
PART 5: INTERPRETATION AND DISPUTE PREVENTION AND SETTLEMENT

31: Transparency

Article 63 Transparency

1. Laws and regulations, and final judicial decisions and administrative rulings of general application, made effective by a Member pertaining to the subject matter of this Agreement (the availability, scope, acquisition, enforcement and prevention of the abuse of intellectual property rights) shall be published, or where such publication is not practicable made publicly available, in a national language, in such a manner as to enable governments and right holders to become acquainted with them. Agreements concerning the subject matter of this Agreement which are in force between the government or a governmental agency of a Member and the government or a governmental agency of another Member shall also be published.

2. Members shall notify the laws and regulations referred to in paragraph 1 to the Council for TRIPS in order to assist that Council in its review of the operation of this Agreement. The Council shall attempt to minimize the burden on Members in carrying out this obligation and may decide to waive the obligation to notify such laws and regulations directly to the Council if consultations with WIPO on the establishment of a common register containing these laws and regulations are successful. The Council shall also consider in this connection any action required regarding notifications pursuant to the obligations under this Agreement stemming from the provisions of Article 6~~ter~~ of the Paris Convention (1967).

3. Each Member shall be prepared to supply, in response to a written request from another Member, information of the sort referred to in paragraph 1. A Member, having reason to believe that a specific judicial decision or administrative ruling or bilateral agreement in the area of intellectual property rights affects its rights under this Agreement, may also request in writing to be given access to or be informed in sufficient detail of such specific judicial decisions or administrative rulings or bilateral agreements.

4. Nothing in paragraphs 1, 2 and 3 shall require Members to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

1. Introduction: terminology, definition and scope

The notion of transparency in Article 63 basically refers to the obligation of Members to provide other Members with information regarding the ways intellectual property is protected in their territories. This obligation is executed through official publications (paragraph 1), notifications to the TRIPS Council (paragraph 2), and bilateral requests for information and access (paragraph 3). It is subject to a security exception (paragraph 4).

In the context of international trade in IPR-protected goods and services, transparency of national IP legislation serves the purpose of making foreign economic operators familiar with the domestic rules, thus making international transactions in IPR-related products more predictable.

2. History of the provision

2.1 Situation pre-TRIPS

Transparency was a central element of the GATT 1947 system. The legal basis was Article X GATT 1947, which continues to apply to trade in goods under the new GATT 1994. Article X is divided into three paragraphs:

(a) Paragraph 1 contains Members' obligation to publish promptly all laws, regulations, judicial decisions and administrative rulings of general application that affect the subject matter of the GATT (trade in goods). The stated objective is to enable governments and traders to become acquainted with those new rules.

(b) Paragraph 2 stipulates that any rules of the kind referred to in paragraph 1, which render more burdensome the importation of goods, must not be enforced before they have been officially published according to paragraph 1.

(c) Paragraph 3 lays down certain requirements for the administration of the rules referred to in paragraph 1:

(aa) This administration has to be carried out in a uniform, impartial and reasonable manner.

(bb) Each Member must maintain or establish independent authorities for the review of administrative action relating to customs matters. Formal independence of the customs authority is not required as long as objectiveness and impartiality of the review are factually guaranteed.

2.2 Negotiating history

2.2.1 The Anell Draft

This draft¹ provided:

“1.1.1 [National (73)] laws, regulations, judicial decisions and administrative rulings [of general application (86, 70, 74)] [of precedential value (73)], [and all

¹ See composite text of 23 July 1990, circulated by the Chairman (Lars E. R. Anell) of the TRIPS Negotiating Group, document MTN.GNG/NG11/W/76.

