

Chapter 4

TRIPS and the Nature of Intellectual Property

Compliance by the GCC States



4.1 Introduction - The Context of TRIPS and its Conventions

TRIPS was created not with the view of establishing an entirely new regulation, but with the aim of supplementing and developing some sense of cohesion to the then existing major international conventions on intellectual property protection, namely the Berne, Paris and Rome Conventions, and the Washington Treaty. TRIPS is based upon and supplements these conventions by providing additional obligations and a higher level of protection. The supplemented provisions become compulsory, even for WTO member countries that have not ratified the above conventions (except for the Rome Convention which only continues to be binding on states that have joined it), by virtue of their WTO membership. However, nothing in TRIPS may derogate from any existing obligations that members may have to each other under the Paris, Berne, or Rome Conventions or the Washington Treaty.¹

The general goals of TRIPS, as enunciated in its Preamble, include the reduction of distortions and impediments to international trade, the promotion of effective and adequate protection of intellectual property rights, and ensuring that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade. Although the Preamble recognises that intellectual property rights are private rights, the underlying public policy objectives of national systems for the protection of intellectual property, including

¹ Specifically, members are obliged to comply with:

- Articles 1 – 12 and 19 of the Paris Convention, generally in respect of TRIPS Parts II, III and IV and specifically in respect of TRIPS' provisions on trademarks, geographical indications, and undisclosed information;
- Articles 1 - 21 (except Article 6bis) of the Berne Convention and its Appendix in respect of TRIPS Part II, Section 1, copyright and related rights;
- Articles 1 -6, 10, 12 – 15 and 19 of the Rome Convention in respect of permitted exceptions to the rights of performers, producers and broadcast organisations;
- Articles 2 -7 (other than Article 6.3), Article 12 and Article 16 of the Washington Treaty.

developmental and technological objectives, are also recognised. The Preamble also acknowledges that least-developed countries require maximum flexibility in the domestic implementation of their laws and regulations in order to enable them to create a sound and viable technological base.

The Agreement's public policy objectives are further enunciated in Part I by a declaration on the fundamental objective of TRIPS, and on the equally fundamental principles by which members should be guided formulating their laws relating to the Agreement. Article 7 *Objectives* provides that:

“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 that is conducive to social and economic welfare, and to a balance of rights and obligations.”

Article 8 *Principles* recognizes that members have the right to adopt measures necessary for the protection of public health and other public interest reasons in sectors of vital importance to their socio-economic and technological development. However, such measures must still be consistent with TRIPS' provisions.

TRIPS Part I (Articles 1 – 8) also sets out further general provisions and basic principles governing the protection of intellectual property rights. It establishes minimum standards to be applied by all WTO members, these same standards also being the maximum standards that members are obliged to adopt. However members are not constrained from adopting more extensive protection than that required by TRIPS, provided that such protection does not contravene the TRIPS provisions. Members are also free to determine the appropriate method of

implementing the TRIPS provisions within their own legal systems and practices. Articles 3-5 stipulate the fundamental obligations on national and most-favoured-nation (MFN) treatment of foreign nationals, which are common to all categories of intellectual property covered by the Agreement. These obligations cover not only the substantive standards of protection but also matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically addressed in the Agreement.

TRIPS Part II (Articles 9 – 40) addresses each intellectual property right in succession, and sets out the minimum standards of protection to be provided by each member.² Each of the main elements of protection is defined, namely the scope of the subject-matter to be protected, the rights to be conferred and permissible exceptions to those rights, any particular special provisions (such as the reversal of burden of proof in respect of process patents), and the minimum duration of protection. TRIPS sets these standards by requiring compliance with the substantive obligations of the major pre-existing conventions, and by adding a number of additional obligations on matters where the pre-existing conventions are silent or where they are seen by their proponents as being inadequate.

