

Fordham – 23nd Annual Intellectual Property Law & Policy Conference

Plenary Session 4C-B: Multilateral Developments

20 years of TRIPS Disputes

8 April 2015

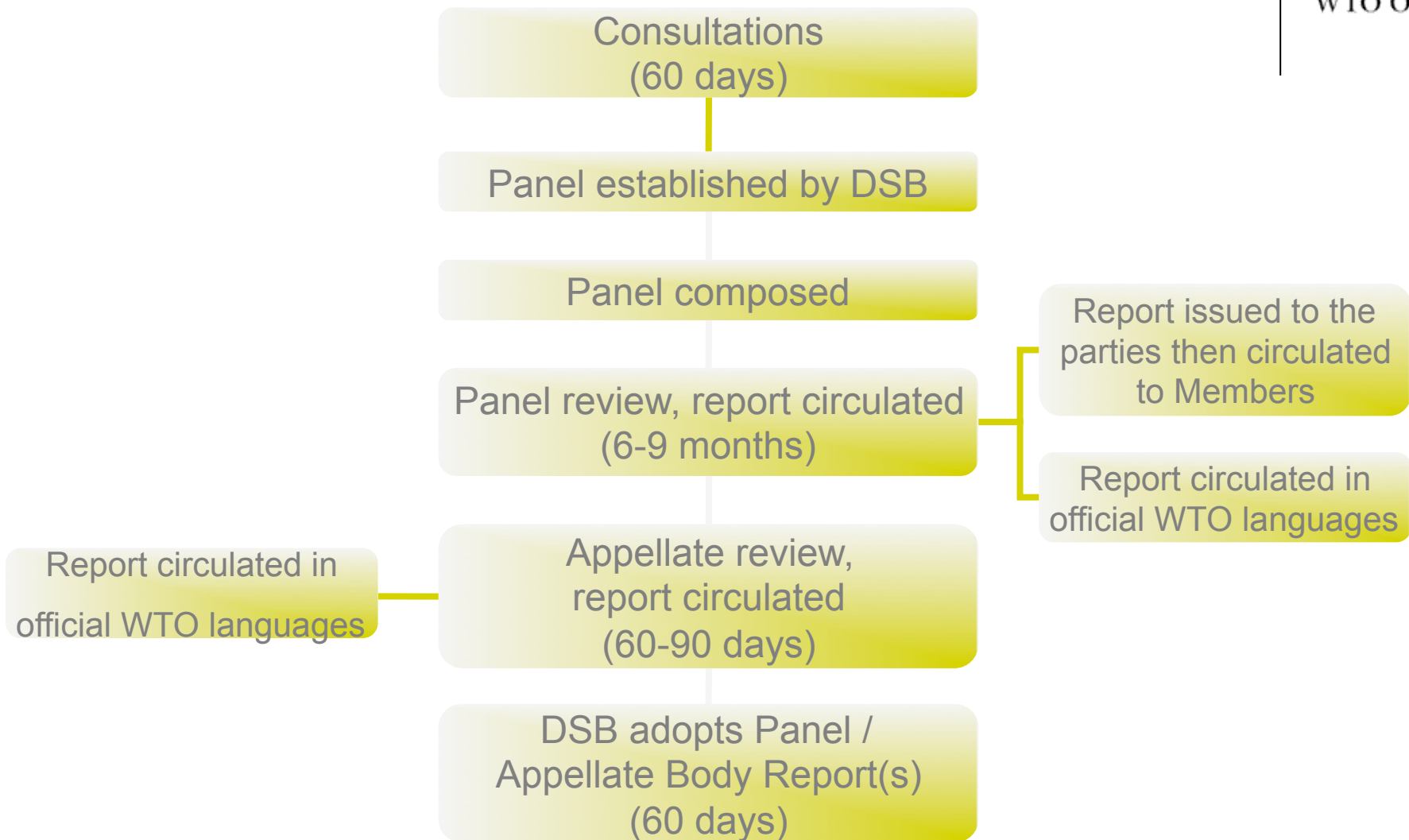
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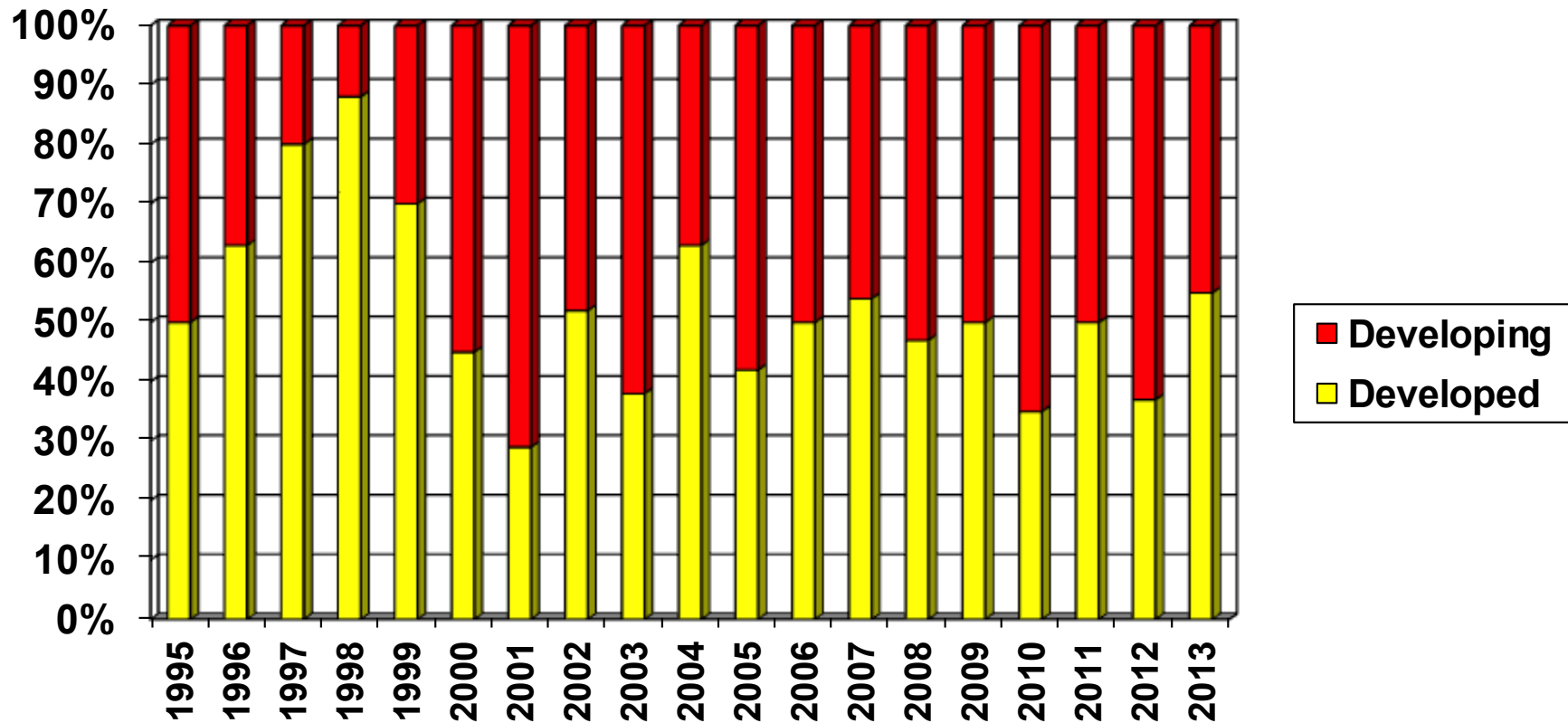
Main Stages of Dispute Settlement



