



# **SYMPOSIUM ON THE TRIPS AGREEMENT FOR TRIPS COUNCIL MEMBERS AND OBSERVERS**

## **Legal Impact of TRIPS: Implications for Global IP Policy Debates**

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# Outline

- The early days after TRIPS entered into force
- What really changed when TRIPS entered into force
- The winds from Doha and the likes and dislikes of TRIPS Flexibilities
- Deeper integration agreements as tools to boost trade globally and their IP provisions - The likes and dislikes of TRIPS Plus
- The way forward

- The early days after TRIPS entered into force
  - WIPO/WTO Agreement (1995)
  - Developing countries' concerns and TRIPS implementation
  - Changes in the IP law of developed countries

# Developing Countries' Concerns and TRIPS Implementation

- The response to commitments for implementation was not enthusiastic, to some extent, justified by the perception of some Members that TRIPS' higher standards of protection would be a **net negative in terms of welfare cost** Daniel Gervais, '(Re)implementing the TRIPS Agreement on Trade-Related Aspects of Intellectual Property to Foster Innovation', *Journal of World Intellectual Property* (2009), Vol 12, no 5, pp 349
- Some developing countries had TRIPS-compatible legislation in place well in advance of the 2000 deadline (Chile, Mexico and South Korea among others)
- In the case of LDCs, the situation varies markedly: while some that have the right to use the transition period have not yet adopted implementing legislation, there are others that passed implementing legislation in advance of the initial 2006 transition period (for example, 14 of the 17 country members of OAPI, which are bound by the revised Bangui Agreement (2002))
- In June 2013, [WTO members agreed](#) to extend until July 1, 2021 the deadline for LDCs to protect IP under TRIPS, with a further extension possible when the time comes

# Changes in the IP Law of Developed Countries. Some examples:

- The USA ([35 U.S.C.154 \(a\) \(2\)](#)), effective January 1996)
- The [European Patent Convention \(EPC Art. 52\)](#) (Amended by the Act revising the European Patent Convention of 29.11.2000)

## ■ What really changed when TRIPS entered into force

- The minimum standards: A few examples on industrial property matters
- The MFN clause on IP
- A single treaty on *almost* all IP categories with across the board rules on enforcement
- The introduction of WTO Understanding on Rules and Procedures Governing the Settlement of Disputes, applicable to TRIPS

# The Minimum Standard Concept:

## A few examples of industrial property matters

- **Trademarks.** Rights Conferred ([Art. 16.1](#)); Well-known Trademarks ([Art. 16.2 and 3](#)); Term of Protection ([Art. 18](#))
- **Industrial Designs.** Requirements for Protection ([Art. 25.1](#)); Protection ([Art. 26](#))
- **Patents.** Patentable Subject Matter ([Art. 27](#)); Rights Conferred ([Art. 28](#)); Term of Protection ([Art. 33](#)); Process Patents: Burden of Proof ([Art. 34](#))
- **Enforcement.** Availability of civil and administrative procedures and remedies—fair and equitable—([Art. 42](#)); Criminal Procedures ([Art. 61](#))

# TRIPS MFN

- TRIPS MFN ([Articles 4 and 5](#)) does not include the exception of “the regional integration”, but “international agreements related to the protection of intellectual property which entered into force prior to the entry into force of the TRIPS Agreement”
- The MFN clause negotiation process:
  - Several delegations expressed doubts about the positive contribution of this principle to the IP field
  - EU expressed interest to exclude from the MFN Customs Unions and Free Trade Areas
  - USA delegation proposed a text in which MFN shall not apply in the case of “any advantage, favor, privilege or immunity which *exceeds* the requirements of this agreement and which is provided for in an international agreement to which the contracting party belongs...”
- As far as TRIPS MFN is concerned, it is clear that TRIPS Plus provisions in RTAs are global in nature, thus no distinction is made between a TRIPS obligation and a TRIPS Plus obligation
- Pauwelyn: “regionalism in IP is automatically multilateralized”



- The winds from Doha and the likes and dislikes of TRIPS Flexibilities
  - The concept of “flexibility”
  - TRIPS Agreement Implementation: [Art. 27](#) and some of its flexibilities

# Concept of Flexibility



The term “flexibility” in TRIPS ([paragraph 6 of the preamble](#) and [Article 66.1](#))

Carolyn Deere: “a range of rights, safeguards and options that WTO Members can exploit in their implementation of the TRIPS Agreement” *The Implementation Game*, Oxford University Press (2009), p.68.

