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Implementation of the Trans-Pacific Partnership Intellectual Property Chapter

1. Introduction

- 1.1 The New Zealand Law Society (Law Society) welcomes the opportunity to comment on the *Targeted consultation document – Implementation of the Trans-Pacific Partnership Intellectual Property Chapter* (discussion document), released by the Ministry of Business, Innovation & Employment on 9 March 2016.
- 1.2 The discussion document seeks feedback on the Ministry's proposals for implementing the intellectual property law changes required by the Trans-Pacific Partnership Agreement (TPP) (where there is flexibility in how the required changes are implemented).
- 1.3 While the Law Society understands there is time pressure to introduce the TPP Implementation Bill into Parliament, it notes that this has resulted in a very short consultation period for this discussion document (only 13 full working days). The Law Society questions whether it would have been possible to consult earlier. Such a short consultation period is likely to result in reduced engagement and discussion at a crucial stage.
- 1.4 In the very limited time available, the Law Society has responded to the consultation questions and has provided additional commentary where appropriate.

2. Comments

2.1 TPP implementation: overarching objectives (question 1)

Have the [Ministry's] overarching objectives [in developing its approach to implementing the intellectual property chapter of the TPP] been framed correctly for this policy process? If not, what would be more appropriate objectives?

- 2.1.1 Paragraph 19 of the discussion document states:

The Ministry's overarching objectives in developing its approach to implementing the intellectual property chapter of the TPP have been to:

- a. enable New Zealand to meet the TPP obligations*

b. minimise the impact of changes to intellectual property settings to maintain an appropriate balance between rights holders and users

c. provide certainty and minimise compliance costs.

- 2.1.2 As described in paragraph 3 of the discussion document, some of the provisions of the intellectual property chapter of the TPP "require New Zealand to make legislative changes before we can ratify TPP".
- 2.1.3 At the TPP IP workshops in Auckland and Wellington in the week commencing Monday 21 March 2016, the Ministry described its intentions in developing the approach to implementing the intellectual property chapter, in terms of staying as close as possible to the status quo.
- 2.1.4 The reasoning given by the Ministry was that if it considered legislative changes relating to intellectual property were beneficial, it would have advised the Government to implement such changes already.
- 2.1.5 Consistent with that approach, the three overarching objectives described at paragraph 19(a) – (c) of the discussion document seem to be framed with minimum compliance with TPP obligations in mind.
- 2.1.6 As a matter of principle, the aim should be to ensure that New Zealand, as signatory to the TPP, complies with the agreement. Accordingly the Law Society recommends the objectives be recast as follows.
- 2.1.7 The first overarching objective (paragraph 19(a)) should be to "ensure" that New Zealand "complies" with its TPP obligations.
- 2.1.8 With respect to the notion of maintaining an "appropriate balance between rights holders and users" (paragraph 19(b)), the Ministry should also refer first to the requirements of the TPP to measure the appropriateness of the balance to be struck. For example, the mechanism for achieving an "appropriate balance" for Copyright and Related Rights is already expressly described in Articles 18.65 and 18.66 of the intellectual property chapter.
- 2.1.9 Accordingly, the second overarching objective should be recast to ensure that the impact of changes to intellectual property settings maintains an appropriate balance between rights holders and users "consistent with the requirements of the TPP".

2.2 Technological Protection Measures (TPMs) (questions 2 – 7)

Question 2

Do you agree with the exceptions or limitations proposed for TPMs? What would be the impacts of not providing these exceptions? Please be specific in your answers.

- 2.2.1 We understand the exceptions and limitations referred to in this question are those at paragraphs 48 to 52 of the discussion document.
- 2.2.2 The Law Society considers that the appropriateness of any proposed exceptions or limitations for TPMs should be judged according to whether those exceptions or limitations comply with the requirements of the TPP.
- 2.2.3 The foundation provisions in this regard are contained in Articles 18.65 and 18.66 of Section H: Copyright and Related Rights, which are reproduced below:

Article 18.65: Limitations and Exceptions

1. With respect to this Section, each Party shall confine limitations or exceptions to exclusive rights to certain special cases that do not conflict with a normal exploitation of the work, performance or phonogram, and do not unreasonably prejudice the legitimate interests of the right holder.

2. This Article does not reduce or extend the scope of applicability of the limitations and exceptions permitted by the TRIPS Agreement, the Berne Convention, the WCT or the WPPT.

