

Enforcing Intellectual Property in Trade and Investment Agreements: An Introduction

19th EIPIN Congress organized by the
Center for International Intellectual Property Studies (CEIPI)

**“Enforcing Intellectual Property in Trade and Investment
Agreements: What Safeguards for its Social Function?”**

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A brief presentation of CEIPI

- 1963 - foundation of the Center for the International Intellectual Property Studies (CEIPI) as part of the University of Strasbourg
- The research department currently has 45 members: 18 professors-researchers (3 professors, 4 lecturers, 4 associate professors, 2 professors emeritus, 2 postdoctoral researchers and 3 associate members) and 27 PhD students in IP;
- CEIPI trains every year more than 2 500 specialists and professionals in the intellectual property field in Europe (6 different LL.M.s with different IP focus, several university diplomas).
- Projects and programs: visiting researcher program, CEIPI-BETA project on law and economics of IP, organization of several lecture series, seminars, international conferences...
- CEIPI signed cooperation agreements with the main professional bodies in the field of IP such as WIPO, EPO, INPI, OAPI, IPA Singapore, KIPO but also several leading universities
- Publications: CEIPI collection at LexisNexis counts 10 publications (2011-2018), 3 publications with Edward Elgar Publishing, 4 publications in the CEIPI/ICTSD series, 20 monographies, CEIPI research paper series on SSRN, new book series “CEIPI Studies in Intellectual Property” (Edward Elgar) ...
- CEIPI acts as a counselling body to the main European institutions: European Commission, European Parliament (external adviser), Council of Europe, EUIPO.

See Ch. Geiger, G. Frosio and O. Bulayenko, “The Exception for Text and Data Mining (TDM) in the Proposed Directive on Copyright in the Digital Single Market - Legal Aspects”, In-Depth Analysis for the Directorate-General for Internal Policies of the Union, European Parliament, February 2018.



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EIPIN network

The European Intellectual Property Institutes Network (EIPIN) was initiated in 1999 to facilitate contacts and increase cooperation among intellectual property institutions and students in Europe. EIPIN aims to expose students to top-quality research and outstanding international experts.

<http://www.eipin.org>

EIPIN universities

The European Intellectual Property Institutes Network has five partners:

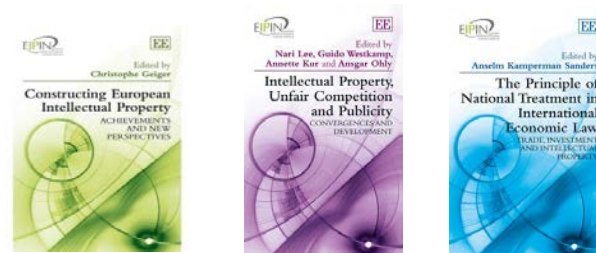
- **Queen Mary Intellectual Property Research Institute**,
University of London
- **Magister Lvcentinvs**,
University of Alicante
- **Intellectual Property Law and Knowledge Management (IPKM)**,
Maastricht University
- **Centre for International Intellectual Property (CEIPI)**,
University of Strasbourg
- **Munich Intellectual Property Law Center (MIPLC)**

Publications

EIPIN Series editors:

Manuel Desantes Real, Josef Drexl, Christophe Geiger, Guido Westkamp, Anselm Kamperman Sanders

3 volumes, 4th in production: Ch. Geiger, C. A. Nard and X. Seuba (eds.), “Intellectual Property and the Judiciary”, 2018



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EIPIN IS programme

EIPIN Innovation Society is funded by the European Commission within the Marie Skłodowska-Curie Actions, International Training Networks (ITN), European Joint Doctorates (EJD).

EIPIN-Innovation Society is a comprehensive project at the forefront of multidisciplinary research, examining the role of intellectual property (IP) as a complex adaptive system in innovation, with the aim of creating a pan-european PHD in IP (15 PHDs student spending time in the different institutions of the EIPIN network).

