



Intellectual Property and the Judiciary

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Intellectual Property in WTO Dispute Settlement

*Roger Kampf**

WTO Secretariat

* The views expressed are personal and cannot be attributed to the WTO, its Secretariat, or any of its Member governments.



I. The WTO DS Mechanism: An Overview

Objectives



- **To deal with disputes between *governments* about compliance with WTO agreements and commitments, including TRIPS**
 - WTO is not a “policeman”
- **System designed to ensure the rule of law in international trade relations**
- **Impartial and effective resolution of disputes**
 - Preferably “out of court”
- **Governments are committed**
 - To have recourse to, and abide by, WTO DS procedures
 - To determine violation only in accordance with these procedures
 - To retaliate only when authorized by DSB

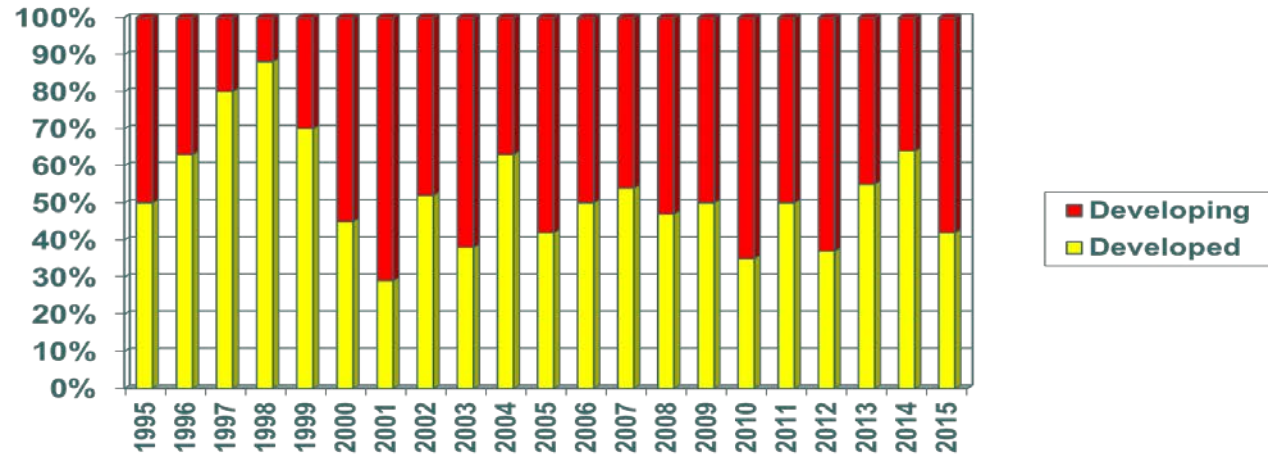


Overall Statistics (November 2015)

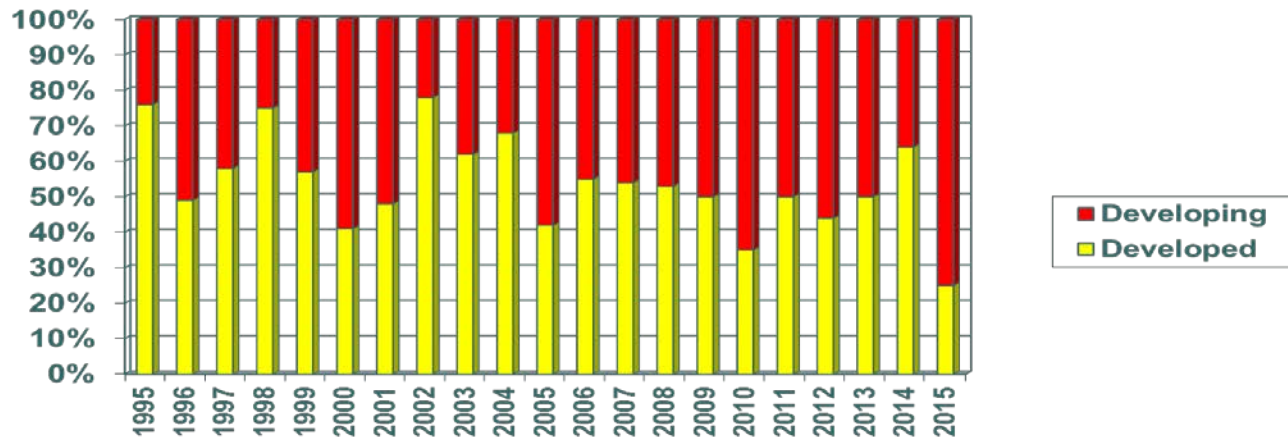
- **Requests for consultations:** 500
- **Mutually agreed solutions:** 110
- **Panels established:** 237/289
- **Panels composed:** 202/249
- **Panel reports adopted:** 165
- **Appellate Body reports adopted:** 105
- **Compliance panels:** 30
- **Appeals of compliance panels:** 22
- **Arbitrations on "retaliation" :** 19
- **Authorizations to "retaliate" :** 18