Article 18.66: Balance in Copyright and Related Rights Systems

Each Party shall endeavour to achieve an appropriate balance in its copyright and related rights system, among other things by means of limitations or exceptions that are consistent with Article 18.65 (Limitations and Exceptions), including those for the digital environment, giving due consideration to legitimate purposes such as, but not limited to: criticism; comment; news reporting; teaching, scholarship, research, and other similar purposes; and facilitating access to published works for persons who are blind, visually impaired or otherwise print disabled.

- 2.2.4 Article 18.68 deals expressly with TPMs.
- 2.2.5 Article 18.68(1)(a) requires a Party to implement laws which prohibit a person from circumventing a TPM that "controls access to a protected work, performance or phonogram".
- 2.2.6 Article 18.68(1)(b) requires a Party to implement laws which prohibit a person from providing devices or services which are for the purpose of circumventing a TPM that "controls access to a protected work, performance or phonogram" and from providing devices or services which are for the purpose of circumventing a TPM that "protects copyright or related rights related to a work, performance or phonograph".
- 2.2.7 The provisions which allow exceptions to the requirement for laws against circumvention are those in Article 18.68(4)(a) – (c):

Article 18.68: Technological Protection Measures (TPMs)

4. With regard to measures implementing paragraph 1:

(a) a Party may provide certain limitations and exceptions to the measures implementing paragraph 1(a) or paragraph 1(b) in order to enable non-infringing uses if there is an actual or likely adverse impact of those measures on those non-infringing uses, as determined through a legislative, regulatory, or administrative process in accordance with the Party's law, giving due consideration to evidence when presented in that process, including with respect to whether appropriate and effective measures have been taken by rights holders to enable the beneficiaries to enjoy the limitations and exceptions to copyright and related rights under that Party's law;

(b) any limitations or exceptions to a measure that implements paragraph 1(b) shall be permitted only to enable the legitimate use of a limitation or exception permissible under this Article by its intended beneficiaries and does not authorise the making available of devices, products, components, or services beyond those intended beneficiaries; and

(c) a Party shall not, by providing limitations and exceptions under paragraph 4(a) and paragraph 4(b), undermine the adequacy of that Party's legal system for the protection of effective technological measures, or the effectiveness of legal remedies against the circumvention of such measures, that authors, performers, or producers of phonograms use in connection with the exercise of their rights, or that restrict unauthorised acts in respect of their works, performances or phonograms, as provided for in this Chapter.

2.2.8 In addition, we note the "Changes to be included in the TPP implementation bill", as described on page 9 of the discussion document, include to "provide stronger protection to technological protection measure (TPMs) ...".

2.2.9 Paragraph 48 of the discussion document states:

*"Unless an exception is provided for, TPP will prohibit conduct in relation to TPMs even if, in accessing the relevant work, copyright is not infringed. **We therefore recommend that exceptions be provided for situations where copyright is not infringed**, and that these exceptions apply to both the prohibition on circumvention, and the prohibition on providing devices or services that enable circumvention".*

[Emphasis added]

2.2.10 The Law Society queries whether the proposition that "exceptions be provided for situations where copyright is not infringed" is consistent with articles 18.65, 18.66, 18.68(1) and (4) of TPP.

2.2.11 Specifically, the Law Society queries whether:

- Conduct in relation to a TPM which does not infringe copyright but which might enable others to infringe copyright should have a general exception.
- A general exception meets the limitations in article 18.68(4)(b) (limited to intended beneficiaries).
- A general exception meets the limitations in article 18.68(4)(c) (not undermining TPMs).
- A general exception meets the process-focused provisions of Article 18.68(4)(a).

2.2.12 An alternative to a general exception is to follow the UK model. The UK model provides limited express exceptions in the principal legislation and a statutory scheme for the review of applications by potential legitimate users of matter protected by TPMs who are prevented from carrying out their intended acts. In New Zealand, the Copyright Tribunal might operate such a review scheme in the first instance.

