3: Categories of Intellectual Property Embraced by TRIPS

> Article 1 Nature and Scope of Obligations
>
> 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.
>
> 3. [. . .][footnote 2: In this Agreement, "Paris Convention" refers to the Paris Convention for the Protection of Industrial Property; "Paris Convention (1967)" refers to the Stockholm Act of this Convention of 14 July 1967. "Berne Convention" refers to the Berne Convention for the Protection of Literary and Artistic Works; "Berne Convention (1971)" refers to the Paris Act of this Convention of 24 July 1971. "Rome Convention" refers to the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, adopted at Rome on 26 October 1961. "Treaty on Intellectual Property in Respect of Integrated Circuits" (IPIC Treaty) refers to the Treaty on Intellectual Property in Respect of Integrated Circuits, adopted at Washington on 26 May 1989. "WTO Agreement" refers to the Agreement Establishing the WTO.]

> Article 2 Intellectual Property Conventions
>
> 1. In respect of Parts II, III and IV of this Agreement, Members shall comply with Articles 1 through 12, and Article 19, of the Paris Convention (1967).
> 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.

1. Introduction: terminology, definition and scope

The term "intellectual property" is capable of being defined in different ways. Article 1.2 does not define "intellectual property" as a concept, but instead refers to sections of the agreement that address "categories".

The term "intellectual property" (and "intellectual property rights") appears mainly in the preamble and in Part III, TRIPS Agreement (relating to enforcement measures). As used in the preamble, the term refers to the general subject matter scope of the Agreement, and helps shape the context of the operative provisions of the Agreement. Part III requires Members to make available certain types of enforcement measures with respect to "intellectual property" or "intellectual property rights". The WTO Appellate Body and the European Court of Justice have already rendered decisions that interpret "intellectual property" as used in the TRIPS Agreement.

TRIPS incorporates provisions of treaties (or conventions) that were negotiated and concluded and are now administered in the framework of WIPO. Parts of that incorporation are accomplished in Article 2. The WIPO conventions are also referenced within Part II concerning substantive obligations. TRIPS supplements and modifies certain terms of the WIPO conventions, and establishes new rules outside the existing scope of those conventions.

A number of proposals have been made to expand the subject matter scope of TRIPS, most of them coming from developing countries. These proposals would include the fields of traditional knowledge, folklore and genetic resources within the scope of TRIPS Agreement coverage.[85]

This chapter focuses on the overall approach of TRIPS to defining the subject matter scope of intellectual property.

2. History of the provision

2.1 Situation pre-TRIPS

Until the middle part of the twentieth century, a distinction was customarily drawn between "industrial property", and the works of authors and artists. "Industrial property" was the province of business, and generally referred to patents and trademarks. The domain of the author and artist was protected by copyright and related rights. This distinction is reflected in the names of the two earliest multilateral agreements on the protection of intellectual property, the Paris Convention on the Protection of Industrial Property (1883) and the Berne Convention on the Protection of Literary and Artistic Works (1886).[86]

While this distinction was at one time grounded in commerce, the dawning of the so-called "post-industrial" era loosened the tie. The author became, for example, the computer programmer whose work underpinned a new generation of businesses. The boundaries between the industrial and artistic blurred, and the inclusive term "intellectual property" became commonly used to refer to the results of creative human endeavour protected by law.

[85] See Chapter 21.

[86] The coining of the term "intellectual property" is usually attributed to Josef Kohler and Edmond Picard in the late nineteenth century. This usage did not, however, become common for some years. See J.H. Reichman, *Charting the Collapse of the Patent-Copyright Dichotomy: Premises for a Restructured International Intellectual Property System*, 13 Cardozo Arts & Ent. L.J. 475, 480 (1995), citing among others, 1 Stephen P. Ladas, *The International Protection of Literary and Artistic Property* 9–10 (1938).

The Convention Establishing the World Intellectual Property Organization (adopted 1967, entered into force 1970), defined "intellectual property" at Article 2, stating:

"(viii) 'intellectual property' shall include the rights relating to:
– literary, artistic and scientific works,
– performances of performing artists, phonograms, and broadcasts,
– inventions in all fields of human endeavor,
– scientific discoveries,
– industrial designs,
– trademarks, service marks, and commercial names and designations,
– protection against unfair competition, and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields."