Trends in Use of DS Mechanism

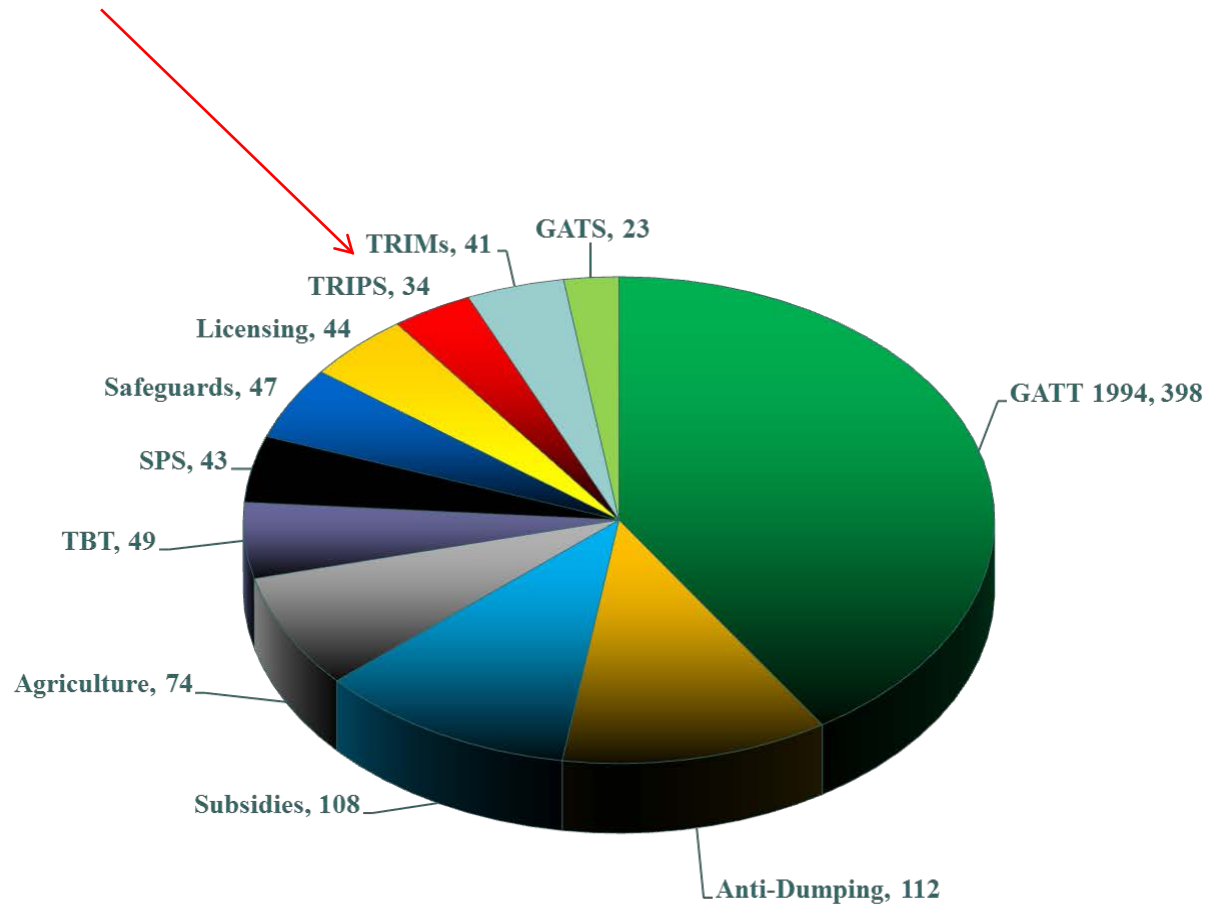
As complainants



As respondents



Complaints According to Agreement at Issue





TRIPS Statistics (November 2015)