2.2.13 In this context, the Law Society's comments are set out below regarding the proposed exceptions in the table to paragraph 48:

Discussion document paragraph 48: Proposed exceptions	NZLS comment
<p>A. To allow access to computer programmes that are embodied in a machine or device and restrict the use of goods (other than the work) or services in relation to the machine or device.</p>	<p>The proposed exception could comply with the requirements of the TPP.</p> <p>Care will be needed that such an exception does not provide an unintended expansion of acts which do not infringe copyright. For instance, the listed example of "<i>[enabling] use of a generic (rather than manufacturer-approved printer cartridge)</i>" may amount to copyright infringement unless section 75 of the Copyright Act applied.</p>
<p>B. To enable circumvention of a TPM that to the extent that it controls geographic market segmentation by preventing the playback of legitimate physical copies of a film, sound recording, or computer game in New Zealand.</p>	<p>This exception seems likely to comply with the requirements of the TPP in that it concerns physical items and the application of exhaustion of rights principles already embodied in those parts of New Zealand's legislation that allow parallel imports.</p> <p>The Law Society assumes the exception is limited to physical copies to recognise the normal business practice of geographical market segmentation of streamed products and avoid inadvertent change to existing law.</p>
<p>C. To enable interoperability of an independently created computer program with the original program or other program.</p>	<p>Such an exception could comply with the requirements of the TPP.</p> <p>However, consideration would need to be given as to whether all instances of enabling interoperability would otherwise not infringe copyright.</p>
<p>D. To enable encryption research.</p>	<p>This exception should comply with the requirements of the TPP subject to appropriate limitations such as those already included in section 226E(3) of the Copyright Act.</p>
<p>E. To enable good-faith security research.</p>	<p>This exception should comply with the requirements of the TPP.</p>
<p>F. To enable online privacy.</p>	<p>This could comply with the requirements of the TPP subject to better definition of the term "<i>unwanted programmes</i>" as referred to in the example given in the discussion document.</p>

Discussion document paragraph 48: Proposed exceptions	NZLS comment
G. To enable law enforcement and national security.	This should comply with the requirements of the TPP.
H. To enable individual play by gamers of legitimate video games for which outside server support has been discontinued.	This exception could comply with the requirements of the TPP subject to a definition concerning the circumstances in which " <i>outside server support has been discontinued</i> ".
I. For any other purpose that does not infringe copyright.	<p>The Law Society queries whether such a blanket exception is consistent with Articles 18.65, 18.66 and 18.68(1) and (4).</p> <p>The Law Society suggests, as an alternative, following the UK model, in which limited express exceptions are provided in the principal legislation and a statutory scheme for the review of applications by potential legitimate users of matter protected by TPMs who are prevented from carrying out their intended acts.</p>

- 2.2.14 In relation to paragraph 49, the UK model for a scheme to enable further exceptions that comply with the requirements of the TPP is an alternative that could be considered. The Copyright Tribunal could be the appropriate body.
- 2.2.15 In relation to paragraph 50, the proposed exemptions from criminal and civil liability are appropriate, provided the exemption from civil liability is confined to an exemption from damages only and does not prevent an aggrieved party from obtaining an injunction.
- 2.2.16 In relation to paragraph 51, the Law Society considers:
- (a) an exemption from criminal liability is appropriate, subject to better definition of the concepts "*anything done*" and "*performing their functions*"; and
 - (b) the proposed exemption from civil liability is appropriate.
- 2.2.17 In relation to paragraph 52, the Law Society reiterates that a scheme such as that currently used in the UK should be considered.
- 2.2.18 In this context, the current exception enabling a qualified person to exercise a permitted act under Part 3 of the Copyright Act should be maintained so as to take advantage of the opportunity to provide case-by-case exceptions under supervision, as is the current situation under the New Zealand Act and the broad scheme of the UK Act.

Question 3

Do you agree that the exceptions proposed for TPMs should apply to both prohibitions (i.e. circumventing a TPM and the provision of devices or services that enable circumvention)? Why / why not?

- 2.2.19 For the reasons already given, there is no blanket answer to the question whether the proposed exceptions should apply to both prohibitions. Each proposed exception needs to be checked for compliance with the provisions of the TPP before it can be judged as being appropriate or acceptable.

Question 4

Do you agree that, if our proposals are implemented, the current exception allowing a qualified person to circumvent a TPM protects against copyright infringement to exercise a permitted act under Part 3 would no longer be required? Why / why not?

- 2.2.20 The current "qualified person" scheme should be retained, possibly augmented by a scheme similar to that in the UK.

Question 5

Are there any other exceptions or limitations to the TPM prohibitions that should be included in the Copyright Act? Please explain why any additional exceptions would be necessary.

