

# Intellectual Property & Investment disputes

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## Outline

- ✚ Introduction: investment protection and arbitration;
- ✚ IP under investment disputes (when, and on what basis)
- ✚ Limits of investment arbitration on IP disputes.

# Introduction: Investment protection

- ✚ Bilateral investment treaties (BITs), Energy Charter treaty, free trade agreements:
  - liberalization (e.g. US BITs);
  - Non-discrimination +/- performance requirement;
  - Fair and equitable treatment/int'l minimum standard
  - Repatriation of capital and profit;
  - Direct /indirect expropriation & compensation
- ✚ Investor-to-state dispute settlement;
  - ICSID, UNCITRAL, *Ad hoc* arbitration.

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## IP under investment disputes: When?

- ✚ Valuation of investment assets for Compensation in case of expropriation
  - Chorzow Factory: *Germany v Poland* 1928 PCIJ
  - Amoco Int'l Finance Corporation v Iran (1987)
  - *Generation Ukraine, Inc. V. Ukraine (ICSID, 2005)*- copyright license is an investment.



## As a cause of action: plain packaging requirement and trademark

- Philip Morris -against Canada (2002); Australia (2013-2015)
- Against Uruguay (Uruguay-Switzerland BIT)
  - ...right not to allow economic activities for reasons of ..., public health ....
    - Only at investment admission stage
  - Should "Investment" must contribute to the economic development of the host country?  
Not necessarily!

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✚ Claim: the measures-

- destroyed the good will - trademarks,
- forced to discontinue some product varieties
- limits *the right to use* protected trademarks;

✚ Breach of obligation:

1. not to impair by unreasonable or discriminatory measures, the ..., maintenance, use, enjoyment, ..., sale ... of investment
2. fair and equitable treatment
3. Direct/indirect expropriation

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## WTO claims

- encumbering the use of trademarks through special requirements; diminishing GIs protection;
- Failing to protect: "well known" marks, a foreign trademark "as is", and against unfair competition
- preventing owners from enjoying the rights conferred by a trademark,
- Inconsistency with the standards for exceptions to the rights conferred.

## As a cause of action:

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*Eli Lilly v. Canada (ICSID Case No. UNCT/14/2)*

- *Revocation of patents* for failing to meet the utility requirement (2010/11): the Supreme Court
  - investment ? Jurisdiction?
  - Was there an asset capable of expropriation?
  - Public international law doesn't create property rights



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✚ Expropriation & fair and equitable treatment

➤ Judge-made law (claimed as new, additional & discriminatory requirement, beyond PCT)

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➤ Was there a reasonable expectation by the investor under NAFTA, TRIPS and PCT

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➤ The “promise of the patent” - a long-standing utility requirement 'or' a fundamental doctrinal transformation, unpredictable, unreasonably difficult to satisfy.

# Limits of investment arbitration on IP rights

- ✚ Objective: protection of investment;
- ✚ Overcoming the limits of domestic institutions

- ✚ Perspective: Standards of treatment

- ✚ Yukos vs Russia, Investment Arbitration vs ECHRts

1. Taxation excluded. Yes but part of the facts of the case
2. substantially similar claims, evidence and arguments but different outcomes - standards of review.

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## Limits (2)

- ✚ Nature of IP rights: Right of use as investment asset?
  - ✚ Protection, regulations vs legitimate expectation;
- ✚ Variation in the interpretation of fair and equitable treatment

## Remarks

- ✚ Defining Investment rated aspects of IP Rights?

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