the event of infringement are not enumerated in any of the laws subsequently promulgated.¹⁶⁰

¹⁵² Blatt & Miller, *supra* note 142, at 251.

¹⁵³ *Id.*

¹⁵⁴ Yu, *supra* note 9, at 78. See generally BANKOLE SODIPO, *PIRACY AND COUNTERFEITING: GATT, TRIPS, AND DEVELOPING COUNTRIES* (1997).

¹⁵⁵ See Sherwood, *supra* note 37, at 538. See also Rumu Sakar, *The Legal Implications of Financial Sector Reform in Emerging Capital Markets*, 13 AM. U. INT'L L. REV. 705 (1998) (introducing the need for structural legal reform to attract and sustain foreign investment in developing and emerging economies—China, India, Indonesia, Brazil, and Russia (countries undergoing a transition from a “developing” status to one of “emerging capital market”)—through three reforms: 1) changing the role of the state; 2) instituting a Rule of Law regime, which may require at a minimum, modernizing existing legal, regulatory, and judicial systems; and 3) encouraging democratization).

¹⁵⁶ Sherwood, *supra* note 37, at 537.

¹⁵⁷ Hayward, *supra* note 77.

¹⁵⁸ *Id.*

¹⁵⁹ *Id.*

¹⁶⁰ Much reliance is still given to an old piece of legislation, Decree 140/HDBT enacted April 1991, which purportedly ceased to exist with the enactment of the Vietnamese Civil Code. *Id.*

Moreover, judicial remedies in Vietnam are futile due to unreasonable delays and lack of interim injunctions, and indeed are rarely sought.¹⁶¹ This is probably attributable to the novelty of Vietnam's court structure for the adjudication of commercial disputes, and the lack of commercial and judicial experience of Vietnamese judges.¹⁶² Prior to 1986, Vietnam had no established commercial law and only a limited court structure; Economic Courts were created only recently in 1994.¹⁶³ Consequently, IPRs infringement remains rampant.¹⁶⁴ The chaotic nature built into Vietnam's legal framework is also apparent in the Cambodian and Laotian judicial systems.¹⁶⁵ In many cases, foreign patent owners conducting business in Southeast Asia are better off resorting to alternative resolution mechanisms such as informal negotiation and settlement, than pursuing judicial remedies.¹⁶⁶

Some ASEAN nations, on the other hand, have successfully implemented partial regulatory enforcement measures to crack down on IPRs violations. In Singapore, an IP unit was created in the Commercial Crimes Division of the Singapore Police Force in 1996.¹⁶⁷ Similarly, the enforcement unit in the Ministry of Domestic Trade and Consumer Affairs of Malaysia, dealing with IP matters, has also been strengthened.¹⁶⁸ Furthermore, the governments of Thailand and the Philippines expressed determination to suppress IP rights violations through legislation and stricter enforcement of existing laws.¹⁶⁹ Thailand's Prime Minister announced a national interest in enforcement of copyright and patent laws through seizures and the imposition of harsher penalties, and in conducting an examination of the Customs Department clearance practices.¹⁷⁰ These actions were instigated in response to threats of possible retaliatory trade measures by the United States and/or the European Union.¹⁷¹

¹⁶¹ *Id.*

¹⁶² Claude Rohwer, *Progress and Problems in Vietnam's Development of Commercial Law*, 15 BERKELEY J. INT'L L. 275, 280 (1997).

¹⁶³ *Id.*

¹⁶⁴ U.S. EMBASSY, HANOI, COUNTRY COMMERCIAL GUIDE: VIETNAM 1997 (Sept. 30, 1996), available in *Australian National University Social Sciences/Asian Studies Server* (visited Nov. 9, 1998) <<http://coombs.anu.edu.au/~vern/vn-commercial-guide.html>>.

¹⁶⁵ See Blatt & Miller, *supra* note 142, at 252.

¹⁶⁶ *Id.*

¹⁶⁷ Yu, *supra* note 9, at 78.

¹⁶⁸ *Id.* Notwithstanding the availability of administrative and judicial remedies for IPRs owners, multi-national computer software manufacturing enterprises operating in Malaysia have cooperated in forming the Business Software Alliance ("BSA") to prevent infringing acts through self-help measures. Bentley J. Anderson, *Malaysia*, in *INTELLECTUAL PROPERTY LAWS OF EAST ASIA*, *supra* note 7, at 185, 189.