- 2.2.21 The Law Society refers to the UK model.

Question 6

Would there be a likely adverse impact on non-infringing uses in general if the exception for any other purpose that does not infringe copyright was not provided for? Please be specific in your answers.

- 2.2.22 The alternative approach is to use the mechanism of a scheme such as that in the UK to deal with any need for further exceptions.

Question 7

Should there be a regulation-making power to enable the exception for any other purpose that does not infringe copyright to be clarified, and if so, what criteria should be considered?

- 2.2.23 A limited regulation-making power should be provided for which follows the UK model.

2.3 Patent term extension for delays in patent grant (questions 8 – 10)

- 2.3.1 The requirement under TPP article 18.46 to provide for extensions of patent term because of unreasonable delays in granting of patents is new to both New Zealand and Australian patent law. However, the United States Patent Act has, since 2000, provided¹ for patent term extensions (called "adjustments" in US law) for unreasonable delays in patent application processing. The basic principles of the US Act and Regulations could inform the drafting of the New Zealand amendments.

- 2.3.2 Matters which arise but are not directly covered by the questions are as follows:

Delays caused by patent oppositions

- 2.3.3 The proposal is silent on delays caused by patent oppositions. It was indicated at a consultation meeting in Wellington that oppositions were not to be considered a part of

¹ See 35 US Code 154(b) and 37 CFR [Code of Federal Regulations] Part 1, subpart F, 1.702 to 1.705

processing of a patent application and therefore were not relevant to assessing unreasonable grant delay. This should be reconsidered.

- 2.3.4 An opposition is an integral part of the processing of a patent application before it proceeds to grant. It is a final filter after examination. If a patent is granted after an opposition then the patentee should not be penalised by delays caused by the opponent or the Commissioner. In the US Patent Act² the entire period of any interference proceeding³ counts in determining adjustment of patent term.
- 2.3.5 The Law Society recommends consideration be given to including delays during opposition proceedings as relevant to assessing unreasonable grant delay.

Periods of time to be excluded from calculation

- 2.3.6 The most critical criteria in determining the length of any extension of term are what periods of time are to be excluded from the calculation. Paragraph 64 of the discussion document says:

“It is intended that the Commissioner of Patents would develop and publish a list of those time periods that fall within the categories listed above.”

- 2.3.7 It would be preferable if those periods were defined by statute or by regulation. If the Commissioner is to develop a list then the list should only be for guidance, and not binding.
- 2.3.8 The US Patent Act patent term adjustment provisions are predicated on the premise that the office guarantees to grant a patent with no more than a three year application pendency. The US Act and regulations specify all the periods of time that count or don't count in determining the length of the pendency. The New Zealand legislation does not need to provide a guarantee of a three or five year pendency period, but it should take the same approach in spelling out clearly what periods do or do not count.

Definitions

- 2.3.9 The meaning of “date of filing” in New Zealand⁴ should be defined. The Act should define the “date of filing” for each different type of application such as PCT applications, applications filed with a provisional specification and divisional applications.
- 2.3.10 The meaning of “attributable to the actions of the applicant” (in paragraph 63) should be clarified. The Law Society submits that some weight should be given to the words “unreasonable delay” in determining what the expression means. According to the IPONZ examination manual,⁵ applicants will be given six months to respond to a first examination report and three to respond to each subsequent one. These periods should be considered to be the norm, and any time taken beyond them to be “attributable to the actions of the applicant”. In the US Patent Act⁶ the applicant is allowed three months to reply to an examination report before the applicant's inaction counts against the applicant.

² 35 US Code 154(b)(1)(C)

³ The US Patent Act does not provide for pre-grant oppositions but an interference proceeding is the nearest equivalent

⁴ That is the wording used in TPP Article 18.46.4

⁵ The chapter on section 67

⁶ 35 US Code 154(b)(2)(C)(ii)

Extension Provision

- 2.3.11 The extension provision should provide for delays due to a successful hearing on patentability before the Commissioner or a successful appeal to the High Court. In the US Patent Act the entire appeal period counts in making the determination.⁷
- 2.3.12 The extension provision should provide for a patent application subject to a secrecy order under section 132 of the Patents Act 2013 where the secrecy order is subsequently lifted and the application proceeds to grant. The US Patent Act does provide for a patent term adjustment for the entire period.⁸

Question 8

Do you agree with the proposals for patent term extensions for unreasonable grant delays? Why / why not?