Recourse to Dispute Settlement: overall trends



As complainants



Most frequent complainants/respondents



Member	No of cases initiated	Member	No of cases defended
US	106	US	121
EC/EU	90	EC/EU	92
Canada	33	China	31
Brazil	26	India	22
Mexico	23	Argentina	22
India	21	Canada	17
Argentina	20	Japan	15
Korea	16	Brazil	15
Japan	16	Mexico	14
Thailand	13	Korea	14

TRIPS statistics (1)

(as of 24 June 2014)



- ❑ 34 complaints, relating to 24 separate matters
 - ❑ 14 settlements
 - ❑ 10 panel and 3 AB reports adopted
 - ❑ 5 panels established
 - ❑ 2 consultations pending
 - ❑ 3 inactive
- ❑ This represents 7% of the total of 474 complaints lodged so far in the WTO Dispute Settlement System

Subject-matter of the cases (1)



- **Early cases on transitional matters**
 - *JAPAN – Measures Concerning Sound Recordings* (two cases settled): application of Berne Article 18 to pre-existing sound recordings
 - *PAKISTAN – Patent Protection for Pharmaceutical and Agricultural Chemical Products* (settled) and *INDIA – Patents I and II*: “mail-box”
 - *PORTUGAL – Patent Protection under the Industrial Property Act* (settled) and *CANADA – Patent Term*: application of Article 70 to pre-existing patents

Subject-matter of the cases (2)