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international agreements and decisions of international bodies (73)] [made effective by any PARTY, (70, 74)] pertaining to [the availability, scope, acquisition and enforcement of (68)] [the protection of (74)] intellectual property [rights (68, 74)] [laws (73)] (68, 70, 73, 74)] [the application of the principles and norms prescribed at points 9 and 11 of Part I and point 2A.1 of Part IV above (71)] shall be:

- published promptly by PARTIES. (73)
- [published, or where such publication is not practicable, (74)] made [publicly (74)] available [promptly (74)] in such a manner as to enable governments [of the PARTIES (74)] and [traders (68)] [other interested parties (74)] to become acquainted with them. (68, 74)
- shall be subject to the provisions of Article X of the General Agreement. (70)
- made publicly available in the official language of the PARTY adopting such texts and, shall be provided, upon request, to any other PARTY. (71)

1.1.2 Agreements concerning the protection of intellectual property rights which are in force between the government or governmental agency of any PARTY and the government or a governmental agency of any other PARTY to the Agreement shall also be published or made publicly available. The provision of this paragraph shall not require PARTIES to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private. (74)

(Notification)

1.2A PARTIES shall notify the laws and regulations referred to above to the Committee on Trade Related Intellectual Property Rights in order to assist the Committee in its review of the operation of this Annex. The Committee shall enter into consultations with the World Intellectual Property Organisation in order to agree, if possible, on the establishment of a common register containing these laws and regulations. If these consultations are successful, the Committee may decide to waive the obligation to notify such laws and regulations directly to the Committee. (68)

1.2B.1 The Committee established under point 1B of Part VIII below shall ensure, in co-operation with the World Intellectual Property Organization and other international organizations, as appropriate, access to all international agreements, decisions of international bodies, national laws, regulations, judicial decisions and administrative rulings of a precedential value, related to the intellectual property laws of the PARTIES. (73)

1.2B.2 PARTIES shall promptly notify all international agreements, national laws and regulations, judicial decisions and administrative rulings of a precedential value relying upon an exception of the principles of National Treatment and Most-Favoured Nation Treatment through the Committee to the other PARTIES. (73)

1.2C PARTIES shall inform the TRIPS Committee, established under point 1C of Part VIII below, of any changes in their national laws and regulations concerning the protection of intellectual property rights (and any changes in their administration). PARTIES engaged in a special arrangement as stipulated in point 8B.2C.2 of Part II above shall inform the TRIPS Committee of the conclusion of such a special arrangement together with an outline of its contents. (74)

(Information on Request)

1.3A A PARTY, having reason to believe that a specific judicial decision, administrative ruling or bilateral agreement in the area of intellectual property rights affects its rights under this Annex, may request in writing to be given access to or be informed in sufficient detail of such specific judicial decisions and administrative rulings or bilateral agreement. (68)

1.3B PARTIES shall, upon request from other PARTIES, provide information as promptly and as comprehensively as possible concerning application and administration of their national laws and regulations related to the protection of intellectual property rights. PARTIES shall notify the TRIPS Committee of the request and the provision of such information and shall provide the same information, when requested by other PARTIES, to the TRIPS Committee. (74)"

At the time of the Anell Draft, the details of the publication requirement were quite controversial, as indicated by the heavily bracketed text of paragraph 1.1.1. As to the notification requirement, the proposal under 1.2B.1 did not refer to any notification to the "TRIPS Committee" (i.e., what later became the TRIPS Council) of IPR-related laws. Instead, it proposed that the TRIPS Committee "shall ensure" in cooperation with WIPO, access to IPR-related national and international laws. This language is much stronger than the corresponding proposal under 1.2A, which in very careful terms ("enter into negotiations", "to agree, if possible, on the establishment") refers to cooperation with WIPO.

2.2.2 The Brussels Draft

With respect to transparency, this draft² was essentially similar to the final Uruguay Round text, thus indicating that at this stage of the negotiations, there was no longer much controversy about the necessity of the publication and notification requirements. The language of Article 63.1 draws on Article X:1 of GATT 1947 (see above) and in that sense is not new.

3. Possible interpretations**3.1 Article 63.1**

1. Laws and regulations, and final judicial decisions and administrative rulings of general application, made effective by a Member pertaining to the subject matter of this Agreement (the availability, scope, acquisition, enforcement and prevention of the abuse of intellectual property rights) shall be published, or where such publication is not practicable made publicly available, in a national language, in such a manner as to enable governments and right holders to become acquainted with them. Agreements concerning the subject matter of this Agreement which are in force between the government or a governmental agency of a Member and the government or a governmental agency of another Member shall also be published.

