The TRIPS Consistency of EC Border Measures
Does TRIPS impose Limits on TRIPS-plus IP Protection?

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Outline

• **Introduction**: International IP Regimes Setting ‘Minimum Standards’ only?
• Legal Basis for Analysing the Int. IP System for ‘Maximum Standards’ (**Ceilings**) (Ceilings)
• TRIPS Ceilings on TRIPS-plus Border Measures: The *EC – Transit* case
• Some further examples for Ceilings
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Introduction

The Traditional IP Worldview:

• International IP Agreements are setting ‘Minimum Standards’ which become the baseline for additional protection

• See e.g. Art.20 RBC: allowing further agreements “in so far as such agreements grant to authors more extensive rights than those granted by the Convention, or contain other provisions not contrary to this Convention”

→ Int. IP Regime thus an accumulation of increasing levels of Minimum Standards, with only the sky as the limit… (?)
Introduction

Challenging this Worldview:

• Some International IP Treaties go beyond minimum standards and contain (mandatory) **provisions which limit the protection for right holders or balance it against other interests**

• Depending on how they relate to additional IP protection, such provisions may be considered as ‘maximum standards’ or (**ceilings**)”

• Outside IP law, **other IL regimes** may provide further (binding?) limits on Int. IP protection…”
Legal Basis for Ceilings

How Int. IP Treaties regulate subsequent / additional IP Protection:

• **Art.1:1 TRIPS**: “Members may, but shall not be obliged to, implement in their law more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement.”

• **Art.19 PC**: “It is understood that the countries of the Union reserve the right to make separately between themselves special agreements for the protection of industrial property, in so far as these agreements do not contravene the provisions of this Convention.”

• See further **Artt. 20 RBC, 22 Rome Convention**
Legal Basis for Ceilings

When does TRIPS-plus ‘contravene’ TRIPS?

• **Art.1:1 TRIPS** conditioning the ability to introduce additional IP protection: ‘Door Opener’ for Ceilings

• TRIPS-plus contravening TRIPS depends on:
  – the TRIPS-plus norm at stake;
  – any potentially contrary TRIPS obligations; and
  – the notion of 'contravening' or being ‘contrary to’

• **Mandatory TRIPS** limits to IP protection: (+)

• What about (optional) **TRIPS Flexibilities**?
Ceilings in the EC – Transit case?

Does TRIPS Impose Limits on TRIPS-plus Border Measures?

- Art.51 TRIPS *lex specialis* to Art.1:1 TRIPS

- **Art.51 2nd sentence** permits WTO Members to extend border measures to goods involving other IP infringements “*provided that the requirements of this Section are met.*”

- **China – IP Enforcement**, para. 7.223: “The second sentence includes an express condition that applies where Members provide border measures for other infringements of intellectual property rights, namely "*provided that the requirements of this Section are met".*”
Ceilings in the \textit{EC – Transit} case?

Relevance for the \textit{EC - Transit} case:

- EC Regulation 1383/2003 extends border measures to \textit{goods in transit}; \textit{other IP infringements}
- Even in transit cases, IP infringements are judged on the basis of IP \textit{laws of the transit country}
- Under TRIPS, EC measures must comply with \textit{requirements of Artt.51-60} (Art.51 2nd sen.)
- \textit{Art.52} demands adequate evidence for a \textit{prima facie} IP infringement – based on the \textit{“law of the country of importation”} (see also fn.14 to Art.51 TRIPS)

→ Is a Transit Country a “country of importation”? 
Ceilings in the EC – Transit case?

Interpreting ‘country of importation’:

• Ordinary meaning and context:
  – **Origin**: *importare*, translated as ‘to bring in’
  – **Dictionary**: “bring (goods or services) into a country from abroad”
  – **Relevant Context** supporting a limited scope:
    • fn.13 to Art.51 (distinguishing imports and goods in transit);
    • Art.41:1 TRIPS (obligation to apply IP enforcement measures “as to avoid the creation of barriers to legitimate trade”)
    • Art.V GATT: (demanding “freedom of transit”)

• **TRIPS objectives and principles**:
  – IP enforcement conducive to social/economic welfare;
  – Public health supportive interpretation (Doha Decl)
Further Examples for Ceilings

Limits to Substantive IP Protection:

• Artt.9:1 TRIPS, 10 (1) RBC: “It shall be permissible to make quotations from a work”
• Art.9:2 TRIPS: “Copyright protection shall extend to expressions and not to ideas, procedures, methods of operation or mathematical concepts as such”
• Art.10:2 TRIPS: Copyright protection for databases ”shall not extend to the data or material itself“
Further Examples for Ceilings

Limits to Substantive IP Protection:

Artt.5ter PC, 2:1 TRIPS: [It] **shall not** be considered as infringements of the rights of a patentee:

1. the *use on board vessels* of other countries of the Union of *devices forming the subject of his patent in the body of the vessel*, in the machinery, tackle, gear and other accessories, *when such vessels temporarily or accidentally enter the waters of the said country*, provided that such devices are used there exclusively for the needs of the vessel;

2. the *use of devices forming the subject of the patent in the construction or operation of aircraft or land vehicles* of other countries of the Union, or of accessories of such aircraft or land vehicles, *when those aircraft or land vehicles temporarily or accidentally enter the said country*. 
Further Examples for Ceilings

Ceilings relating to IP Enforcement Regimes:

- **Procedural guarantees** for the defendant and the need to **prevent barriers to legitimate trade** and **safeguards against abuse** lead to several (binding) limits on IP enforcement measures.

- Compare **Art.41:1-4; 42 TRIPS**: several requirements for decisions on the merits, mandatory judicial review, fair and equitable proceedings…

- See further Artt. 46 3rd sentence; 48:1; 50:3, 4, 6, 7 TRIPS
Further Examples for Ceilings

IP Enforcement – Examples:

• “Decisions on the merits of a case shall be based only on evidence in respect of which parties were offered the opportunity to be heard.” (Art.41:3)

• “Defendants shall have the right to written notice which is timely and contains sufficient detail, including the basis of the claims.” (Art.42)

• Mandatory competence to order an applicant to pay compensation and defendant expenses in cases of abusive reliance on enforcement procedures to the party wrongfully enjoined or restrained (Art.48:1)
Further Examples for Ceilings

Border Measures – Examples:

• “The competent authorities shall have the authority to require an applicant to provide a security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse.” (Art.53:1 TRIPS)

• For ex officio actions, “Members shall only exempt both public authorities and officials from liability to appropriate remedial measures where actions are taken or intended in good faith.” (Art.58:c)
Conclusions

• Int. IP Law should be analysed as to its potential to provide **Maximum Standards** for IP protection – potentially relevant for various TRIPS-plus initiatives (ACTA, US FTAs, EC EPAs)

• In the **EC – Transit case**, WTO law inconsistency of the EC border measures may not only relate to Art.5 GATT, but also to Part. III TRIPS

• Where TRIPS contains ceilings, it not only prescribes lower, but also (some) upper limits of IP protection → true **Framework for Global IP**

• But also various **further issues** to consider…
Thank you for your attention!

Comments or critique to

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...more on ceilings:

http://ssrn.com/abstract=1326429