- **34 complaints in 24 separate matters:**
 - 14 settlements
 - 10 panel and 3 AB reports adopted
 - 5 panels established
 - 2 consultations pending
 - 3 inactive
- **Represents about 7 % of 500 complaints**
- **Most cases between developed countries**
- **Developing countries as respondents in 9 cases:**
 - 5 settlements
 - 4 panel / 1 AB report (adopted in 1998)
- **Developing countries and transition economies as complainants in 7 cases initiated since 2010**
- **Good overall compliance record**



II. TRIPS and IP in WTO Jurisprudence: Selected Cases and Their Broader Context

Canada – Patent Protection of Pharmaceutical Products” (DS114)

**IPR Jurisprudence &
Ongoing Policy Debate**



US – Sect. 211 Appropriations Act (DS176)

IPRs & Confiscation



China - Protection and Enforcement of IPRs (WT/DS362)

Copyright & Public Interest

US – Large Civil Aircraft (DS353)



IPRs & Public Policies to Fund R&D



Australia - Plain Packaging Bill (DS434/435/441/458/467)

**IPRs &
Public Health**

EU and Member State – Seizure of Generic Drugs in Transit (DS408/409)

IPRs, Customs & Regulatory Measures

III.

IP in WTO Case Law: Arbitration & Cross-Retaliation

Good Offices, Conciliation & Mediation

- **Art.5 DSU:**
 - May be requested at any time by any party to a dispute
 - Voluntary procedures if parties so agree
- **Concrete example - Paragraph 6 System:**
 - Chair Statement read out prior to adoption of Protocol Amending TRIPS summarizes key shared understandings, including:

“If any Member has concerns that the terms of the amendment have not been fully complied with, the Member may also utilize the good offices of the Director-General or Chair of the TRIPS Council, with a view to finding a mutually acceptable solution.”

Arbitration in Selected IP Cases

Art.21.3(c)

Reasonable period to comply with panel/AB recommendations and rulings:

- **Canada – Term of Patent Protection (DS170)**
- **US – Section 110(5) Copyright Act (DS160)**
- **Canada – Pharmaceutical Products (DS114)**

Art.25

Arbitration as alternative means to settle disputes:

- **US – Section 110(5) Copyright Act (DS160): only use so far to determine level of nullification/impairment of benefits caused by violation established in panel report**