² Document MTN.TNC/W/35/Rev. 1 of 3 December 1990.

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This paragraph contains the basic principle, i.e., the obligation of Members to make known to the other Members their IPR-related rules. The objective is to keep foreign governments and private right holders informed about possible changes in a Member's legislation on intellectual property rights in order to ensure and contribute to a stable and predictable legal environment.³ However, it follows from the terms "made effective" that the obligation to notify arises only after the respective act has entered into force. An obligation to notify pure draft regulations would probably conflict with the sovereign discretion of Members' decision-making bodies.

The obligation to publish applies to IPR-related laws, regulations, final judicial decisions and administrative rulings of general application, as well as to IPR-related bilateral or regional agreements. As indicated by the first sentence of the first paragraph, the publication requirement is not limited to rules on IPRs as such, but applies also to any rules with respect to their acquisition, enforcement and abuse prevention.

3.1.1 Laws

In the sense used in this provision, "laws" should be understood as enforceable rules of general application promulgated by parliamentary or legislative bodies, as distinguished from "regulations" adopted by administrative agencies.

3.1.2 Regulations

The term "regulation" could be understood in a very general sense, encompassing all sorts of rules, *inter alia* laws as referred to above. However, Article 63.1 refers to laws "and" regulations, thus indicating that those terms should be distinguished from each other.

Regulations, like laws, are acts of general application (see above). Unlike laws, however, regulations are not passed by a legislative body, but originate in the administration. Regulations are often more detailed than laws. The legislature may choose not to provide a high level of detail in a law, but to authorize the executive administration to implement the law by means of regulations. Typically regulations do not undergo the same constitutionally mandated adoption procedures as laws (i.e., majority voting in parliament, including possible conciliation committees) and may be more appropriate to deal with a rapidly changing environment.

3.1.3 Final judicial decisions

To complete the picture of how IP is handled in a given WTO Member, not only acts of the legislative and the executive powers, but also of the third power, the judiciary, have to be published in case they are final.⁴ In common law jurisdictions, judicial decisions have a precedential effect, thus influencing posterior jurisprudence, which is not the case in continental law countries. Final judicial decisions

³ Thus, the ultimate goal of this basic obligation to notify TRIPS-related rules can be described as to stimulate the trade in IPRs-protected goods by contributing to the predictability of the trading system.

⁴ Note that it is not clear from the language of Article 63.1 whether the obligations to publish encompasses *any* final judicial decision, or just those that are of *general application*. The latter qualification clearly applies to administrative rulings.

are an important indication of the approach a society takes toward the protection of IP and the extent to which rights holders' interests prevail or not over the general interest in the availability of IPR-affected goods or services.

The question when a judicial decision is "final" may be rather complex. In some legal systems, an essentially equivalent claim may be pursued in different parts of the judicial system (e.g., civil, administrative or constitutional) so that the finality of a decision in one area may be questioned in another. The issue of when appeals are exhausted even within a single court hierarchy is not always easily resolved. However, for most purposes a decision should be considered final when the highest court with responsibility for the subject matter has rendered a decision in the case (which may include rejecting the hearing of an appeal), or when the time period for filing an appeal from a decision by a lower court has expired without notice of appeal. Thus, a final decision in a case may be the decision of a court of a lower instance that is not subject to any further appeal, according to domestic law.⁵ In other words, "final" decisions do not necessarily have to emanate from the highest instance of the judiciary.