¹⁶⁹ Thailand and the Philippines Promise Piracy Crackdowns, *J. Proprietary Rts.*, July 1997, at 24.

¹⁷⁰ *Id.*

¹⁷¹ *Id.*

In the alternative, ASEAN nations may consider judicial reforms as possible transient remedies to the deficiencies in the domestic legal framework. Countries may enhance training of judges in courts of general jurisdiction, thereby expanding knowledge of IP law and improving judicial performance.¹⁷² Another option may be the institution of specialized courts to handle, among other intellectual property matters, patent infringement cases.¹⁷³ Countries that select this route will realize the potential for efficient adjudication of IPRs violations, intense concentration on IP law, and better quality decision-making,¹⁷⁴ which can lead to heightened safeguards against extraneous influences. Currently, Thailand is the only ASEAN country that has succeeded in establishing a system of specialized IP courts, joining China, Germany, United Kingdom, and the United States, which have adopted similar systems.¹⁷⁵

As a long-term goal, ASEAN countries may opt for a thorough upgrade of national judicial systems. If and when such a course of action is pursued, the transformation will be gradual, painstaking, and fairly revolutionary for some countries. Meanwhile, the alternatives enumerated above are feasible and can be effective enforcement measures.

C. *Social & Political Cultural Factors Undermine Enforcement Efforts*

Notwithstanding the implementation of enforcement measure, factors distinct from judicial and administrative structures, but just as deeply-rooted in the cultures of many ASEAN countries, impede governmental efforts at heightened enforcement. These impediments are cultural and political norms that are not entirely amenable to the ideologies of commercial law, or in this case IPRs, which arguably derive from the Western culture.¹⁷⁶ In many Southeast Asian societies where governmental leadership is historically manifested in customary practices, religion, and despotism, western-influenced laws assume a new function within, rather than a

¹⁷² See Sherwood, *supra* note 37, at 539.

¹⁷³ *Id.*

¹⁷⁴ *Id.*

¹⁷⁵ Yu, *supra* note 9, at 80-81. See also Judge Vichai Ariyanumtaka, *The Enforcement of Intellectual Property Rights and the Role of the Central Intellectual Property and International Trade Court in Thailand*, INTELL. PROP. ASIA & PAC.: Q.J. WORLD INTELL. PROP. ORG., Jan.-June 1998, at 31.

¹⁷⁶ Sarkar, *supra* note 155, at 722-23. See also Doris Estelle Long, *The Impact of Foreign Investment on Indigenous Culture: An Intellectual Property Perspective*, 23 N.C. J. INT'L L. & COM. REG. 229, 246-48 (1998) (conceding that most intellectual property law models are based on Western, capitalist philosophy; that intellectual property rights as protectable rights were first recognized in Western Europe where individual ownership of property was possible).

replacement of pre-existing frameworks of governance.¹⁷⁷ Consequently, many Southeast Asian countries do not share the same history of IP protection as Western countries.¹⁷⁸ In light of such traditional norms and the lack of historical groundwork for IP legal frameworks similar to those in developed countries, the battle against IP piracy and counterfeiting in ASEAN countries most likely cannot be resolved by legislative enactments and regulatory measures alone.

1. *Cultural Constraints*

In many Southeast Asian societies, unfamiliarity of Western introduced IP laws is further exacerbated by certain cultural attitudes among the local populace and governing elites vis-a-vis intellectual property rights. Even when individuals do recognize IPR as personal rights, skepticism towards intellectual property tends to undermine the effects of enforcement measures.

This attitude stems from the lack of benefits to the national interests which the public believes would result in the event greater IP protection is granted.¹⁷⁹ As mentioned above, most patents granted in ASEAN countries are to foreign inventors.¹⁸⁰ However, despite the potential in imported products, there is still a possibility for under-utilization of inventions in the patent within the granting country.¹⁸¹ Although technology transfers have been an impetus for ASEAN countries to intensify patent protection,¹⁸² a foreign patent owner does not have to enter the market of the granting country.¹⁸³ A patent granted in one of the countries may be employed to prevent others from making or selling the product in the market.¹⁸⁴

¹⁷⁷ Dolores A. Donovan, *Codification in Developing Nations: Ritual and Symbol in Cambodia and Indonesia*, 31 U.C. DAVIS L. REV. 693, 694 (1998) (arguing that "in societies where ordering the behavior of people and governments is largely accomplished by mechanisms other than written law, written law necessarily has little to do with the regulation of conduct.").

