

Going It Alone: The Anti-Counterfeiting Trade Agreement as a Sole Executive Agreement

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Introduction

After years of controversy, a small group of countries, including the United States and European Union member states, announced in December 2010 that they had finalized a new “Anti-Counterfeiting Trade Agreement”^[1] (“ACTA”). With the negotiations complete, attention has turned to a question that may at first appear obscure, but is in fact of enormous importance: Can the U.S. President make the agreement on his own, without Congress’s approval?

The U.S. government has made clear that it intends to conclude ACTA as a “sole executive agreement,” meaning that it will enter into effect upon the signature of the President or his representative, without being formally presented for approval to either house of Congress.^[2] No comparable agreement has been concluded in this way. Thus if concluded as a sole executive agreement, it would represent a significant expansion of the scope of such agreements. As a result, it could pave the way for more extensive use of sole executive agreements in the future. That, in turn, could have implications for the nature of democratic control over international legal agreements concluded by the United States, as well as the legitimacy of these agreements both at home and abroad.

Understanding ACTA

ACTA is widely viewed as the most important intellectual property agreement concluded in more than a decade.^[3] It establishes new norms across a range of intellectual property rights, with an emphasis on heightened penalties, more summary proceedings, more extensive border enforcement, and the introduction of obligations for third parties. Despite its name, ACTA is not limited to provisions addressing counterfeit trademarked goods.^[4] ACTA covers all intellectual property rights included in the World Trade Organization’s Trade-Related Aspects of Intellectual Property Rights Agreement (“TRIPS”) and includes important new obligations in the area of copyright and related rights, as well as trademark and other, less well-known, forms of intellectual property such as geographical indications used for products associated with certain regions (most famously, “Champagne”).^[5]

ACTA goes beyond existing multilateral agreements in a variety of important ways. It increases penalties for intellectual property infringement by requiring, for example, courts in civil cases to provide for more expansive damages^[6] and by obliging states to extend criminal liability for copyright piracy and trademark counterfeiting to commercial activities that have merely “indirect economic or commercial advantage.”^[7] While TRIPS requires criminal remedies to include imprisonment or fines, ACTA requires that criminal penalties “include imprisonment as well as monetary fines.”^[8]

ACTA also has substantial implications for border measures. For example, it requires that state parties give customs officials *ex officio* authority to detain suspect goods.^[9] And it includes a section on the enforcement of intellectual property rights in the digital context, requiring more extensive policing of the circumvention of technical protection measures than is currently required in international agreements.^[10]

ACTA also brings a new set of actors within the reach of international intellectual property law. Under the Agreement, parties are required to authorize their courts to apply preliminary and permanent injunctions to “third parties,”^[11] which may include Internet service providers. Moreover, parties are required to extend criminal liability to those who aid and abet criminal offenses under the Agreement.^[12]

Finally, the Agreement establishes a permanent Committee with substantial powers, such as the power to approve or reject any amendments to ACTA before they are submitted for a vote.^[13] The ability to limit debate on proposed amendments is notable, particularly given that ACTA contains no commitments to transparency and was negotiated through a process that many decried as exceptionally secretive.^[14]

Diplomatic cables recently released by WikiLeaks reveal that negotiating partners complained to the United States about the unusual degree of secrecy, arguing that the “level of confidentiality in these ACTA negotiations has been set at a higher level than is customary for non-security agreements” and that the secrecy had inhibited consultation with those who would be affected by the agreement.^[15]

Nearly everyone agrees that ACTA will add important new obligations to the international landscape, but there has been significant debate about whether it would also require changes to U.S. law. In the face of questions about the legality of the sole executive agreement route, the Administration has repeatedly stressed that ACTA does not require changes to current U.S. law.^[16] The Administration thus appears to take the position that the Agreement would commit the United States to simply maintain existing legal rules. A recently released analysis from the Congressional Research Service, however, concludes instead that “[d]epending on how broadly or narrowly several passages from the ACTA draft text are interpreted, it appears that certain provisions of federal intellectual property law could be regarded as inconsistent with ACTA.”^[17]

Even if ACTA did not require any changes in U.S. law, it could nonetheless have domestic impact by impeding future legal changes. If a proposed bill is in tension with ACTA (as, for example, a recent bill regarding so-called “orphan” copyrighted works may be^[18]), legislators may oppose it for fear of putting the United States in violation of its international legal commitments. The courts, too, are likely to be reluctant to develop common law or read statutes in a way that is inconsistent with the Agreement. This can produce a lock-in effect.

The potential of ACTA to lock the United States into existing law has been a source of concern for companies at the forefront of our rapidly changing technological environment. In a comment submitted to the United States Trade Representative (“USTR”) criticizing the final draft of the Agreement, for example, the Computer and Communications Industry Association, whose members include Facebook, Google, Microsoft, and eBay, cautioned that the United States “should not join agreements that precludes [sic] the ability of our courts to further develop copyright laws to protect evolving industries th[at] drive innovation.”^[19] It also noted tension between the USTR’s promotion of statutory damages in international negotiations and existing legislative proposals to reduce statutory damages in the United States.^[20]

Stretching the Limits: Concluding ACTA as a Sole Executive Agreement

The likely impact of ACTA on U.S. domestic law underscores the importance of the President’s decision to conclude the Agreement as a sole executive agreement.