- 2.3.13 The Law Society considers the proposals should also address the factors set out above (at paragraphs 2.3.3 – 2.3.5).

Question 9

Do you think that there should be a limit on the maximum length of extension available for grant delays? If so, what should it be?

- 2.3.14 There should be no limitation on what is an “unreasonable delay”. It is difficult to see how one would determine such a limitation.

Question 10

Do you consider that third parties should be able to oppose decisions to extend patents on the ground of unreasonable delays in grant?

- 2.3.15 No, for the reasons set out in paragraph 67 of the discussion document.

2.4 Patent term extension for pharmaceuticals (questions 11 – 18)

- 2.4.1 As summarised in the discussion document, Article 18.48.2 of TPP would require New Zealand to make available an extension of the patent term to compensate the owner of a pharmaceutical patent for any “unreasonable curtailment” of the effective patent term due to Medsafe’s marketing approval process.
- 2.4.2 There is some flexibility in how this provision is implemented and the discussion document lists the most important issues to determine as follows:
- How “unreasonable curtailment” should be defined.
 - How the length of any extensions should be calculated.
 - What patented subject matter should be eligible for extension – patents for pharmaceutical *products* or for pharmaceutical *substances*.
 - What conditions and limitations should be imposed.

⁷ 35 US Code 154(b)(1)(C)

⁸ Ibid

- 2.4.3 Under the Australian Patents Act 1990⁹ there is a broadly comparable provision. This permits extensions of the term of standard patents that relate to pharmaceutical substances *per se* and biologics.
- 2.4.4 The proposal would adopt the same definition of “pharmaceutical substance” as is used in the Australian provisions. The Law Society notes that any definition of “biologics” in New Zealand should be current and technologically neutral.
- 2.4.5 There are a number of differences between the Australian provisions and the proposal in the Bill. Generally it will be harder to obtain an extension in New Zealand and the maximum extension will be shorter (two years rather than five years in Australia).

Question 11

Do you agree with the proposed definition of “unreasonable curtailment” for pharmaceutical patent terms extensions? If not, what other definition should be used?

- 2.4.6 The Law Society largely agrees with the proposed definition of “unreasonable curtailment” but wishes to comment on the proposed criterion of excluding any delays not directly attributable to Medsafe.
- 2.4.7 The Law Society anticipates that it will not always be clear whether a particular delay was directly attributable to Medsafe. It is noted that under the Australian extension provisions, there is no exclusion of delays not directly attributable to the regulatory authority. Instead, an extension can simply be granted if regulatory approval takes more than five years.
- 2.4.8 The Law Society has no comment on whether only delays directly attributable to Medsafe amount to “unreasonable curtailment”. The Law Society notes that this criterion creates some uncertainty and is inconsistent with the position in Australia.

Question 14

The proposed method of calculating extensions for pharmaceutical patents includes a maximum extension of two years. Do you agree with this? If not, what do you think the maximum extension should be?

- 2.4.9 The Law Society has no comment on what the appropriate maximum extension should be, but notes that the Australian and Singaporean patent extension of term regimes allow up to five years.

Question 15

Do you agree or disagree that only patents for pharmaceutical substances per se and for biologics should be eligible for extension? Why?

- 2.4.10 The Law Society has no comment on this, except to note that this aspect of the proposal is consistent with the Australian extension regime.

Question 16

Do you think the Australian definition of “pharmaceutical substance” should be adopted? Why/why not?

⁹ Sections 70 – 79A

- 2.4.11 The Law Society agrees with the adoption of the Australian definition of “pharmaceutical substance”. By adopting the Australian definition, there will be an existing body of case law for the Commissioner of Patents and the courts to draw on in applying the proposed New Zealand regime.

Question 17

Do you agree that patent rights during the extended term should be limited in the manner proposed?

- 2.4.12 Allowing only one extension per patent is consistent with the Australian extension regime, and appears to be in line with the purpose of these provisions.

Question 18

Do you agree that third parties should be able to oppose decisions to extend patents for pharmaceuticals through the Commissioner of Patents? Why/why not?

- 2.4.13 The Law Society agrees that third parties should be able to oppose decisions to extend patents for pharmaceuticals and that this should be through the Commissioner of Patents.