¹⁷⁸ Blatt & Miller, *supra* note 142, at 242. It is a commonly shared view in Western literature that within many East Asian cultures, intellectual properties have not traditionally been regarded as private capital goods. See INTELLECTUAL PROPERTY LAWS OF EAST ASIA, *supra* note 7, at 19. Cf. Toshiko Takenaka, *Does a Cultural Barrier to Intellectual Property Trade Exist? The Japanese Example*, 29 N.Y.U. J. INT'L LAW & POL., 153-54 (1997) (concluding that Japan has had a long history of technology monopolies before the adoption of a modern intellectual property system; that the differences between Japanese and Western—European and U.S.—intellectual property practices are not attributable to culture; and that cultural differences do not impede intellectual property trade).

¹⁷⁹ See INTELLECTUAL PROPERTY LAWS OF EAST ASIA, *supra* note 7, at 19.

¹⁸⁰ See *supra* notes 27-28 and accompanying text.

¹⁸¹ See INTELLECTUAL PROPERTY LAWS OF EAST ASIA, *supra* note 7, at 20.

¹⁸² See Blatt & Miller, *supra* note 142, at 236-37. See also Long, *supra* note 176, at 232-35.

¹⁸³ INTELLECTUAL PROPERTY LAWS OF EAST ASIA, *supra* note 7, at 20.

¹⁸⁴ *Id.*

Finally, considering that patents are more often issued to foreigners than to local inventors, the majority of inventions patented in ASEAN countries may be fashioned to the availability of protection afforded in the inventors' domestic systems and/or of those in conformity with the patent systems of other developed countries.¹⁸⁵ Consequently, there may be a low expectation by the public in certain granting ASEAN countries that greater patent protection would stimulate industrial and technological innovations that will satisfy local needs.¹⁸⁶

As is true in most developing countries, a tradition of consensus building and concern for the protection of societal good is reflected in the laws, and presumably the decision making of governing officials, of Southeast Asian countries.¹⁸⁷ This is likely more acute in Vietnam and other socialist countries.¹⁸⁸ Less protection may, therefore, be afforded to individual rights, and limitations may be imposed to guarantee that IPRs granted under domestic laws contribute to society as a whole.¹⁸⁹

2. *Political Constraints*

Ultimately, the enforceability of patents in ASEAN countries may often be determined by political forces rather than the cultural impediments considered thus far. In developing countries generally, the lack of political stability and transparency can potentially limit foreign investment.¹⁹⁰ Despite an outward willingness to provide the level of IP protection implied under TRIPs, there may still exist in certain ASEAN countries both direct and indirect political resistance to uniform global standards.

Opponents to the trend toward harmonization may share a perception that conformity to international standards entails, in essence, acquiescence to the demands of developed countries.¹⁹¹ Such political aversion to uniform laws can prevent national patent administrations from successfully enforcing the rights of patentees.

Moreover, the interest in pirate activities may outweigh the national interests in purging IP violations.¹⁹² The monetary gains that certain

¹⁸⁵ See *id.*

¹⁸⁶ See *id.* at 20-21.

¹⁸⁷ Blatt & Miller, *supra* note 142, at 242.

¹⁸⁸ John Gillespie, *Private Commercial Rights in Vietnam: A Comparative Analysis*, 30 STAN. J. INT'L L. 325, 332-33 (conceding that lack of an ideological commitment in Vietnam to individual rights comes from a history of neo-Confucianism prior to the French colonial period as well as that of Marxism).

¹⁸⁹ Blatt & Miller, *supra* note 142, at 242.

¹⁹⁰ Sarkar, *supra* note 155, at 724.

¹⁹¹ See INTELLECTUAL PROPERTY LAWS OF EAST ASIA, *supra* note 7, at 20.

¹⁹² *Id.*

governing officials can realize from participation in those covert practices can foster behaviors that undermine efforts at reform.