EIPIN universities and 15 non-academic partners



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Context and relevance

- Trade and investment agreements increasingly include provisions on intellectual property
- Interaction did not caught much attention until recent arbitration cases raised concerns with regards to the protection of intellectual property as investment
- Is the practice legitimate?
- What are the interactions with other bodies of law such as WTO law or Human rights law ?



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Safeguarding the social function

- The rationale for granting and protecting intellectual property rights is being undermined in the framework of investment law.
- Recent cases have demonstrated the tension between the protection of investments and the necessity to protect higher public interest concerns.
- The safeguard of the social function of IP is no longer ensured in the aftermath of investment arbitration cases adjudicating IP disputes.



“The social function is inherent to any legal rule. It allows for the rights of individuals to be weighed against competing rights”

Christophe Geiger, ‘The Social Function of Intellectual Property Rights, or How Ethics can Influence the Shape and Use of IP Law’ in: G. B. Dinwoodie (ed.), *Intellectual Property Law: Methods and Perspectives*, Cheltenham, UK/Northampton, MA, Edward Elgar, 2013, pp. 153-176



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Safeguarding the Social Function when Conceptualizing the Relationship between IP, Trade and Investment Protection

- The integration of IP in IIAs (Bilateral Investment treaties (BITs) and Preferential Trade and Investment Agreements (PTIAs)) is not a new phenomenon.
- From the German Pakistan BIT 1959 to the CETA or TTIP: what are the trends?
- Different ways of referring to IP in investment agreements have been used, whether explicitly or implicitly, by referring generally to “any kind of assets” or “intangible property”, or directly to “intellectual property”.

“In 2016, 37 new International Investments Agreements (IIA) were concluded, bringing the total number of treaties to 3,324”

UNCTAD, World Investment Report 2017 Investor Nationality: Policy Challenges (2017)

+37
in 2016
Total IIAs
3,324

C. Correa and JE. Viñuales, ‘Intellectual Property Rights as Protected Investments: How Open are the Gates?’ (2016) 19 Journal of International Economic Law 91, p. 93



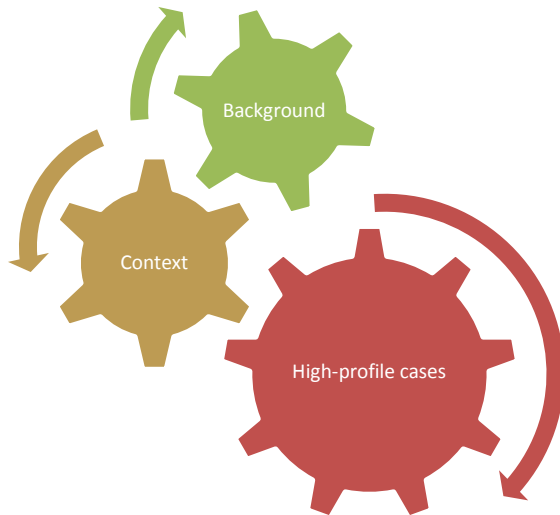
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- When IP is covered in the definition of investment, does it also cover non-economic aspects of IP ?
- Should IP be considered an investment and what are the implications of such qualifications? The rationales of the IP regime must here be taken into account.
- The legitimacy of protecting IP as an investment has been put into question.

H. Grosse Ruse-Khan, 'Challenging Compliance with International Intellectual Property Norms in Investor–state Dispute Settlement' (2016) 19 *Journal of International Economic Law* 241



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LEGISLATOR

COURTS

- When theory is put into practice: the actual adjudication of IP disputes in Investor State Dispute Settlement (ISDS) mechanism.
- Philip Morris: challenging public health regulations in private arbitration (*Philip Morris v Uruguay* ICSID Case No ARB/10/7, Award, July 8, 2016 & *Philip Morris Asia v Australia* PCA Case No 2012-12, Award on Jurisdiction and Admissibility, December 17, 2015)
- Eli Lilly: seeking compensation after domestic court's interpretation of the utility doctrine (*Eli Lilly v Canada* ICSID Case No UNCT/14/2, Final Award, March 16, 2017)
- The TRIPS agreement entails flexibilities to allow regulations in the public interest: does ISDS constitute a threat?