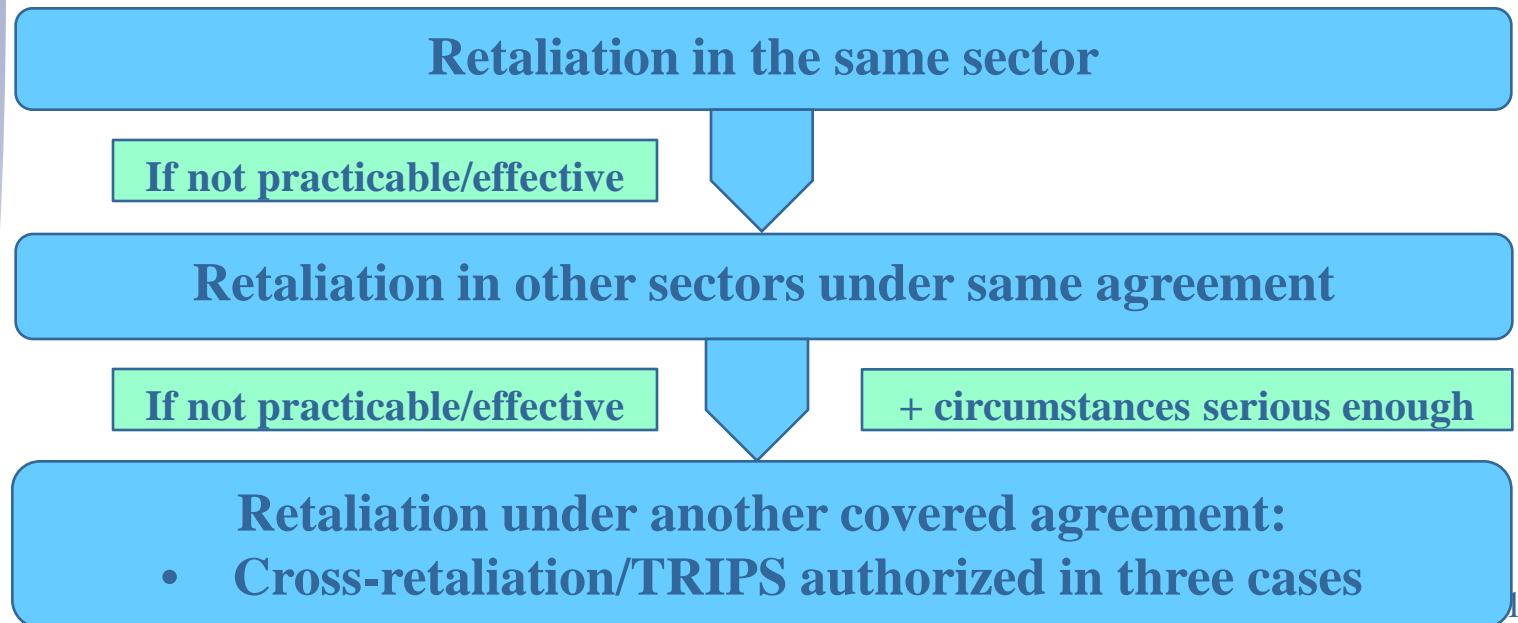
Art.22.6

Level of suspension proposed:

- **US – Section 110(5) Copyright Act (DS160):**
 - **US objected to level of suspension of concessions proposed by EU and requested to refer to arbitration**
 - **Arbitration proceeding suspended in 2002**
 - **January 2016: 149 status reports submitted by the US**

Suspension of Obligations

- Preference: full implementation of Panel findings
- Suspension of concessions or other obligations ("retaliation") can be authorized if a Member fails to implement recommendations within the period fixed or to offer acceptable compensation
- Applicable principles – Article 22.3 DSU:





Cross-Retaliation in TRIPS

- **EC – Bananas III (DS27):**
 - May 2000: DSB authorizes Ecuador to suspend concessions, to the extent insufficient under GATT and GATS, under TRIPS in respect of *related rights*, geographical indications and industrial designs
 - November 2012: Ecuador and 10 other Latin American countries notify mutually agreed solution
- **US – Gambling (DS285):**
 - January 2013: DSB authorizes suspension of concessions in respect of *copyright and related rights*, trademarks, industrial designs, patents, protection of undisclosed information (consistent with Arbitrator decision of December 2007)
- **US – Upland Cotton (DS267):**
 - November 2009: DSB authorizes Brazil to suspend concessions under TRIPS and GATS subject to certain conditions / thresholds
 - October 2014: mutually agreed solution notified

IV. IP Expertise, Continuity and Information Resources: Experiences from Practice



AB Members, Panelists, WTO Staff

- **Panelists – Art.8.1 and 8.2 DSU:**
 - Chosen ad hoc, subject to a range of criteria
- **Appellate Body Members – Art.17.3 DSU:**
 - Persons of recognized authority, expertise in law, international trade and subject matter of covered agreements generally
- **WTO Secretariat – Art.27.1 DSU:**
 - To assist panels on legal, historical, procedural aspects and to provide secretarial and technical support
 - Legal Affairs Division / Appellate Body Secretariat
 - Substantive Divisions
- **Objectives:**
 - Involve trade law and IP expertise
 - Consider IP within broader policy context