On the other hand, political resistance to greater IPRs enforcement may also be attributable to pre-existing political orders that have not been entirely receptive to the liberalization of individual commercial rights. In the case of Vietnam, notwithstanding recent legislation aimed at the liberalization of commercial laws, the enforceability of private commercial rights still rests heavily on the authority and discretion of political authorities.¹⁹³

Under the current socialist legal structure, Party officials possess enormous authority in the legislative and judicial procedures; individuals have little or no input.¹⁹⁴ Indonesia, a non-socialist corporate economy, similarly favors a strong central government to oversee the orderly development of the economy.¹⁹⁵ In any event, the lack of a balance of power in Vietnam has created a scenario in which the Party's declaration of observance to national codes has become little more than a meaningless gesture.¹⁹⁶ The Vietnamese legal framework is thus ridden with governmental discretion in the control of availability and enforceability of commercial rights.¹⁹⁷ In light of widespread political corruption, favoritism, and lack of economic security inherent within the legal system,¹⁹⁸ it is evident that intellectual property rights cannot secure optimum protection in the absence of an independent system of review in Vietnam.

In Cambodia, the existence of political despotism clearly supports the contention that intellectual property rights would be inadequately and inconsistently enforced. The 1997 coup d'état underscores the dominance of political forces over the Cambodian legal framework.¹⁹⁹ Given the blatant

¹⁹³ Gillespie, *supra* note 188, at 371-72. Despite the introduction into Vietnamese society by French colonialization of a rights-based law, the private rights afforded individuals within the Vietnamese legal framework have remained scanty. *Id.* at 329-33. Rights-based law is identified by legalism under which individual rights are recognized, as opposed to a legal system of pre-colonial Chinese imperial codes marked by customary state/individual and inter-family obligations. *See id.* at 326-33. The inattention to individual rights has been due in part to a strong history of neo-Confucianism that has been hostile to the notion of legalism and private commercial rights, and in part to the institution of a socialist legal system by the Communist Party of Vietnam and its predecessors. *Id.*

¹⁹⁴ *Id.* at 370-71.

¹⁹⁵ *Id.* at 372.

¹⁹⁶ *Id.* at 337-38.

¹⁹⁷ *Id.* at 372.

¹⁹⁸ *Id.*

¹⁹⁹ For almost two years prior to the coup d'état, two competing Cambodian political parties, the Cambodian People's Party ("CPP") led by Hun Sen and the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia ("FUNCINPEC") led by Prince Ranariddh engaged in a

disregard of the law by political actors illustrated by this recent event, it is doubtful whether private commercial rights of individuals, let alone IPRs, can be uniformly and equitably enforced under the current legal framework in Cambodia.

With the exception of certain countries, such as Malaysia where the ability to successfully provide substantial protection and enforcement of IPRs has been attributable to a stable political system and a settled legal regime originating from English common law,²⁰⁰ weak IPRs enforcement conditions can have the effect of obstructing heightened protection in many of the ASEAN countries. In light of cultural and political norms and attitudes inherent in existing national legal systems that undermine regulatory and judiciary efforts to strengthen IP enforcement, ASEAN members should give serious consideration to the integration of enforcement measures.

D. Unitary Patent Law Enforces Protection

Harmonization of post-grant enforcement procedures under the framework of a ASEAN Patent Office can ensure the protection of patent rights in member countries. Such an arrangement will resolve the limitations imposed by a regional scheme for the administration of patents lacking in uniform post-grant rights.

In the European context, these limitations rendered the European Patent Convention less than an ideal regional patent system.²⁰¹ The lack of uniform enforcement measures has created difficulties for patent owners as well as other parties with interests in the patented product.²⁰² For example, the burden of litigation is substantial. While a patent may be enforced in one jurisdiction, it can be given little weight in other jurisdictions. Since patent suits must be pursued in the countries where the infringements occur, patent owners may at times end up litigating identical issues, in more than

rivalry for power through the build-up of armed forces. Donovan, *supra* note 177, at 698-99. This rivalry eventually culminated in an armed battle in late June 1997.

Hun Sen, who justified his use of armed forces as a peace-keeping action in response to Ranariddh's illegal importation of arms and engagement of military pact with the outlawed Khmer Rouge, *Id.* at 700, prevailed in the armed confrontation. *Id.* at 699. Hun Sen possessed authority over almost all the Cambodian prosecutorial and judicial corps. However, despite the availability of legal means to pursue criminal prosecution of his rival, including the liberal democratic constitution, a Law of Organization of the Courts, and a Penal Code, in the drafting of all of which he participated, Hun Sen resorted to armed means. *Id.* at 700. Such a course of action, from Hun Sen's perspective, was appropriate under the traditional Cambodian notions of governance. *Id.* His paradoxical behavior can be understood only within the context of the country's traditional norms and values. *Id.*

²⁰⁰ Anderson, *supra* note 168, at 228.