3.1.4 Administrative rulings of general application

Next to regulations (see above), administrative rulings are the second instrument of the executive power that is subject to the publication requirement, provided they are of general application. The term "administrative rulings of general application" derives directly from the GATT 1947 and can still be found under Article X.1 of the GATT 1994. It has been interpreted by a WTO panel as follows:

"We note that Article X:1 of GATT 1994, which also uses the language "of general application", includes "administrative rulings" in its scope. The mere fact that the restraint at issue was an administrative order does not prevent us from concluding that the restraint was a measure of general application. Nor does the fact that it was a country-specific measure exclude the possibility of it being a measure of general application. *If, for instance, the restraint was addressed to a specific company or applied to a specific shipment, it would not have qualified as a measure of general application.* However, to the extent that the restraint affects an *unidentified number of economic operators*, including domestic and foreign producers, we find it to be a measure of general application."⁶ (emphasis added)

The Appellate Body confirmed this interpretation by stating that:

"The Panel found that the safeguard restraint measure imposed by the United States is "a measure of general application" within the contemplation of Article X:2. We agree with this finding. While the restraint measure was addressed to particular, i.e., named, exporting Members, including Appellant Costa Rica, as contemplated by Article 6.4, ATC, *we note that the measure did not try to become specific as to the individual persons or entities engaged in exporting the specified*

⁵ For instance, in Germany until 2002 certain rulings of the civil courts of second instance could not be appealed, despite the existence, in general, of a third instance.

⁶ See *United States – Restrictions on Imports of Cotton and Man-made Fibre Underwear*, Report of the Panel of 8 November 1996, WTO document WT/DS24/R, at para. 7.65.

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textile or clothing items to the importing Member and hence affected by the proposed restraint.”⁷ (part of the emphasis added)

As illustrated by the above decisions, a characteristic element of an “administrative measure of general application” is that it is addressed to an unlimited number of (natural or juridical) persons. However, the same is true in the case of administrative “regulations” that also fall under Article 63.1 (see above). Thus, these notions cannot be distinguished by looking at the respective circles of addressees. In that sense, both regulations and administrative rulings are of a general character (as opposed to administrative acts that address one or several particular individuals). However, there is another element in respect of which the two instruments do differ: this is the number of cases to which the measure applies. A regulation is like a law (the only difference being its different origin, see above), generally applying to an unlimited number of economic operators, and also to an unlimited number of cases. Typically a regulation addresses an unlimited number of situations in the abstract, providing a particular consequence whenever certain factual requirements are met. In this sense, the regulation precedes the actual cases to which it will then be applied. By contrast, a “ruling” within the meaning of Article 63.1 (and Article X GATT) is a reaction to something that has already happened. It therefore concerns the particular facts of one specific case (even though it is not limited to a particular addressee).

This may be illustrated by the example of the above-mentioned case *United States – Restrictions on Imports of Cotton and Man-made Fibre Underwear*. The measure at issue was considered an administrative ruling, not a regulation. It concerned a transitional safeguard measure in respect of cotton and man-made fibre underwear imports from Costa Rica.⁸ This restriction specifically addressed the particular case of imports of a number of defined products into the United States. It was valid for a limited (but renewable) period of 12 months, and it was a reaction to a particular situation (in which the total number of cotton imports from certain countries was considered harmful to the U.S. domestic cotton industry). The measure did not apply to an unlimited number of cases, but was based on a comparison of the actual figures on cotton imports and domestic production.⁹ It was a reaction to the calculated ratio of imported and domestically made products (which allegedly seriously damaged the domestic industry).

3.1.5 Agreements

IPR-related agreements in force between one Member’s government or government agency and another Member’s government or government agency also have to be published. Economic operators and governments in other Members are thus given the opportunity to be updated on the current developments of IP protection outside their territories. This is important with respect to the most-favoured nation obligation (MFN): according to Article 4, any IPR-related advantage, favour,

⁷ See *United States – Restrictions on Imports of Cotton and Man-made Fibre Underwear*, Report of the Appellate Body of 10 February 1997, WTO document WT/DS24/AB/R, p. 19.

⁸ For an overview of the facts of this case, see the Report of the Appellate Body, p. 2 *et seq.*

⁹ See paras. 2.8 and 2.9 of the panel report.

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. Thus, if two or more Members agree on certain forms of IP protection that go beyond the minimum standards of TRIPS, these Members have to grant the same preferences to nationals from all other WTO Members. The publication requirement in this context serves the purpose of informing third country nationals of their rights arising from IPR-related agreements.