Until now, it has been understood that the President may enter international agreements as sole executive agreements so long as they are within his sole constitutional authority. In other words, the President may not commit the United States to an international agreement on his own if he would be unable to carry out the obligations created by the agreement on his own in the absence of an agreement.^[21] The State Department’s own guidance on the question states plainly that “[t]he term ‘sole executive agreement’ is appropriately reserved for agreements made solely on the basis of the constitutional authority of the President,” and illustrates the domain of this constitutional authority with Article II powers such as the Commander-in-Chief power.^[22] Because of these strict limits, sole executive agreements have traditionally made up only a small fraction of the executive agreements concluded every year.^[23]

Some of ACTA’s provisions clearly fall within the scope of the President’s sole executive authority, including his inherent constitutional power to oversee the activities of executive agencies. But scholars have pointed out that portions of the agreement go beyond the traditional bounds of a sole executive agreement.^[24] In particular, ACTA creates commitments that implicate the core contours of intellectual property law. Yet the President is not afforded any special constitutional authority over intellectual property law. Rather, the Constitution identifies this as an Article I—and thus legislative—power.^[25] The President could not require

U.S. courts to apply statutory damages or criminal penalties to acts of piracy; these are acts of lawmaking reserved to Congress.

Even if the commitments in ACTA are fully consistent with existing U.S. law (a matter of ongoing debate),^[26] the agreement would still represent a significant expansion of the President's sole executive authority. Agreements that lock in existing law can have an important effect on the development of domestic law.^[27] An international commitment to maintain existing domestic intellectual property laws would be a striking interpretation of presidential powers. If adopted, it would permit the President acting alone to commit the United States to international agreements in any area—trade, human rights, environment, and so forth—as long as these are consistent with today's law. Future Congresses would then be unable to change those laws without placing the United States into violation of its international commitments.

Coupled with the Bush Administration's decision to conclude the Strategic Framework Agreement and the Agreement on the Withdrawal of United States Forces from Iraq and the Organization of Their Activities During Their Temporary Presence in Iraq as sole executive agreements,^[28] ACTA may therefore mark a growing trend toward President-made agreements in the United States and indicate an implicit shift in the internal understandings about the limits on executive authority within the Department of State. Indeed, if the President is able to conclude this Agreement as a sole executive agreement, he could, arguably, commit the United States to other similarly substantive international agreements, such as free trade agreements or arms treaties, on his own.

Expanded use of sole executive agreements is likely to have several other effects as well. First, it reduces democratic control over international lawmaking. Were ACTA not concluded as a sole executive agreement, it would have to be concluded as either an Article II treaty—made by the President and approved by two-thirds of the Senate—or as an “ex post congressional-executive agreement”—negotiated by the President and then submitted to both houses of Congress for an up or down vote.^[29] In either case, one or both houses of Congress would have an opportunity to debate and then approve or reject the agreement. The sole executive agreement, by contrast, is made by the President alone, and can be concluded in utter secrecy—revealed to Congress and the public sixty days *after* it enters into effect.^[30]

Setting a precedent for more expansive use of sole executive agreements has consequences not only for intellectual property law, but for any area in which an international agreement may be concluded—which is to say, nearly any area of law. International law now reaches into almost every aspect of our day-to-day lives. The possibility that such legal commitments could be made by the President without the input, much less approval, of Congress or the public raises serious questions about the potential of these agreements to undermine democratic lawmaking writ large.

Establishing a precedent for a more expansive use of sole executive agreements could have a second pernicious effect—making international commitments without democratic support could threaten the strength and durability of those very commitments. The dangers are evident in the case of ACTA. In response to questions raised by a U.S. Senator concerned about the scope of ACTA, the U.S. Trade Representative asserted that ACTA “does not constrain Congress’ authority to change U.S. law.”^[31] European Parliamentarians have in turn demanded that their own negotiators explain whether the U.S. considers itself bound by the Agreement.^[32] Answering these concerns, European Commissioner for Trade Karel De Gucht insisted that ACTA is “a binding international agreement on all its parties, as defined and subject to the rules of the Vienna Convention on the Law of Treaties.”^[33]

Both statements can be true. The Agreement could be binding as a matter of international law, and Congress could nonetheless be empowered to change domestic law in a way that places the United States in violation of that binding agreement. But doing so would undermine the United States’ reputation for fair dealing in the international community. The United States ordinarily tries to avoid violating its international legal commitments, even those that are not binding as a matter of domestic law. Concluding this far-reaching Agreement as a sole executive agreement thus not only avoids democratic review, but it may place the agreement on a collision course with the international rule of law.

Conclusion

The Anti-Counterfeiting Trade Agreement promises to establish a new international legal framework for intellectual property rights enforcement. Yet it appears poised to have a less-expected and perhaps unintended effect: concluding ACTA as a sole executive agreement is in substantial tension with existing principles of presidential power to make international law and could set a precedent for more expansive use of sole executive agreements. The Agreement, after all, reaches far beyond topics understood to be within the sole constitutional authority of the President. This second effect may actually prove the more important of the two for the United States in the long term.

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