Elena Ghanotakis: “There were several flexibilities inherent in the TRIPS Agreement. All of those measures, consistent with the TRIPS Agreement, reduce prices and increase the affordability of medicines, without negatively affecting future R&D” ‘Access to Medicines for Developing Countries’, *Journal of World IP* (2004), vol . 7, issue 14.

The term “TRIPS flexibilities” means that there are different options through which treaty commitments can be transposed into national law; thus, national interests are accommodated *and* TRIPS provisions and principles are complied with

# TRIPS Agreement Implementation: Art. 27 and some of its flexibilities

- |   |  |
|---|--|
|    | <p><b>Explicit obligation to give protection</b></p> <ul style="list-style-type: none"> <li>• Inventions - whether products or processes - in all fields of technology</li> <li>• Micro-organisms</li> </ul> |
|    | <p><b>Explicit permission to exclude from patent protection</b></p> <ul style="list-style-type: none"> <li>• Plants and animals</li> <li>• Diagnostic, therapeutic and surgical methods</li> </ul>           |
|  | <p><b>Implicit permission not to give protection</b></p> <ul style="list-style-type: none"> <li>• Discoveries</li> <li>• Substances existing in nature</li> <li>• Incremental innovation</li> </ul>          |

# Regional Trade Agreements (EPAs/FTAs and Interim Agreements)

- Regional trade agreements (RTAs) – whether free trade agreements (FTAs) or customs unions (CUs) – are a way to promote liberalization
- Trade agreements are in principle regional, but FTAs are increasingly cross-regional
- In order to pursue liberalization, countries play simultaneously at three levels: bilateral, regional and multilateral, producing a special synergy among the different process, the so-called “competitive liberalization”

# Legal Analyses of the Creation of RTAs: The regional integration exception

- GATT [Article XXIV](#), GATS [Article V](#) and the [Enabling Clause](#): These provisions allow Members to adopt measures otherwise WTO-inconsistent
- EU (2006): a shift in the trade policy strategy included a new generation of bilateral free trade agreements
  - Commissioner Mandelson: These new FTAs will be addressed to “key partners” with the purpose to build “on WTO rules by tackling issues which are not ready for multilateral discussions and for preparing the ground for the next level of multilateral liberalization”

# Interaction between WTO law and RTAs: TRIPS Plus provisions

- RTA provisions aim to add, clarify, interpret or to narrow a TRIPS flexibility; or they go beyond the minimum standard protection under TRIPS
- Development of new matters not covered by the TRIPS Agreement (i.e., utility models and TK)
- Duplication of TRIPS provisions
- Obligation to “apply” or “accede” to WIPO-administered treaties (i.e., [PLT](#), [Budapest](#) and [PCT](#)) or to respect international commitments in force ([Doha Declaration on Public Health](#))

# TRIPS Agreement Implementation: Art. 27 and more extensive protection

Explicit obligation to protect	Explicit permission to excluded	Implicit permission not give protection
<ul style="list-style-type: none"> <li>• Inventions, whether products or processes, in all fields of technology (to renounce to a transition period)</li> <li>• Micro-organisms (comprehensive definition)</li> </ul>	<ul style="list-style-type: none"> <li>• Plant and animals (not to exclude or only exclude plants varieties and animal races)</li> <li>• Diagnostic, therapeutic and surgical methods (not to exclude or limit the concepts to allow protection under certain circumstances)</li> </ul>	<ul style="list-style-type: none"> <li>• Substances existing in nature (allow protection when isolated and purified)</li> <li>• First and Second medical use (allow protection via modifying requirement of novelty/type of claims)</li> </ul>

## ■ The way forward:

- After TRIPS Multilateral Agreements and the MFN (PLT) and current negotiations (SCP);
- The revisions to agreements incorporated by reference into TRIPS (Paris, Berne, Washington); and
- TRIPS negotiations