

Report: 2022 AIPPI World Congress – San Francisco – Trade marks & Trade Secrets

The purpose of this report is to provide an overview of the most relevant discussions that took place during this year's AIPPI World Congress in San Francisco, specifically on the main theme of the Congress (**Part 1**) and this year's study questions and adopted resolutions on trade marks and trade secrets (**Part 2**).

As a foreword, I would like to thank the AIPPI Belgian Group for their support in allowing me to attend the Congress. I am grateful for this opportunity and hope this report can serve as a useful complement to the work done on this year's study questions.

1. Main theme and discussions: IP & Covid-19

The theme that was most debated during the Congress was, in my opinion, the role played by IP in the context of the Covid-19 pandemic. More specifically, the central issue raised during the Congress was whether IP facilitated or impeded the access to Covid-19 vaccines worldwide.

It bears reminding that, because of the pandemic, the San Francisco Congress was the first to take place in-person since the London Congress in 2019. After two years of various lockdowns and travel restrictions, the San Francisco Congress was indeed the occasion to reflect on the relationship between IP and Covid-19.

A **first range of considerations** raised during the Congress relates to the perceived drawbacks of IP on the development and access to Covid-19 vaccines, as well as the measures taken by governments and companies in an attempt to mitigate these perceived drawbacks.

Arguably, the support received by the *TRIPs waiver* proposed by India and South Africa in October 2020 (62 WTO Members) seemed to indicate that a significant share of the international community perceived IP as an impediment to the development and access to Covid-19 vaccines.

Likewise, the mechanisms of *compulsory licensing* put in place by Israel, Hungary and the Russian Federation in 2020, as well as the preparatory steps taken by Germany and Canada to make the issuance of compulsory licenses easier in the context of the pandemic, arguably showed some degree of acknowledgment that IP could hinder development and access to Covid-19 vaccines.

From an industry perspective, Tech companies, including Facebook and Amazon, agreed to grant a license on their patent portfolios free of charge for use in ending the COVID-19 pandemic until 1st January 2023. This so-called "*Open Covid-19 Pledge*" arguably revealed a certain degree of private sector concern for the development of Covid-19 vaccines or, at least, for the public's opinion of unlicensed IP in a pandemic context.

On the other hand, a **second range of considerations** raised during the Congress related to the historical justifications of IP and its perceived benefits in the context of the pandemic.

The point of view was largely shared that IP would, in fact, be a way to *foster collaboration* among pharmaceutical companies and, therefore, incentivize innovation. In this regard, it can be argued that Pfizer and BioNTech collaboration would probably not have taken place without IP protection to support the technology transfers needed to develop their vaccine.

Furthermore, IP arguably plays a role to *alleviate financial risks*, through the guarantee of recouping R&D costs. Indeed, without IP to ensure some degree of financial security in this regard, it is questionable whether Moderna would have made the necessary investments to develop its vaccine, since Moderna was faced with a significant accumulated deficit prior to the pandemic.

A further observation often raised was that the countries where vaccines were developed the *quickest* are also the countries where IP protection is the *strongest*. This would arguably prove that the IP system in place in those countries actually works.

Likewise, the point was often made that the capacity for vaccine supply *exceeds* by far the demand for vaccines. Following that view, IP should not be considered as a possible cause of vaccines shortage.

Ultimately, when it comes to the supply of vaccines, the view seems to be shared that real access problems are not IP problems or, at least, that IP should not be referred to in a way that hides actual barriers to the access to Covid-19 vaccines worldwide. Among others, such barriers include notably taxes on import, market authorizations and border controls (see, on this matter, WTO's "indicative list of trade-related bottlenecks and trade-facilitating measures on critical products to combat Covid-19" published on 8 October 2021 – available [here](#)).

2. Study questions and resolutions: Trade marks & Trade Secrets

The topics of the two adopted resolutions subject to this report are "Trade marks and the Internet and Social media" (2.1) and "Protection of Trade Secrets during Civil Proceedings" (2.2).

2.1. Trade marks and the Internet and Social Media

The goal of this study question was to determine whether the current trade mark laws are still a good fit in view of the new challenges raised by the online use and protection of trade marks. In particular, this study question aimed to identify in what ways trade marks are used on the internet and social media which may constitute trade mark infringement and what differences, if any, there are between online trade mark protection and traditional offline trade mark protection.

The topic of influencers liability was hotly debated during the plenary session. If a general consensus was reached on the principle that influencers *should be liable* for their endorsement of trade mark infringing products and services, there was some hardship in determining the conditions in which such liability should be found. The Belgian Group made several suggestions in the debates that lead to the adoption of this provision of the resolution.

A first contentious question concerned the *context of the endorsement*, with part of the members being in favour of the influencers being only liable for their endorsement "in the course of trade" and part of the members opposing such proposal. The consideration for freedom of speech, as well as the risk of covering cases in which an influencer is an actual consumer of the endorsed products or services, contributed to convincing the majority of adding in the resolution that the endorsement should be "undertaken in a commercial context" to trigger the influencer's liability.

A second contentious question was whether a condition of *awareness or knowledge* of the infringing character of the endorsed goods or services should be added to find the liability of the influencer. The issue of the burden of the proof was raised by some members ("probatio diabolica"), whereas some other members presented the view that trade mark infringements are objective acts that do not require a subject element (such as awareness or knowledge) on the part of the infringer. In the end, the proposal to add a condition of awareness or knowledge on the part of the influencer was rejected during the plenary session.