3.2 Article 63.2

2. Members shall notify the laws and regulations referred to in paragraph 1 to the Council for TRIPS in order to assist that Council in its review of the operation of this Agreement. The Council shall attempt to minimize the burden on Members in carrying out this obligation and may decide to waive the obligation to notify such laws and regulations directly to the Council if consultations with WIPO on the establishment of a common register containing these laws and regulations are successful. The Council shall also consider in this connection any action required regarding notifications pursuant to the obligations under this Agreement stemming from the provisions of Article 6ter of the Paris Convention (1967).

This paragraph concerns a specific issue, i.e., the cooperation of Members with the Council for TRIPS.¹⁰ The objective of the notification requirement is to assist the Council in its task to review the operation of TRIPS. The provision has to be read in conjunction with Article 68 TRIPS, according to which the Council shall monitor the operation of the Agreement, and Article 71.1 TRIPS, which authorizes the Council to review both the implementation of the TRIPS provisions by Members and the provisions of the Agreement itself.¹¹ In order to effectively comply with this task, the Council for TRIPS depends on the communication from Members of information on domestic IP laws and regulations. Review of domestic legislation in the Council in turn serves the objective of transparency and predictability, making governments acquainted with the rights their nationals enjoy in other Members. As opposed to the first paragraph, the notification requirement applies only to “laws and regulations”, but not to final judicial decisions, administrative rulings of general application and bilateral or regional IPR-related agreements (see para. 1, above).

As to judicial decisions, they are not subject to the review because of the division of powers, which makes the judiciary independent of a national government’s control.

As to administrative rulings, it should be noted that the transparency requirement under Article 63 is supposed to update Members on the general IP practice prevailing in other Members. Due to their limited scope (see above), administrative rulings may not be considered to represent the general IP practice of a

¹⁰ For more details on the TRIPS Council, see Chapter 35.

¹¹ For more details on these provisions, see Chapters 35 (Article 68) and 37 (Article 71).

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given Member. They respond to the particular facts of a specific case, and do not necessarily indicate a general line of action.

Finally, IPR-related bilateral or regional agreements do not fall under the notification requirement, because they are in any case not subject to a review by the Council. According to Article 71.1 of TRIPS, the Council's review exercise is limited to TRIPS and domestic implementing legislation. Consequently, the notification requirement under Article 63.2 covers only such legislation.

In order to ensure Members' cooperation with the Council (and thus the latter's efficiency in reviewing the implementation of TRIPS disciplines), the second sentence of the paragraph seeks to reduce the administrative burden placed on Members by the requirement laid down in the first sentence. Direct notification to the Council for TRIPS is not required if a Member has already notified its IPR-related laws and regulations to the International Bureau (secretariat) of WIPO and if transmission of this notification from the WIPO secretariat to the Council is assured through the establishment of a common register. This register was set up in an Agreement between WIPO and the WTO,¹² which lays down, *inter alia*, the right of the WTO to request free of charge copies of such notifications from WIPO.¹³ Consequently, Members will have met their obligation under Article 63.2 not only by direct communication of their laws and regulations to the Council, but equally by notifying the WIPO secretariat, thus avoiding a double effort.

The last sentence of the paragraph relates to Article 6*ter* of the Paris Convention. Under this provision, countries must communicate state emblems and official signs and hallmarks, flags etc. that they wish to protect. There is also the possibility of receiving objections with regard to these. In sum, the WIPO-WTO Cooperation Agreement provides that WIPO will act as a registration office and that communications under Article 6*ter* shall constitute notification under Article 63.2.¹⁴

3.3 Article 63.3

3. Each Member shall be prepared to supply, in response to a written request from another Member, information of the sort referred to in paragraph 1. A Member, having reason to believe that a specific judicial decision or administrative ruling or bilateral agreement in the area of intellectual property rights affects its rights under this Agreement, may also request in writing to be given access to or be informed in sufficient detail of such specific judicial decisions or administrative rulings or bilateral agreements.

This paragraph contains another specific application of the general transparency obligation under paragraph 1. It refers to two obligations. The first sentence completes the publication requirement of the first paragraph (see above). Members

¹² Agreement Between the World Intellectual Property Organization and the World Trade Organization, see at http://www.wto.org/english/tratop_e/trips_e/wtowip_e.htm.

