



International Economic Law

Sessions 12-14

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Selected Aspects of TRIPS

Structure of the TRIPS Agreement

- ▶ Part I: general provisions and basic principles that apply to all the IP rights covered by the Agreement
- ▶ Part II: sub-divided into eight sections, covering different areas of IP protection.
- ▶ Part III: Member states' obligations with regard to enforcement of IP rights
- ▶ The remainder: issues relating to the acquisition and maintenance of IP rights, institutional and procedural provisions

Selected Aspects of TRIPS

The origins of the TRIPS Agreement

- ▶ IP rights confer negative rights
- ▶ Origins of the TRIPS Agreement: limitations of pre-TRIPS regime
- ✓ Lack of effective enforcement standards and systems for the settlement of disputes
- ✓ Limited membership

Selected Aspects of TRIPS

Objectives and Principles of the TRIPS Agreement

► Preamble:

“Desiring to reduce distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade”

Selected Aspects of TRIPS

Objectives and Principles of the TRIPS Agreement

- ▶ Need for the balance between (a) the 'inducement to innovation' by rewarding creators of IP and (b) protecting the public interest in disseminating IP

Amendment of the TRIPS Agreement

- ▶ Amendment of TRIPS took effect in 2017 - the first time since the organization opened its doors in 1995 that WTO accords have been amended (concerning imports medicines from third country producers under "compulsory licensing" arrangements)

Selected Aspects of TRIPS

Objectives and Principles of the TRIPS Agreement

Article 7 Objectives

The protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

Article 8 Principles

1. Members may, in formulating or amending their laws and regulations, adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement.

2. Appropriate measures, provided that they are consistent with the provisions of this Agreement, may be needed to prevent the abuse of intellectual property rights by right holders or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology

Selected Aspects of TRIPS

Substantive Scope of Application

Article 1.3

Members shall accord the treatment provided for in this Agreement to the nationals of other Members. In respect of the relevant intellectual property right, the nationals of other Members shall be understood as those natural or legal persons that would meet the criteria for eligibility for protection provided for in the Paris Convention (1967), the Berne Convention (1971), the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits, were all Members of the WTO members of those conventions.

Article 1.2

For the purposes of this Agreement, the term “intellectual property” refers to all categories of intellectual property that are the subject of Sections 1 through 7 of Part II.

Selected Aspects of TRIPS

Substantive Scope of Application

▶ Sections 1 to 7 of Part II of the TRIPS Agreement cover:

1. Copyright and Related Rights
2. Trademarks
3. Geographical Indications
4. Industrial Designs
5. Patents
6. Layout-Designs (Topographies) of Integrated Circuits
7. Protection of Undisclosed Information

▶ The title of these categories are not exhaustive

Selected Aspects of TRIPS

Temporal scope of application

Article 70.1

This Agreement does not give rise to obligations in respect of acts which occurred before the date of application of the Agreement for the Member in question

Article 70.2

Except as otherwise provided for in this Agreement, this Agreement gives rise to obligations in respect of all subject matter existing at the date of application of this Agreement for the Member in question, and which is protected in that Member on the said date, or which meets or comes subsequently to meet the criteria for protection under the terms of this Agreement.

Selected Aspects of TRIPS

General provisions and basic principles

Article 1.1

Members shall be free to determine the appropriate method of implementing the provisions of this Agreement within their own legal system and practice.

 TRIPS Agreement as setting a minimum level of IP protection

Article 2

2. Nothing in Parts I to IV of this Agreement shall derogate from existing obligations that Members may have to each other under the Paris Convention, the Berne Convention, the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits

Selected Aspects of TRIPS

National Treatment

Article 3

1. Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection (3) of intellectual property, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits. In respect of performers, producers of phonograms and broadcasting organizations, this obligation only applies in respect of the rights provided under this Agreement. Any Member availing itself of the possibilities provided in Article 6 of the Berne Convention (1971) or paragraph 1(b) of Article 16 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for TRIPS.

Selected Aspects of TRIPS

National Treatment

- ▶ It applies to 'nationals' rather than 'like products' or 'like services or like service suppliers'.
- ▶ Why? IP rights are intangible and attach to an IP right holder

Selected Aspects of TRIPS

Most-Favoured-Nation (MFN) Treatment

Article 4

With regard to the protection of intellectual property, any advantage, favour, privilege or immunity granted by a Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other Members. Exempted from this obligation are any advantage, favour, privilege or immunity accorded by a Member: ...

Case study: Australia – Plain Packaging of Tobacco Products

1 Facts of the case

- ▶ In 2011, Australia passed legislation to introduce the plain packaging of tobacco products
- ▶ Domestic courts and investment arbitration (Philip Morris Asia Ltd v Australia, PCA Case No. 2012-12) – the Australian government prevailed
- ▶ The Dominican Republic, Honduras, Cuba, Indonesia and Ukraine challenged this measure in 2014 (Australia - Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging (DS435, DS441, DS458, DS467))
- ▶ TRIPS-related complaints: Australia failed to protect to trademarks rights

Case study: Australia – Plain Packaging of Tobacco Products

2 Panel's decision

- ▶ Australia prevailed.
- ▶ Panel concluded that the plain packaging measure was a legitimate public health measure: “...overall smoking prevalence in Australia continued to decrease following the introduction of the [plain packaging] measures”
- ▶ It identified a rapid decline in tobacco sales after introduction of the measure

Case study: Australia – Plain Packaging of Tobacco Products

2 Panel's decision (cont.)

- ▶ No breach of TRIPS provisions (Arts 2.1, 15.4, 16.3, 20) was found
 - Article 8.1 of the TRIPS Agreement “sheds light on the types of societal interests that may provide a basis for the justification of measures under the specific terms of Article 20, and expressly recognizes public health as such a societal interest.”
 - “paragraph 5 of the Doha Declaration invites us to read ‘each provision of the TRIPS Agreement’ in the light of the object and purpose of the Agreement, as expressed in particular in its objectives and principles, which include Article 8.” It added that “WTO Members have further emphasized the importance of public health as a legitimate policy concern in paragraph 4 of the Doha Declaration (7.2587-7.2588).”

Case study: Australia – Plain Packaging of Tobacco Products

3 The Appellate Body ruling (9 June 2020)

- ▶ Honduras and Dominican Republic appealed to the Appellate Body. Cuba and Indonesia accepted the panel's report.

NB: Pending appeals may continue even after 10 December 2019, because Appellate Body members can continue to hear assigned cases after the termination of their mandate

- ▶ The Appellate Body confirmed the panel's findings and dismissed the appeal:
 - the panel's findings that plain packaging is "apt to, and does, contribute" to Australia's objective of improving public health by reducing tobacco consumption and exposure to tobacco smoke;
 - the panel's finding that plain packaging is no more trade-restrictive than necessary for achieving that public health objective; and
 - that plain packaging does not "unjustifiably encumber by special requirements" the use of trademarks in the course of trade, therefore that the trademark restrictions arising from plain packaging are justified by their contribution to public health objectives.