The topic of comparative advertising also raised some difficulties. Initially, the draft resolution indicated that online use of a trade mark for the purpose of a “comparison” could be considered as an infringing act. Some members were in favour of restricting this notion by referring to the concept of “comparative advertising” instead, whereas other members showed support for the concept of “unfair comparison”. This proposal opened up a debate on the conditions under which a “comparison” would be deemed “unfair” and how this would affect the qualification of the comparison as a trade mark infringing act. Partly due to the differences in national statutory conditions for comparative advertising, a majority finally voted in favour of deleting the wording “use for a comparison” altogether from the non-exhaustive list of acts that should be considered as trade mark infringing acts online.

Whereas a vast majority agreed that online platforms should provide mechanisms to enforce trade mark rights on their platforms, there were some disagreements between members on which mechanism(s) should be provided *a minima* by online platforms to the benefit of trade mark owners. The least contentious of the mechanisms was the notice and take down procedure, which members agreed should always be made available by online platforms. Conversely, no consensus could be reached on the remaining mechanisms (namely, shop shut down, authentic product verification, proactive investigation and information mechanisms). In the end, a majority voted in favour of letting online platforms decide which mechanisms to put in place, at the condition that, in addition to the notice and take down procedure, “at least three” of the listed mechanisms should be made available to trade mark owners.

On the matter of establishing jurisdiction with regard to online trade mark infringements, members agreed that jurisdiction should be established when the website, platform or social media is accessible in that jurisdiction, based on the non-exhaustive list of factors initially proposed in the draft resolution. Conversely, the members were divided on whether the relevant factors should “affect consumers” in the jurisdiction, in order for the competent authority to have jurisdiction. Finally, a majority voted in favour of merely indicating that the relevant factors should be liable to “have an effect” in the jurisdiction. Although the Belgian group pointed out that this wording was vague and too broad, the amendment had sufficient support to be adopted.

2.2. Protection of Trade Secrets during Civil Proceedings

The goal of this study question was to assess the protection of trade secrets available in various countries during civil proceedings and to propose various ways of harmonising regimes in order to provide greater certainty to businesses.

More specifically, this study question aimed at determining whether further protection (if any) is needed to ensure the confidentiality and protection of trade secrets during civil court litigation and evidence gathering or preservation efforts such as seizures, without unduly interfering with the rights of an opposing party.

From the outset, the leadership clarified that the purpose of the resolution was not total harmonisation, which would not even be desirable, but rather the harmonisation of standards of trade secrets protection within the existing tools, that would fit every country’s current legal framework or culture.

For that purpose, the emphasis was put on the need for a balance between a strong protection trade secret during civil proceedings and the parties’ right to know what is invoked against them, to be able to properly prepare their case (“fair balance”). The leadership also regarded the principle of open justice as an element to take into account in this regard, which the members agreed to take over the resolution.

The list of documents and stages of civil proceedings at which trade secrets should be protected was fairly uncontroversial. Members agreed that such list should not be exhaustive, but that the above mentioned “fair balance” should be achieved when determining at which stages of civil proceedings trade secrets should be protected.

Likewise, in spite of some debates on the notion of “party” in the context of the resolution, a majority of members agreed that courts should have the possibility to restrict access to the trade secret to a limited number of individuals beyond representatives of the parties themselves, for example experts and outside counsels.

Another important discussion concerned the trade secret status after a disclosure during a civil proceeding. The question was whether it should be considered that a trade secret is lost from its disclosure, or if such disclosure can be covered by the judge in certain circumstances during a civil proceeding. Together with several other groups, the Belgian Group defended the view that it should only be possible to “retain” or “maintain” the trade secret status of an information after its disclosure during a civil proceeding, when the trade secret was disclosed under a protective order from the court and the trade secret owner took reasonable steps to maintain the secret character of the trade secret, subject to the circumstances of each case. In the end, a majority of members agreed that, in case of disclosure of a trade secret during civil proceedings, the information should be considered not to have been publicly disclosed, depending on the circumstances of the disclosure.

On the protection of trade secrets across multiple jurisdictions, a consensus was reached during the study committee that, in principle, a court decision in one jurisdiction does not bind another court in another jurisdiction on the qualification of an information as a “trade secret” and on the measures taken to ensure its protection during civil proceedings.

However, the draft resolution was modified prior to the plenary session to indicate that it would be “*desirable*” that orders of a court in civil proceedings in a jurisdiction that grant protection of a trade secret also be “*given effect*” by courts involved in civil proceedings between the same parties on the same subject matter in other jurisdictions. The leadership clarified that, since such a change would require a modification of international private law rules, the indication of the term “desirable” was aiming at making it easier to accept, as a way to look forward.

This last-minute change brought considerable debates amongst the members. The Belgian Group took a strong position against this proposal, with the support of several other national groups, based on the fact that this question was never actually debated in the national reports, nor within the study committee.

In the end, the wording of the resolution was adapted to reflect this position: a majority voted in favor of the wording that “*it should be further considered*” whether the decision of one court be “*given effect*” in other jurisdictions, as a way to indicate that this question could be examined in the future, in the context of a dedicated study question.

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