- 2.4.14 The reasons for this are:

- (a) There is potential for the process to be contentious with possible arguments not only about whether a delay was attributable to Medsafe, but also about whether the patent meets the criteria for eligibility in terms of its subject matter.
- (b) If the criterion of whether a delay was attributable to Medsafe is retained, the Law Society considers that the Commissioner of Patents is well able to consider this and to develop principles and case law. This would be comparable to the historic position when the Commissioner of Patents had jurisdiction to grant extensions of patent terms on the grounds of inadequate remuneration.
- (c) There is potential for these decisions to be complex and not necessarily clear cut, and for considerable amounts of money to be at stake. The Law Society considers the ability for a third party to oppose should enable a better and more robust decision making process.

2.5 Performers’ rights (questions 19 – 29)

Question 19

Do you agree that a performer’s moral rights should apply to both the aural and visual aspects of their live performance and of any communication of the live performance to the public? Why/Why not?

- 2.5.1 The Law Society agrees that a performer’s moral rights should apply to both the aural and visual aspects of the live performance and any communication of the live performance to the public.

The reasons for this are:

- (a) The existing provisions in Part 9 of the Copyright Act (granting rights to performers in respect of illicit recordings of their performances) include both sound recordings and

films.¹⁰ This creates a precedent to follow when legislating for additional performers' rights.

- (b) When the World Intellectual Property Organisation Performers and Phonograms Treaty (WPPT) was being negotiated, the Diplomatic Conference on WPPT expressly recognised that the inclusion of audiovisual works still needed to be addressed.¹¹
- (c) There is no logic in confining the rights to audio only. Frequently in the case of *music performances*, the artist or band releases new sound recordings together with a visual element i.e. a music video (in any number of file formats) clip in which they perform the sound recording. Music videos have been a mainstay of music television channels such as MTV, Edge TV and Juice over many years in New Zealand. The definition of 'performance' is widely regarded as including a performance in a studio that is recorded or fixed in an audio or audiovisual medium. It is not confined just to performances in concerts or elsewhere in public.
- (d) If the two intended moral rights are to be accorded to performers in respect of visual aspects of their live performance and any communication of these, there is no logic in giving these rights just to music performers and not to other performers whose performances comprise solely a visual element such as actors, circus performers, mime artists and others. (In practice such performers are likely to deal with their moral rights in contracts with film producers or those producing an authorised recording).

Question 20

Should performers' moral rights apply to the communication or distribution of any recording (i.e. both sound recordings and films) made from their performances, rather than just sound recordings as required by WPPT? Why/Why Not?

- 2.5.2 It follows from the answer to question 19 that for consistency and simplicity the Law Society considers moral rights should extend to the communication and distribution of *any recording* made from their performances i.e. both sound recordings and films.

Question 25

Should the new property rights for performers be extended to apply to the recording of visual performances in films? Why/why not? (Please set out the likely impacts on performers and producers, and any others involved in the creation, use or consumption of film).

- 2.5.3 This question is dealt with out of order because it considers similar issues to questions 19 and 20. Consistent with its answers to questions 19 and 20, the Law Society considers that the property rights for performers should also extend to the recording of visual performances in films.
- 2.5.4 In answering the question regarding likely impacts, the Law Society recognises that the creation of property rights over the recording of performances in films will result in additional economic rights for film producers to deal with. However, it is usual for film producers to provide extensively by contract for various rights. Indeed this is anticipated in

¹⁰ Definition of "recording" in section 169

¹¹ Resolution Concerning Audiovisual Performances, adopted by the Diplomatic Conference on December 20 1996

the provision for assignment of future property rights referred to in paragraph 128 of the discussion document.

Question 21

Do you agree or disagree with any of the exceptions or limitations proposed for a performer's right to be identified? Why?

Question 23

Do you agree or disagree with providing for any of the exceptions or limitations proposed for performer's right to object to derogatory treatment? Why?

Question 26

Do you agree or disagree within the exceptions or limitations proposed above [i.e. for the new property rights for performers]? Why?