- ❑ **Scope of exceptions** and the balance found in TRIPS
 - ❑ *CANADA –Pharmaceutical Patents*: three-step test under Article 30
 - ❑ *US – Section 110(5) Copyright Act*: three-step test under Article 13
 - ❑ *EC –Trademarks and Geographical Indications*: scope for limited “co-existence” of GIs with prior TM under Article 17

Subject-matter of the cases (3)



□ **Non-discrimination**

□ *US – Section 211 Appropriations Act*

- A Member free to choose not to recognize IPRs in its own territory relating to a confiscation of rights in another territory
- However, the AB found violation of national and MFN treatment obligations

□ *EC – Trademarks and Geographical Indications*

- Required certain systems from other governments; hence foreign nationals didn't have guaranteed access to the EC system
- Protection contingent upon another country adopting equivalent system and offering reciprocal protection

Subject-matter of the cases (4)



- **Interpretation of provisions of WIPO Conventions incorporated into TRIPS, including**
 - *US – Section 110(5) Copyright Act: Berne Article 11bis*
 - *US – Section 211 Appropriations Act: Paris Article 6quinquies*
- Effort to interpret TRIPS and WIPO provisions in ways which reconcile them and avoid conflicts between them
- Panels have sought factual information from WIPO about drafting history and subsequent practice

Subject-matter of the cases (5)



□ Enforcement

- *DENMARK and SWEDEN – Measures Affecting the Enforcement of IPRs* (two cases settled): availability of *ex-parte* search orders in civil procedures pursuant to Article 50.2
- *EUROPEAN COMMUNITIES and GREECE – Enforcement of IPRs in Motion Pictures and Television Programmes* (on the same matter, settled)
- *US – Section 211 Appropriations Act*: availability of fair and equitable procedures pursuant to Article 42
- **CHINA – IPRs: customs measures and criminal thresholds**
- No jurisprudence on Article 41 “performance requirements”

Subject-matter of the cases (6)



wider regulatory concerns:

- *DS408/409 EU – Generic Drugs in Transit (India/Brazil)*
 - EU review of EC Regulation 1383/2003; CJEU *Nokia/Philips* jurisprudence; consultations formally pending
- *DS353 US – Measures affecting Trade in Large Civil Aircraft*
 - Allocation of patent rights resulting from government-funded research under the Bayh-Dole Act a prohibited/actionable subsidy under the SCM Agreement? – Panel / Appellate Body found against
- *Australia – Tobacco Plain Packaging (5 complainants)*
 - Ukraine (DS434), Honduras (DS435), Indonesia (DS467), Dominican Republic (DS441), Cuba (DS458) – panels established, decision expected in 2016.

Cross-Retaliation under TRIPS

Cross-Retaliation Case



- US – Upland Cotton (DS267)
- US Regime of agricultural domestic support and export subsidies found in violation of AG and ASCM
 - Level of nullification and impairment varies with level of US payments (USD 147.4m for FY 2006 plus USD 147.3 m/year)
- On 31 August 2009, the DSB authorized **Brazil** to suspend concessions, to the extent insufficient under GATT, under TRIPS (and GATS) in the areas of
 - Copyright and related rights
 - Trademarks
 - Industrial designs
 - Patents
 - Protection of undisclosed information.

Brazil – TRIPS cross-retaliation



- On 10 February 2010, President Lula enacted "Medida Provisória" No. 482 with immediate effect (later confirmed by Law 12,270 of June 24, 2010), which sets out the *categories of obligations* that can be suspended and *specific measures* that can be applied.
- Provided domestic legal basis for
 - reducing the term of protection of IPRs by delaying the start of protection;
 - reducing the IPR's term of protection at any time;
 - Issuing compulsory licences for public non-commercial use (with or without remuneration);
 - increasing fees, or creation of new fees, with respect to the "registration" and "maintenance" of IPRs;
 - freezing of the remittance of royalties or remuneration for use of IPRs;
 - imposing levies on the remuneration obtained by the IPR owner
 - imposing mandatory registration as a condition to obtain IPR ownership.
- within the limits authorized by the WTO Dispute Settlement Body.
- A temporary arrangement in early 2010 provided for annual US payments of USD147.3million to Brazil Cotton Institute
- **US-Brazil Agreement reached on 1 Oct 2014:**
 - US one-time payment of USD300million / Brazil forgoes authorized sanctions

Conclusion



- All WTO Members see TRIPS disputes as a legitimate of the multilateral trade infrastructure
- Increasingly mature body of jurisprudence that seeks to ensure coherence with other international treaties
- Experience with interpreting non-WTO treaties

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