¹³ Article 2 (3) of the WIPO-WTO Agreement.

¹⁴ Article 3 of the WIPO-WTO Agreement.

shall not only publish IPR-related laws, regulations, judicial decisions, administrative rulings and agreements; they shall also be ready to actively supply other Members with information on these matters. As opposed to paragraph 2, this obligation does not concern multilateral cooperation within the Council for TRIPS, but the bilateral relationship between two Members.

The second sentence appears to go beyond the mere obligation to provide information under the first sentence. It refers to Members' right to ask other Members to be given access to IP-related specific judicial decisions or administrative rulings or bilateral agreements that allegedly affect their rights under TRIPS. This provision somewhat complements the notification requirement under the second paragraph by referring to those instruments that are not covered by that requirement. However, the extent of the obligation under this sentence is not obvious: reference is made only to a Member's right to request access, but there is no express mentioning of a corresponding obligation of the requested Member to actually follow the request. By contrast, the first sentence expressly refers to the obligation to "supply . . . information". On the other hand, it should be noted that the judicial decisions, administrative rulings and bilateral agreements under consideration are in any case subject to the publication requirement under the first paragraph.

3.4 Article 63.4

4. Nothing in paragraphs 1, 2 and 3 shall require Members to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

This last paragraph provides for the typical public interest exception by recognizing that there are certain areas where transparency may be unduly burdensome. The language of this provision is based on Article X:1 of the GATT 1994. Similar wording can also be found in Article XVII:4(d) GATT (State Trading Enterprises). As to the exception of "public interest", this is a very broad notion giving WTO Members substantial discretion to determine what they consider to fall under this term. The same is true for the "legitimate commercial interests" of enterprises.¹⁵ As with other elements of the WTO agreements, a Member would be expected to exercise its discretion in this area in good faith so as to avoid abuse of the right.

In practice, paragraph 2 has turned out to be the most relevant provision contained in Article 63. This is due to the fact that the review exercise has proven to be the most important task of the Council for TRIPS.¹⁶

¹⁵ It has been stated that the prejudice to these interests includes the damage to a firm's bargaining position. See *D. Gervais*, p. 246, fn. 50, referring to the fourth review under the Protocol of Accession on Trade with Hungary, Basic Instruments and Selected Documents (BISD) 29S/139-140.

¹⁶ For details, see Chapter 35.

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4.1 India – Patent Protection

In *India – Patent Protection for Pharmaceutical and Agricultural Chemical Products*,¹⁷ the panel took the view that India had violated its obligation under Article 63 by failing to publish the details of its system for receiving and holding patent applications.¹⁸ In fact, the Indian Patent Act of 1970 excluded pharmaceutical and agricultural chemical products from patent protection. Under TRIPS, India among others is authorized to delay product patent protection in these areas until 1 January 2005, but must provide for a system of registration of applications for such patents prior to that date (“mailbox system”, Article 70.8).¹⁹ In addition, countries benefiting from the above transitional period have to grant to patent applicants, prior to 1 January 2005, exclusive marketing rights (EMRs) in defined circumstances (see Article 70.8).²⁰

With a view to meeting its obligations under Article 70.8 and 9, the Indian Government promulgated in 1994 the Patents Ordinance to amend the 1970 Patents Act until the entry into force of a corresponding parliamentary law. In accordance with Article 70.8 and 9, this Ordinance provided for the filing and handling of patent applications for pharmaceutical and agricultural chemical products prior to the date as of which India would have to implement TRIPS rules on product patent protection. The Ordinance also provided for the grant of EMRs for patent applicants. However, at the time this transitory Ordinance lapsed in 1995, the Indian Parliament had not been able to conclude its discussions on a law amending the 1970 Patents Act, so that at that time, there was no legal basis in India for the operation of the mailbox system and the granting of EMRs. In order to ensure consistency with Article 70.8 and 9, the Indian executive authorities decided to instruct the patent offices to continue the application of these two instruments. However, no public notice of this administrative decision was issued, nor was it communicated to the TRIPS Council. The only public statement in this matter made on behalf of the Indian government was a written response by the Minister of Industry to a question asked by a Member of the Indian Parliament. The Minister confirmed that the mailbox system continued to apply on the sole basis of the administrative decision.²¹

In reaction to the U.S. complaint, India advanced two major substantive arguments.²² First, it argued that the transitional provision of Article 65.2 also covered the obligation under Article 63, which would consequently not apply before 2000.