Expertise of Panelists in Selected Cases

Case	Chairperson	Member 1	Member 2
Australia – Plain Packaging (DS434, 435, 441, 458, 467)	Former Minister of Public Enterprises, Trade and Industry (<i>South Africa</i>)	Former Minister of Trade, Health, Education (<i>Barbados</i>)	Professor for IP (<i>Switzerland</i>)
China – Protection and Enforcement of IPRs (DS362)	Uruguay Round TRIPS negotiator (<i>New Zealand</i>)	Former WIPO official, IP lawyer and Professor for IP (<i>Chile</i>)	Uruguay Round TRIPS negotiator, Chair of ASEAN WG on IP (<i>Singapore</i>)
US – Section 211 (DS176)	Former Ambassador to WTO, TRIPS Council Chair (<i>New Zealand</i>)	Professor for IP (<i>Switzerland</i>)	Professor for EU Law and International Trade Law (<i>Canada</i>)
EU – Geographical Indications (DS174, 290)	Former WTO Deputy DG, trade lawyer (<i>Venezuela</i>)	Professor for International Trade Law, WTO AB Member (<i>Korea</i>)	Former Director of IP (<i>Hong Kong, China</i>)
Canada – Pharmaceutical Products (DS114)	Professor for International Trade Law (<i>United States</i>)	Expert in international IP, former WIPO Assistant DG (<i>Hungary</i>)	Senior Health Official (<i>Mexico</i>)
US – Section 110(5) Copyright Act (DS160)	Former Ambassador to WTO, TRIPS Council Chair (<i>Chile</i>)	Former trade and IP negotiator, became WTO AB Member later (<i>India</i>)	Former Chair of Copyright Tribunal (<i>Australia</i>)

Sources of Information



- **Third party submissions**
- **Art.13 DSU - factual information from any individual/body/source and expert opinions:**
 - **WIPO – negotiating history / factual information relevant to interpretation:**
 - **US – Section Section 110(5) Copyright Act**
 - **US – Section 211 Appropriations Act**
 - **EC – Trademarks and Geographical Indications**
 - **China – Protection and Enforcement of IPRs**
 - **Australia – Plain Packaging Bill**
 - **WHO – only in one case so far:**
 - **Australia – Plain Packaging Bill**
- **Request for factual information by arbitrators**
- **Amicus curiae briefs**



V. WTO Capacity Building: Outlook



«TRIPS Jurisprudence» Project

- **Objective:**
 - Understanding the wider legal context of TRIPS
 - Providing a source of information for judges regarding the role of TRIPS in interpreting national law
- **Proposed Tool:**
 - database with WTO Members' jurisprudence
 - Judicial decisions and similar legal findings that reference, rely on or cite specific TRIPS provisions when interpreting domestic law
- **How to get there:**
 - Phase 1: in-house pilot phase
 - Phase 2: cooperation with external partners
 - Phase 3: continuity and analysis



« Training of Judges » Project

- **Suggested as integral part of WTO Technical Assistance Plan 2016-2017**
- **Objectives:**
 - Preserve a certain degree of coherence regarding interpretation of TRIPS provisions
 - Provide an overview of trends in IP litigation
 - Exchange experiences
 - Network to support «TRIPS jurisprudence» project
- **Need to complement existing activities:**
 - **WIPO:**
 - Judges and prosecutors
 - CDIP/16/7 of 8 September 2015
 - **UNCTAD: TRIPS flexibilities relating to public health**

VI. Conclusions



TRIPS Does Not Exist in a Vacuum

- **Marrakesh Agreement – Preamble**
- **Agreement on Trade-Related Aspects of IPRs:**
 - Link to trade clearly established
 - Different from WIPO Conventions and Treaties
- **Art.7 TRIPS: IPR protection and enforcement**
 - To promote technological innovation and transfer and dissemination of technology (...) in a manner conducive to social and economic welfare (...)
- **Art.8 TRIPS: TRIPS-consistent measures**
 - Necessary to protect public health and nutrition and to promote public interest
- **Doha Declaration on TRIPS and Public Health:**
 - TRIPS as part of wider national and international action



Issues & Challenges

- **Complex and lengthy procedures:**
 - Cases are politically sensitive
 - Complex
 - Attract widespread interest
 - Take usually more time to issue a report
- **How to Design Optimal IP Judiciary remains an open question**
 - Optional approach for Members in Art.41.5
- **The unresolved question: should non-violation and situation complaints apply to TRIPS?**