“The suits fundamentally challenge TRIPS flexibilities at the very time the Declaration on Patent Protection and Regulatory Sovereignty under TRIPS, as well as the UN High Level Panel Report seek to encourage countries to utilize them”

Cynthia M. Ho, 'A Collision Course Between TRIPS Flexibilities and Investor-State Proceedings' 6 UC Irvine Law Review 74 (2016)



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- The recent cases have attracted criticism of the IP world with respect to ISDS.
- ISDS is going through a crisis a legitimacy and the adjudication of IP by investor-state tribunals might well amplify the criticisms.
- Whether ISDS is an opportunity or a threat, its relevance for IP is under scrutiny.

“Despite these sound objectives, the existence of ISDS-mechanisms has been criticized on several grounds, among which”:

- *Inconsistency and incoherence between awards*
- *Reduction in states’ power to regulate*
 - *Forum shopping*
 - *Lack of transparency*
 - *Arbitrators’ impartiality*
 - *High costs*

European Parliament, *From Arbitration to the Investment Court System (ICS) - The Evolution of CETA Rules* (2017), p. 9-11



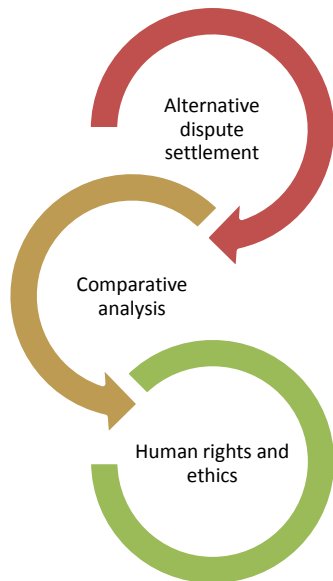
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The Enforcement of IP by the WTO Panel in the Plain Packaging Cases: Comparative Views

- The plain packaging cases brought by Philip Morris also raise important issues in the framework of WTO where five cases are still pending.
- Forum shopping: domestic regulations are not only challenged in arbitral tribunal, but also inter alia in the WTO State-to-State dispute settlement.

Pending WTO cases on plain packaging

DS434 Australia — Certain Measures Concerning Trademarks and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging
13 MARCH 2012

DS435 Australia — Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging
4 APRIL 2012

DS441 Australia — Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging
18 JULY 2012

DS458 Australia — Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging
3 MAY 2013

DS467 Australia — Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging
20 SEPTEMBER 2013

<https://www.wto.org>



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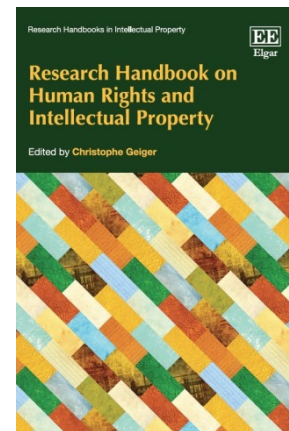
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What Role for Human Rights and Ethics in IP, Investment and Trade Disputes?

- IP is not like any other property right: Increased social function in the case of IP – specific ethical issues are exacerbated by ISDS cases when regulating IP in the public interest, such as right to health in the patent and TM, access to information in the copyright context.
- Human rights and ethics are and should be an integral part of IP discussions, and even more when looking at the intersection between IP and investment which pursue different objectives.
- Pending questions: How to apply HR's in ISDS context? What legal framework is applicable? Internationally (UDHR, ICESCR, others?) Regionally (ECHR, Charter)?

Christophe Geiger (ed.),
Research handbook on human rights and intellectual property,
Edward Elgar Publishing
(2015).



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The Compliance of Investment Protection Mechanisms in Free Trade Agreements with EU Law (including the Competency of the EU and Authority of the CJEU) and Possible Consequences for IP Protection

- Case C-284/16 from 6 March 2018 rules out ISDS in intra-EU BIT for being contrary to Articles 267 and 344 TFEU.
- Adoption of investment chapters in free trade agreements are considerably complicated after the Opinion 2/15 of 16 May 2017 with regard to competence with regard to investment and ISDS chapters.