²⁰¹ Mossinghoff & Kuo, *supra* note 5, at 537.

²⁰² *Id.* at 536.

one jurisdiction.²⁰³ More often than not, infringement litigation becomes an issue only after parties have invested in the patented product.²⁰⁴ The potential disparate treatment of a patent presents a patent holder with many uncertainties. Multiple claim interpretations also generate inconsistencies for the patent owner.²⁰⁵ Furthermore, fees for national patent maintenance, on top of costs associated with application fees, translation, and local representation, is burdensome, and renders application for a EPC patent less attractive.²⁰⁶ Considering the deficient legal systems in many of the ASEAN countries, such limitations would be exacerbated in the case of an ASEAN Patent Office without uniform enforcement measures.

Realizing the implications which the absence of uniform post-grant proceedings would present, the members of the European Union ("EU") established the Community Patent Convention ("CPC") on December 15, 1975, the same time the EPC was formed.²⁰⁷ As an effort to eliminate the drawbacks presented under the EPC, the CPC was to create a community patent for the EU territory based on a uniform patent law, similar to the US patent.²⁰⁸ The rights accorded a holder of a patent granted under the CPC would attach and be enforceable with respect to all EU members.²⁰⁹ A unitary European Patent would eliminate the disparate treatment of patents and duplicate administrative functions that exist under the EPC, and allow for efficient employment of personnel and resources.²¹⁰

Once an ASEAN Patent Office is formed, any attempt to harmonize post-grant enforcement procedures would accordingly mandate the institution of a unitary ASEAN patent law applicable to all members of ASEAN. The issue of whether patents upon the initiatives of applicants

²⁰³ *Id.* at 536-37.

²⁰⁴ *Id.* at 536.

²⁰⁵ *Id.* at 537.

²⁰⁶ *Id.*

²⁰⁷ *Id.* The CPC, however, has not been officially implemented. The Convention was intended to consist exclusively of European Union ("EU") nations and to enter into force three months after the deposit of the ratification instrument by the last signatory state, which has yet to take place. *Id.*

²⁰⁸ *Id.* Under the CPC system, an inventor seeking protection in any part or all of the EU territory may pursue one of the three choices: 1) submit applications individually in countries where protection is sought; 2) pursue a patent under the EPC; or 3) acquire a Community patent valid throughout the EU territory. INTELLECTUAL PROPERTY LAWS OF EAST ASIA, *supra* note 7, at 36.

²⁰⁹ *Id.*

²¹⁰ Mossinghoff & Kuo, *supra* note 5, at 537. In addition to the endeavor of creating a Community patent under the CPC, there exists only one other unitary regional patent arrangement which replaced pre-existing national systems: The African Industrial Property Convention ("OAPI"). *Id.* OAPI is also known as the Francophone African Patent System. Yu, *supra* note 9, at 84. See *supra* note 93 and accompanying text. An inventor seeking patent protection in any of the fourteen Francophone African countries must do so through a regional patent registration, though, applications may be filed domestically or directly with the African Intellectual Property Organization. Mossinghoff & Kuo, *supra* note 5, at 537.

can still be issued by individual national offices will have to be resolved by the members. If made available, this alternative may be more economically sensible to an applicant who wishes to pursue protection in only one or few countries. Nonetheless, in order for the regional scheme to be effective, infringement claims would have to be lodged at the central office. Any administrative and judicial enforcement measures would be undertaken under the jurisdiction of the ASEAN Patent Office. As a result, a regional tribunal to handle patent matters would be indispensable. The regional office would have the authority to impose civil and/or criminal sanctions where infringement is found. Such enforcement measures would only be effective if ASEAN members comply with the orders issued by regional officials. One possible remedy to enforce the observance of administrative and judicial rulings by member countries is the threat of economic sanctions enjoined by ASEAN.

E. Barriers To Override

While in theory a unitary ASEAN patent law is ideal for the economic development of Southeast Asia, the obstacles to overcome before such an integration of laws can be achieved are far from nominal. It is arguable that accession to such an arrangement is overwhelmingly a matter of political will; national governments of ASEAN countries will be obliged to surrender a certain degree of sovereignty. As established above, in many territories of the ASEAN region, political corruption is still rampant. The economic incentives in assenting to a unitary patent law, nevertheless, appear to greatly outweigh the concessions which national regimes would have to make. Political resistance is evidently one of the many hurdles to a unitary ASEAN patent law.