¹⁷ WTO document WT/DS50/R (Report by the Panel) [hereinafter *India – Patent Protection*]. The report was later reversed by the Appellate Body on procedural grounds. See WTO document WT/DS50/AB/R (Report of the Appellate Body), at paras. 85–96.

¹⁸ Note that the dispute concerned predominantly the alleged violations by India of Articles 70.8 and 9. For more details on this dispute, see Chapter 36, Section 4.

¹⁹ See in detail Chapters 33 and 36.

²⁰ Ibid.

²¹ See para. 2.7 of the panel report.

²² India also relied on a procedural argument concerning the scope of jurisdiction of the Panel. This does not directly concern Article 63, though, and is therefore irrelevant for the purposes of this chapter.

Second, India contended that the obligation under Article 63.1 did not apply to single administrative acts of the kind at issue, because those were not laws and regulations or administrative rulings of general application within the meaning of Article 63.1.²³

The panel rejected both arguments. With respect to the first argument, it observed:

“0.1 The issue before the Panel is whether this exemption should be understood to cover the transparency obligations under Article 63 or whether such a procedural obligation to publish and notify national laws and regulations should be understood as becoming applicable at the time that a Member is obliged to start applying a substantive provision of the TRIPS Agreement, i.e., that the timing of the transparency obligation is a function of the timing of the substantive obligation. In the former case, India would not be under an obligation to publish and notify, as from 1 January 1995, laws and regulations giving effect to the requirements of Article 70.8(a). In examining this matter, we note that the TRIPS Agreement contains a range of procedural and institutional provisions, relating not only to transparency but also to dispute settlement, the establishment of the Council for TRIPS and international cooperation, which have to be understood, and have been understood in the practice of the Council for TRIPS, as applying either from 1 January 1995 or from the time that the corresponding substantive provision has to be met consistently with the provisions of Part VI and Article 70. An example is Part V of the TRIPS Agreement on “Dispute Prevention and Settlement”, which includes both transparency provisions (Article 63) and dispute settlement provisions (Article 64). If transparency provisions were not applicable to India by virtue of Article 65.2, then the logical conclusion would be that dispute settlement provisions are equally not applicable. This clearly cannot be the case and we reject the Indian argument on this point.

0.2 We also note that the WTO Members have confirmed this understanding in the actions taken by the Council for TRIPS. The Council has considered Article 63.2 as requiring that “as of the time that a Member is obliged to start applying a provision of the TRIPS Agreement, the corresponding laws and regulations shall be notified without delay”.²⁴ Moreover, the Preparatory Committee for the World Trade Organization, which met in 1994, noted that “one substantive obligation, Article 70.8, which comes into force as of the date of entry into force of the WTO Agreement was referred to and there was acceptance that, under Article 63.2, national laws and regulations should be notified as of the time that the corresponding substantive obligation applies. [...]”

Turning to the second of the above arguments, the panel made clear that *any* mechanism for receiving mailbox applications constitutes a measure of “general application” in the sense of Article 63.1, whether made effective by law or through administrative practices. The panel considered that India had not met its

²³ See para. 4.22, last indent of the panel report.

²⁴ *Procedures for Notification of, and Possible Establishment of a Common Register of, National Laws and Regulations under Article 63.2*, Decision of the Council for TRIPS of 21 November 1995 (see document IP/C/2).

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obligation under Article 65.1 to make this measure publicly available, because a written answer from the government to a question posed by a Member of Parliament could not be considered as a sufficient means of publicity within the meaning of Article 63.²⁵ Consequently, India was held to have acted inconsistently with Article 63.1.