“The arbitration clause in the Agreement between the Netherlands and Slovakia on the protection of investments is not compatible with EU law”.

Case C-284/16 Slowakische Republik (Slovak Republic) v Achmea BV [2018]

“The free trade agreement with Singapore cannot, in its current form, be concluded by the EU alone”

“The provisions of the agreement relating to non-direct foreign investment and those relating to dispute settlement between investors and States do not fall within the exclusive competence of the EU, so that the agreement cannot, as it stands, be concluded without the participation of the Member States”

Opinion 2/15 of the Court (Full Court) (Court of Justice of the European Union), 16 May 2017



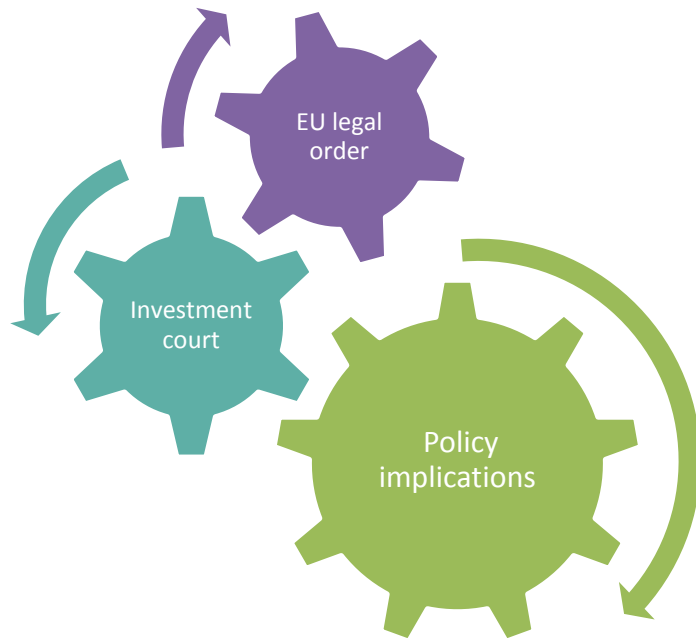
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Towards an Investment Court System (ICS) for the EU: Current Proposals and Possible Implications for IP Enforcement

- In this unstable landscape for investment and IP, the possibility of establishing a ICS or a multilateral investment court could be a way forward by tackling all major criticisms mentioned before.
- Will the ICS (and eventually the Multilateral Investment Court) be relevant for IP adjudication?
- The ICS will raise specific questions in particular with regards to the interaction with other IP courts (competency, hierarchy between courts), in particular in the EU context with the CJEU.



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Final Roundtable – Controversies and Policy Issues
Arising from IP and ISDS in the EU: A Closer Look at
the CETA and the TTIP

- Content of the IP chapter uncertain due to the secrecy of the negotiations
- ISDS is particular under the spotlight in the EU (not only IP, but environment, social and other norms)
- Civil society and academics have raised their voice against ISDS in the framework of the negotiations of the CETA and the TTIP: Can the EU still regulate IP without risking to be challenged by an investor?
- New propositions, safeguards or improvements are put forward – sufficient or irrelevant for IP ? Why include IP as investment then?

CETA – Article 8.12 “Expropriation”

For greater certainty, the revocation, limitation or creation of intellectual property rights, to the extent that these measures are consistent with the TRIPS Agreement and Chapter Twenty (Intellectual Property), do not constitute expropriation. Moreover, a determination that these measures are inconsistent with the TRIPS Agreement or Chapter Twenty (Intellectual Property) does not establish an expropriation.

See Michael Geist blog at:

<http://www.michaelgeist.ca/tech-law-topics/ceta/>

Christophe Geiger, “The TTIP and its investment protection: Will the EU still be able to regulate intellectual property?”, *International Review of Intellectual Property and Competition Law (IIC)* 2018 (forthcoming)



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Questions and discussion

Dinner and cultural programme

Doctoral seminar and team work



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THANK YOU FOR YOUR ATTENTION !

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