A challenge which ASEAN countries would inevitably confront, and would mandate a compromise among the members is the determination of the form the legal system which the unitary patent law would assume. The legal systems of member countries vary significantly—from common law to civil law systems, and to hybrids of both.²¹¹ For instance, the Philippines follow the common law system, and the country's Patent Law of 1947 is essentially patterned after the patent laws in the United States.²¹² Similarly, Malaysia's judicial system is based on the English common law,²¹³ and Singapore, upon

²¹¹ Deborah A. Haas, *Out of Others' Shadows: ASEAN Moves Toward Greater Regional Cooperation in the Face of the EC and NAFTA*, 9 AM. U.J. INT'L L. & POL'Y 809, 862 (1994) (discussing the impediments to the integration of national laws into a regional legal regime).

²¹² Jimenez, *supra* note 25, at 270.

²¹³ Anderson, *supra* note 168, at 186.

gaining independence from Malaysia in 1965, also drew from the British jurisprudence.²¹⁴ Singapore's Patent Act of 1995 is modeled after the UK Patents Act.²¹⁵ Conversely, Thailand and Vietnam have code systems.²¹⁶ Indonesia, on the other hand, is an example of legal pluralism, where multiple legal systems exist: Islamic law, Dutch influenced national laws, and many different systems of customary law.²¹⁷ It is noteworthy that the Philippines has recently joined the rest of the ASEAN countries in adopting the universally recognized first-to-file rule, thereby, further facilitating the harmonization of patent laws.²¹⁸ While a uniform legal system is imperative, differences in legal systems should not be a hindrance to uniform patent enforcement scheme, hence, a unitary patent law.²¹⁹

In any event, ASEAN must be mindful of the cultural sensitivities and national sovereignty of member states in pursuit of a unitary patent law. It must, therefore, ensure that rules and regulations adopted and enforced with respect to all members are neutral in nature.²²⁰

Another issue which provokes considerable concern in patent law, particularly within the context of regional patent schemes, is the high costs of procuring a patent within multiple territories world-wide.²²¹ The total cost to protect a single invention in fifty-two countries as of 1996 is approximately \$472,000.²²² Ukraine, Thailand, Russia, Hungary, and Indonesia account for \$86,000, eighteen percent of the total.²²³ In light of the fact that expenses associated with patent application in two of the ASEAN members has in previous years been egregiously high by comparison to other countries, an ASEAN Patent Office may remedy the

²¹⁴ Kang, *supra* note 85, at 334.

²¹⁵ *Id.* at 324.

²¹⁶ See generally INTELLECTUAL PROPERTY LAWS OF EAST ASIA, *supra* note 7.

²¹⁷ Donovan, *supra* note 177, at 701.

²¹⁸ *New Intellectual Property Law Takes Effect in Philippines*, *supra* note 81. Prior to the implementation of the new legislation, only the Philippines and the United States followed the first-to-invent rule, under which the first person to invent a product has the presumption of first inventorship. See Sean T. Carnathan, *Patent Priority Disputes—A Proposed Re-Definition of "First-to-Invent,"* 49 ALA. L. REV. 755, 757 (1998).

²¹⁹ The Dutch courts have begun, with the Brussels Convention on Jurisdiction and Enforcement of Judgments, to render cross-border enforcement of intellectual property rights in Europe. The courts rationalized their effort at multi-national enforcement of patents upon the notion of harmonization of laws implied under the European Patent. Mossinghoff & Kuo, *supra* note 5, at 533. Thus, an injunction ordered against an alleged infringer in a foreign court can potentially be enforced by the Dutch court. *Id.* The Dutch courts, indeed, found some support from a court in Paris, France, which in one case enforced an injunction issued against a French defendant by the Hague District Court. *Id.*

²²⁰ See Haas, *supra* note 211, at 863.

²²¹ See Erwin F. Berrier, *Global Patent Costs Must be Reduced*, 36 IDEA 473 (1996).

²²² Franklin Pierce Law Center's Fifth Biennial Patent System Major Problems Conference: *Patent Costs*, 36 IDEA 350 (1996).