Since India had not notified its administrative measures to the TRIPS Council, the panel also stated an infringement of Article 63.2.²⁶

It is important to note that the Appellate Body reversed the panel's findings regarding Article 63 on procedural grounds (i.e., the United States had not included a claim based on Article 63 in its request for establishment of a panel and such claim was not included in the panel's terms of reference). In light of the AB's rejection of other parts of the panel's legal analysis in this case, the foregoing legal analysis should be treated with some caution.

4.2 United States – Restrictions on Imports of Cotton and Man-made Fibre Underwear

As noted above, the panel in *United States – Restrictions on Imports of Cotton and Man-made Fibre Underwear* analysed the term “administrative rulings of general application” under Article X:1 of the GATT 1994.²⁷ Since Article 63.2 contains the same term, the panel's analysis is also relevant in the context of that provision (see Section 3).

4.3 EC – Protection of Trademarks and GIs

Following separate requests by Australia²⁸ and the USA,²⁹ the WTO Dispute Settlement Body (DSB) at its meeting on 2 October 2003 established a single panel³⁰ to examine complaints with respect to EC Council Regulation (EEC) No. 2081/92 of 14 July 1992³¹ on the protection of geographical indications and designations of origin for agricultural products and foodstuffs. The complaints are based, *inter alia*, on alleged violations of Articles 63.1 and 63.3. The complainants contend that the above EC Regulation is not applied in a transparent manner.³²

²⁵ Para. 7.48.

²⁶ See para. 7.49.

²⁷ See report of the panel of 8 November 1996, WTO document WT/DS24/R. Note that the Appellate Body upheld the panel's interpretation.

²⁸ WT/DS290/18 of 19 August 2003.

²⁹ WT/DS174/20 of 19 August 2003.

³⁰ *European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs* [hereinafter *EC – Protection of Trademarks and GIs*], WT/DS174/21 and WT/DS290/19 of 24 February 2004, Constitution of the Panel Established at the Requests of the United States and Australia.

³¹ See above, Section 2.1.

³² See the U.S. request for the establishment of a panel, p. 1, and the Australian request at p. 2. Note that the same complaint was also based on other TRIPS provisions, in particular those relating to the national treatment and most-favoured nation treatment obligations and to the protection of trademarks and geographical indications. See Chapters 4, 14 and 15.

5. Relationship with other international instruments

5.1 WTO Agreements

There is no expressly defined relationship between Article 63 and the provisions on transparency in other WTO Agreements.³³

5.2 Other international instruments

6. New developments

6.1 National laws

6.2 International instruments

On 21 November 1995, the Council for TRIPS adopted a Decision on "Procedures for Notification of, and Possible Establishment of a Common Register of National Laws and Regulations Under Article 63.2."³⁴ This Decision basically establishes rules in respect of two categories of national laws and regulations: first, those dedicated to IPRs as such; and second, *inter alia* those "not dedicated to intellectual property rights as such but which nonetheless pertain to the availability, scope, acquisition, enforcement and prevention of abuse of intellectual property rights (notably laws and regulations in the areas of enforcement and the prevention of abusive practices)."³⁵ In respect of the latter category, the Council also adopted a Decision setting up a format (i.e., a model) for their listing.³⁶ Finally, the Council agreed on a Decision establishing a checklist of issues on enforcement of IPRs.³⁷

6.3 Regional and bilateral contexts

6.4 Proposals for review

So far, there have been no proposals to modify Article 63.

7. Comments, including economic and social implications

The requirement for Members to make their IP legislation available to other Members contributes to the predictability and security of international trade relations.

³³ For example, Articles X GATT (see above), III GATS, 7 SPS Agreement, 10 TBT Agreement, and XVII of the Agreement on Government Procurement. Also, the WTO Trade Policy Review Mechanism (Annex 3 to the WTO Agreement) is based on the idea of enhancing transparency.

³⁴ See WTO document IP/C/2 of 30 November 1995.

³⁵ *Ibid.*, para. 9.

³⁶ See IP/C/4 of 30 November 1995.

³⁷ See IP/C/5 of 30 November 1995.