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Enforcing IP in Trade and Investment Agreement: What
Safeguards for its Social Function
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Enforcement of IP by WTO Panels: Comparative Views

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Subjects to be addressed

- TRIPS as an integral part of WTO dispute settlement system
- Characteristics of the system
- Experience on TRIPS dispute settlement

TRIPS as an integral part of the WTO dispute settlement (1)

- ❑ Disputes between governments about compliance with TRIPS subject to the integrated dispute settlement system of the WTO
 - ❑ TRIPS Article 64.1 makes GATT Articles XXII and XXIII applicable to TRIPS
- ❑ For the first time, effective resolution of IP disputes between governments at the multilateral level
- ❑ Impartial and effective resolution of disputes
 - ❑ Panel review (3 panelists *ad hoc*)
 - ❑ Possibility of a review by the Appellate Body (7 Members, permanent body)
 - ❑ Adoption of the report by the Dispute Settlement Body
 - ❑ Monitoring of implementation, including the possibility of an authorization of suspension of concessions or other obligations

TRIPS as an integral part of the WTO dispute settlement (2)

- System designed to ensure the rule of law in international trade relations, including in the area of IP
- Under the DSU, governments are committed
 - To have recourse to, and abide by, the multilateral WTO dispute settlement procedures
 - Not to make a determination that a violation has occurred except in accordance with these procedures
 - Not to retaliate except in accordance with authorization from the DSB

Moratorium on TRIPS non-violation and situation complaints (1)

- ❑ Basis for a TRIPS complaint
 - ❑ The failure of another Member to carry out its obligations under the Agreement (Art XXIII:1(a))
- ❑ TRIPS Article 64.2 and 64.3 provide a moratorium on non-violation and situation complaints
 - ❑ the application by another contracting party of any measure, whether or not it conflicts with the provisions of this Agreement (non-violation, para. 1(b))
 - ❑ the existence of any other situation (situation, para. 1(c))
- ❑ Subsequently extended eight times, currently set to expire at the next Ministerial Conference to be held in 2019

Moratorium on TRIPS non-violation and situation complaints (2)

- ❑ In the meantime, the TRIPS Council instructed to examine the scope and modalities for such complaints, and submit recommendations to the next MC
 - ❑ Approved recommendations shall be effective for all Members without further formal acceptance process
- ❑ Some in favor of expiration of the moratorium
 - ❑ Article 26 DSU provides sufficient guidance
- ❑ Suggestions to determine non-violation inapplicable to TRIPS
 - ❑ Systemic concerns about legal certainty and balance
- ❑ Application of non-violation subject to any agreed scope and modalities?

Some characteristics (1)

- Only a WTO Member can initiate a dispute
 - No investor-state dispute resolution
 - Potentially moderating effect in challenging regulatory measures?
- No provisional measures
- Prospective remedies
 - The DSB instructs the respondent to bring its measures into compliance within a set time-limit
 - In case of non-compliance, the DSB may authorize the complainant to suspend concessions or other obligations at an amount normally set by an arbitrator
 - No damage awards for past wrong
- Procedures financed from the WTO budget
- No awarding of the legal fees

Some characteristics (2)

- Coverage: “covered agreements” (DSU Art 1.1)
- While no doctrine of binding precedent in the WTO context, it is often said that there is a system of “de facto precedent”, especially as regards AB reports
 - Relevance to other international tribunals and domestic courts interpreting provisions of WTO agreements?
- Application of customary rules of interpretation of public international law (DSU Art 3.2) (see VCLT Art 31-33)
 - A treaty shall be interpreted in *good faith* in accordance with the *ordinary meaning* to be given to the terms of the treaty in their *context* and in the light of its *object and purpose*
- Interpretative guidance on TRIPS, including
 - Preamble, Article 7 on “Objectives”, Article 8 on “Principles”
 - Doha Declaration on the TRIPS Agreement and Public Health

Experience on TRIPS dispute settlement

- ❑ First time IP subject to practical multilateral dispute settlement, including long-standing provisions of pre-existing law
- ❑ While the number of adopted reports is relatively low, they establish jurisprudence that is coherent
 - ❑ across the different areas of IP covered by TRIPS
 - ❑ with the interpretation of other WTO agreements
 - ❑ the broader body of international IP law
- ❑ Most early cases between developed countries
- ❑ Developing countries and transition economies as complainants in 10 of the 11 cases initiated since 2010

TRIPS statistics

(as of 13 April 2018)

- 38 complaints, relating to 26 separate matters
 - 14 settlements
 - 10 panel and 3 AB reports adopted
 - 5 panels established
 - 5 consultations pending
 - 3 inactive
 - 1 lapsed
- This represents 7 % of the 544 complaints lodged so far
- Other cases relevant to IP
- 3 authorizations of TRIPS cross-retaliation

Certain settled cases

- First two complaints on *JAPAN – Measures Concerning Sound Recordings*
- Both cases settled
- Application of Berne Article 18 to pre-existing sound recordings
 - To what extent protection of pre-existing sound recordings should be revived
- The application of Berne Article 18 contested at the time of the disputes
- Although only settlements, other Members subsequently followed the approach

Certain adopted cases

Canada –Pharmaceutical Patents

- “Regulatory review exception” passed each of the conditions of the 3-step test under Art 30
- The TRIPS Council discussed in February 2018 its implementation by other Members
- Introduced in EU law in 2004

Other leading cases examining the scope of allowable exceptions and therefore the balance found in TRIPS

- US –Copyright Act*: 3-step test under Art 13
- EC –Trademarks and Geographical Indications*: scope for “co-existence” of GIs with prior TM under Art 17

Coherence with the broader body of international IP law

- ❑ Interpretation of provisions of WIPO Conventions incorporated into TRIPS
- ❑ Through their incorporation, the substantive rules of WIPO Conventions have become part of TRIPS and as its provisions apply to WTO Members
- ❑ Effort to interpret TRIPS and WIPO provisions in ways that reconcile them and avoid conflicts between them
- ❑ Panels have sought factual information from WIPO about drafting history and subsequent practice

Australia – Tobacco Plain Packaging

- ❑ Ukraine (March 2012), Honduras (April 2012), the Dominican Republic (July 2012), Cuba (May 2013) and Indonesia (September 2013) requested consultations with Australia under the dispute settlement system (WT/DS434, 435, 441, 458 and 467)
- ❑ The DSB established panels to examine the complaints by Ukraine (September 2012, suspended in May 2015, authority for establishment lapsed in May 2016), Honduras (September 2013), Indonesia (March 2014), and Cuba and the Dominican Republic (April 2014)
- ❑ The Director-General composed five panels in May 2014
- ❑ Tobacco control measures raised several times at TRIPS Council meetings since June 2011
 - ❑ In addition to Australia's measures, the Council has also discussed measures or initiatives by New Zealand, the EU, Ireland and the UK
 - ❑ Also discussed at the TBT Committee

Other pending cases

- EU and a member State – Seizure of Generic Drugs in Transit* (complaints by India and Brazil)
 - Consultations pending
- UAE/Bahrain/Saudi Arabia – Measures Relating to Trade in Goods and Services, and Trade-Related Aspects of IP Rights* (complaints by Qatar)
 - UAE - panel established
 - Bahrain and Saudi Arabia – consultations pending
- China – Certain Measures Concerning the Protection of IP Rights* (a complaint by the US)