²²³ *Id.*

excessive costs associated with protection acquisition in multiple countries in Southeast Asia.

It is notable that the growing perception of regional patent offices as profit making enterprises with the primary interest of generating funds has halted to some extent support for multi-national patent harmonization.²²⁴ Accordingly, fees associated with obtaining an ASEAN patent clearly should not exceed the aggregate costs of securing patent protection in all individual national offices of ASEAN countries.

The expenses incurred when applying for patents, however, are not solely administrative; translation costs constitute a significant share of these expenses.²²⁵ The translation requisite has been greatly criticized as an obstacle to a European Patent.²²⁶ It is also an issue that must be addressed before an ASEAN Patent Office can be formed. In fact, the language barrier is probably of greater concern in the ASEAN context because of the diversity in languages, not to mention the multitude of dialects, spoken in the Southeast Asian region. ASEAN members may find it frustrating to reach a compromise on the official language or languages of the regional patent office.

In any event, given the wide usage of English as the preferred language of business on a global scale,²²⁷ as well as within the ASEAN countries, it is highly advisable that English be employed as the official language. English is the second most spoken language in the world.²²⁸ It is the primary language used in commerce, daily communication, and government in the Philippines²²⁹ and Singapore.²³⁰ In the former, an application for patent must be in English, or in the national language with its corresponding English translation.²³¹ As to the latter, English is one of the four official national languages; it is also the language in which all legislations are written.²³² Moreover, English is very commonly spoken in Malaysia, Indonesia, Thailand, and Vietnam as well as other ASEAN countries, and invariably within business circles where foreigners are participants.²³³ Since inventors seeking protection in multiple

²²⁴ See Michael N. Meller, *Costs are Killing Patent Harmonization*, 79 J. PAT. & TRADEMARK OFF. SOC'Y 211, 221 (1997).

²²⁵ *Id.* at 214.

²²⁶ INTELLECTUAL PROPERTY LAWS OF EAST ASIA, *supra* note 7, at 37. Under the CPC scheme, patent applications must be translated into all official languages. Mossinghoff & Kuo, *supra* note 5, at 537.

²²⁷ See Alex Y. Seita, *Globalization and the Convergence of Values*, 30 CORNELL INT'L L.J. 429, n.80 (1997).

²²⁸ Meller, *supra* note 224.

²²⁹ Jimenez, *supra* note 25, at 267.

²³⁰ Kang, *supra* note 85, at 323.

²³¹ Jimenez, *supra* note 25, at 272.

²³² Kang, *supra* note 85, at 323.

²³³ See generally INTELLECTUAL PROPERTY OF EAST ASIA, *supra* note 7.

Southeast Asian countries through the ASEAN patent office would necessarily have to translate applications into the requisite official language(s), hence, incur enormous costs, the reduction of such expenses with the adoption of English as the official language could attract more applicants.

VII. CONCLUSION

As the existing regional patent arrangements demonstrate, the ASEAN members can realize many advantages to the public administration of patents with the organization of an ASEAN Patent Office. For most of the members, the ability to provide heightened protection of patent rights has been severely limited by administrative deficiencies that exist in the national patent offices. They include inadequate expertise and funding, and administrative inefficiency attributable to the misappropriation of funds and poor infrastructure. For those ASEAN countries, the struggle to conform to international standards for patent protection will be costly, which may in turn hinder national efforts to comply with TRIPs. The administrative burdens which the countries would confront can be extensively reduced with the institution of a regional patent scheme for the administration of patents.

However, ASEAN members can provide optimum patent protection only with the adoption of uniform post-grant enforcement procedures within a unitary patent law. Given the weak enforcement mechanisms for intellectual property rights in many of the ASEAN countries, the protection of patents granted through either national offices or the regional office would be, by international standards implied under TRIPs, inadequate. ASEAN countries may attempt to strengthen IPRs enforcement with the promulgation of regulations and reforms to domestic judicial systems, but cultural and political norms may impede such efforts. These factors can potentially undermine national reforms to foster an environment favorable to strict enforcement of IPRs. Consequently, ASEAN members should strive for the creation of a unitary ASEAN patent law in connection with the establishment of an ASEAN Patent Office. Despite the apparent obstacles, the integration of patent systems can empower ASEAN to fulfill its objective of economic development stimulation through the enhancement of patent protection.