- 2.5.5 The Law Society answers these three questions together. Questions 21 and 23 relate to exceptions or limitations to the new intended performers' moral rights. Question 26 relates to the intended new performers' property rights.
- 2.5.6 The Law Society provides a qualified answer to these questions. MBIE has indicated that there is intended in due course to be a review of the Copyright Act 1994. When this is undertaken, consideration will need to be given to the various exceptions and permitted uses contained in Part 3 of the Copyright Act to make sure that these are still relevant. Parliament has passed a number of exceptions and limitations based on technology or other economic factors at the time of implementation. It is important that such exceptions be reviewed.
- 2.5.7 Within each of the exceptions and limitations listed in paragraph 126 in respect of performers' property rights, there are a large number of qualifying conditions (not explained by the simple descriptions given). If it is intended that performers' property rights be enacted ahead of a Copyright Act review, then the Law Society agrees with the exceptions proposed so as to ensure harmonised exceptions across the whole Act. But this is with the express recognition that just because Part 3 exceptions are implemented in respect of both property and economic rights, there is no entrenchment or acceptance of the various Part 3 exceptions. These exceptions and limitations will still need to be reviewed as part of a review of the Copyright Act.
- 2.5.8 In respect of question 21 and the performer's right to be identified, the exclusion "in relation to any performance given for the purpose of advertising any good or service"¹² should be contingent on the performance being an *authorised* performance. This does seem intended but it is not entirely clear.

Question 22

Are there any other exceptions or limitations to a performer's right to be identified that should be included in the Copyright Act? If so, can you please explain why that should be necessary.

¹²

Paragraph 119, reflecting section 205E(4) of the UK Copyright Designs and Patents Act 1988.

Question 24

Are there any other exceptions or limitations to a performer's right to object to derogatory treatment that should be included in the Copyright Act? If so, can you please explain why they should be necessary.

Question 27

Are there any other exceptions or limitations to the new performers' property rights that should be included in the Copyright Act? If so, can you please explain why they should be necessary.

- 2.5.9 The Law Society has no additional comments to make in relation to these three questions.

Question 28

Do you agree or disagree with any of the proposals above? Why?

- 2.5.10 These questions relate to clarifying the law in respect of future property rights,¹³ exclusive licences¹⁴ and rights in respect of unpublished original recordings.¹⁵ The Law Society agrees with each of the proposals contained in the discussion document. The inclusion of rights to assign future property rights will be important for producers of films and audiovisual recordings of performances, so as to try and align the copyright and performers' economic rights for the purposes of licensing and distribution.

2.6 Border Protection Measures (questions 30 and 31)

Question 30

Do you agree that Article 4 of European Union Council Regulation (EC) No 3295/94 is an appropriate model for implementing ex officio powers into the border protection measures set out in the Copyright Act 1994 and Trade Marks Act 2001?

- 2.6.1 The Law Society agrees that in broad terms the Article 4 approach to providing *ex officio* powers is appropriate, provided those powers are adequately defined and delineated. The limitations in paragraph 142 of the discussion document are important.
- 2.6.2 A key prerequisite is to require the Chief Executive of Customs to have reasonable cause to suspect goods are infringing before goods may be detained. The requirement to act on reasonable cause is an important and necessary safeguard. It is assumed that the Chief Executive may, in such circumstances, be acting on adequate information or some notice granted upon an earlier lodged application or alternatively some information lodged by the rights holder or its licensee.

Question 31

Do you agree that the detention period of three business days following notification to the rights holder is appropriate?

- 2.6.3 The Law Society does not agree that the detention period of three business days is sufficient. The detention period has an impact on both the rights holder and importer but the questions of identifying allegedly counterfeit or pirated goods, establishing that they

¹³ Paragraph 128

¹⁴ Paragraph 129

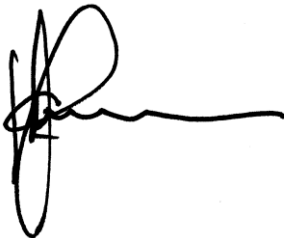
¹⁵ Paragraph 130

are or are not counterfeit or pirated and lodging a border protection notice may not necessarily be straightforward, and the parties should be provided with adequate time to do this properly. The Law Society suggests that five business days would strike an appropriate balance.

3. Conclusion

- 3.1 This submission has been prepared with the assistance of the Law Society's Intellectual Property Law Committee. If you wish to discuss this further, please do not hesitate to contact the committee convenor Greg Arthur, through the committee secretary Jo Holland (04 463 2967 / jo.holland@lawsociety.org.nz).

Yours faithfully

A handwritten signature in black ink, consisting of a large, stylized initial 'C' followed by a horizontal line extending to the right.

Chris Moore
President