Part III (Articles 41 – 61) requires members to have in place enforcement procedures which permit effective action against infringements, with remedies that constitute an effective deterrent to further infringements. The procedures apply equally to all fields of intellectual property covered in Part III. The procedures must be equitable and fair, and must not be unnecessarily

² TRIPS Part II, Standards Concerning the Availability, Scope and Use of Intellectual Property Rights, addresses the seven intellectual property rights of Copyright and Related Rights (Articles 9 – 14), Trademarks (Articles 15 – 21), Geographical Indications (Articles 22 – 24), Industrial Designs (Articles 25 – 26), Patents (Articles 27 – 34), Layout Designs of Integrated Circuits (Articles 35 – 38), Undisclosed Information (Article 39), and Anti-competitive Practices in Contractual Licences (Article 40). These individual requirements as prescribed by TRIPS, the Berne, Paris and Rome Conventions and the Washington Treaty are discussed in detail in the following sections on each respective area of intellectual property (Sections 4.3 to 4.9 following).

complicated, costly or involve unreasonable time-limits or unwarranted delays, but their application must not create a barrier to legitimate trade. However, a member is not obliged to put in place a special judicial system for the enforcement of intellectual property rights distinct from that for the enforcement of law in general, nor does it require a member to make a preferential allocation of resources to intellectual property enforcement at the expense of the law in general.

Part IV (Article 62) addresses the acquisition and maintenance of intellectual property rights and related *inter partes* procedures. Members may require compliance with certain procedures as a condition of enjoying intellectual property rights within that member's national boundaries, but such procedures and formalities must be reasonable and must not create an unwarranted curtailment of the period of protection of a right. Final administrative decisions in any of these procedures must be subject to review by a judicial or quasi-judicial authority.

Part V (Articles 63 and 64) provides for the establishment of a multilateral mechanism for the settlement of disputes between members, in accordance with the provisions of Articles XXII and XXIII of GATT (1994) as elaborated and applied by WTO's Dispute Settlement Understanding (DSU) – a provision sought in particular by developing countries to counter the perceived likelihood of unilateral action by developed countries in respect of enforced adherence to TRIPS or greater standards.³ Retaliatory action by one member against another may only be taken after the existence of a violation or non-compliance has been established by the WTO's Dispute Settlement Body. This mechanism is aimed at preventing unilateral actions, such as those undertaken by the United States under Section 301 of its Trade and Tariffs Act.⁴

³ Carlos Correa, "Implementing the TRIPS Agreement in the Patent Field – Options for Developing Countries", (1998) 1 *Journal of World Intellectual Property*, 16

⁴ *Ibid.*, 3.

Part VI (Article 65-67) establishes transitional arrangements for the implementation of the obligations of TRIPS. Developed countries are granted a one year period to bring their legislation and practices into conformity with TRIPS. Developing countries and countries in the process of transformation from a centrally-planned into a market economy are granted a five-year transition period, and least-developed countries are granted 11 years (except for obligations concerning national and most-favoured-nation treatment, to which the standard one year transition applied). In addition, a further transitional period of five years is allowed for countries which are bound to introduce product patent protection in areas of technology not so protected in their territory on the general date of application of TRIPS for those countries. However, in the case of pharmaceutical and agricultural chemical products, they must accept the filing of patent applications from the very beginning of the transition period. Although granting of the patent could be deferred until the end of this period, the novelty of the invention is preserved as of the date of filing the application. If authorization for the marketing of the relevant pharmaceutical or agricultural chemical product is obtained during the transitional period, the developing country concerned is required to offer an exclusive marketing right for the product for five years, or until a product patent is granted, whichever is the lesser period.

The final provisions and institutional arrangements, as described in Part VII (Articles 68 – 73), includes provision for the establishment of a Council for TRIPS to monitor the operation of TRIPS and, in particular, members' compliance with their TRIPS obligations. The Council was specifically directed to act in cooperation with WIPO. The Council was also required to review the implementation of TRIPS after the expiry of the five year transitional period granted to developing countries and again at subsequent two year intervals.