This definition is very broad. It encompasses subject matter not traditionally protected as industrial or intellectual property (for example, scientific discoveries are generally excluded from patent protection), and it does not evidence a limitation based on creativity.[87] However, this definition is used in the context of establishing the objectives of a specialized agency of the United Nations, and not in the operative context of defining the scope of rights. In this sense, the WIPO Convention definition is useful as an indication of how broadly the concept of intellectual property may be extended. It provides a basis for comparison with the more limited definition adopted in the TRIPS Agreement.

The principal WIPO conventions, Paris and Berne, took substantially different approaches to defining the subject matter of the interests they regulated. Article 2 of the Berne Convention includes a detailed and comprehensive definition of authors' and artists' expression that is generally subject to copyright. The Paris Convention, on the other hand, contains no definition of the subject matter, including patent or trademark.[88]

[87] In its final phrase, the Convention refers to the results of "intellectual activity". This may refer to intellectual effort, as well as creation.

[88] Commencing in 1985, a WIPO Committee of Experts on the Harmonization of Certain Provisions in Law for the Protection of Inventions was established under the authority of the International (Paris) Union for the Protection of Intellectual Property. As the name of this Committee implies, it was charged with seeking to establish common rules in the field of patents. See *WIPO Experts Make Progress On Patent Harmonization Draft*, BNA's Patent, Trademark & Copyright Journal, Analysis, January 10, 1991, 41 PTCJ 231 (Issue No. 1013), Lexis/Nexis Database, at Introduction. The scope of this project was initially broad, as governments sought to agree upon harmonized substantive provisions of patent law. In late 1992, the scope of this project was limited by the removal of a number of basic articles from the negotiations. See Paris Union Assembly, Nineteenth Session, WIPO doc. P/A/XIX/3, July 31, 1992. There are a number of explanations for the shift in scope of the negotiations. Some governments had expressed the view that conclusion of the TRIPS Agreement would reduce the need for a patent harmonization agreement. It was also apparent that the United States was unwilling at that point to agree to a core demand of other governments; that it adopt a "first-to-file" approach to patenting. An agreement could not be reached without this concession from the United States. Further negotiation of an agreement of broad scope appeared futile, and in subsequent years this exercise (which culminated in the adoption of the Patent Law Treaty) was devoted to technical administrative matters.

2.2 Negotiating history

2.2.1 The involvement of WIPO

From the very outset of the TRIPS negotiations the question of the relationship between a GATT-negotiated agreement and the existing body of WIPO conventions was the subject of extensive discussion. This was closely related to the institutional question whether intellectual property rights regulation should be moved into the GATT, the answer to which was not self-evident to many delegations. There were technical questions regarding the scope and nature of the protection of IPRs afforded by the WIPO Conventions, and conceptual questions regarding the nature of the relationship between GATT and WIPO once the TRIPS negotiations were concluded.

On 13 October 1986, shortly following the adoption of the Uruguay Round mandate (15 September 1986), the Director General of WIPO Arpad Bogsch sent to the Director General of the GATT Arthur Dunkel a request that,

> "WIPO . . . be fully associated in all activities that GATT will undertake in the field of intellectual property, including the question of counterfeit goods, and, in particular, that WIPO be invited to all the meetings of the Trade Negotiations Committee as well as to those of the different Committees or Working Groups that may be entrusted to deal with intellectual property questions."[89]

WIPO was subsequently invited to participate as observer in the formal meetings of the TRIPS Negotiating Group (TNG), a level of participation less than had been requested.[90]

Subsequently, the TNG requested that WIPO prepare comprehensive reports on the treatment of IPRs by existing multilateral conventions, on the status of negotiations within the WIPO framework, and on the existing treatment of IPRs within national legal systems.[91] In this respect, the participation-in-fact by WIPO in the activities of the TRIPS Negotiating Group was significant.

[89] MTN.GNG/NG11/W/1, 25 February 1987, Communication from the Director General of the World Intellectual Property Organization.

[90] "1. The Negotiating Group agreed to recommend to the GNG [Group of Negotiations on Goods] to invite to formal meetings of the Group international organizations which could facilitate the work of the Group by providing appropriate technical support in the field of their expertise to complement the expertise primarily available from participants. This support might take the form of oral responses during the meetings to requests through the Chairman for factual information on and clarification of matters concerning the relevant instruments and activities of any such organization, and factual papers to be prepared at the request of the Group." Note by the Secretariat, Meeting of the Negotiating Group of 10 June 1987, MTN.GNG/NG11/2, 23 June 1987.

[91] See, e.g., Meeting of the Negotiating Group of 23–24 Nov. 1987, MTN.GNG/NG11/5, 14 December 1987:

> "37. After discussion of various suggestions for documentation for its next meeting, the Group agreed to:
> 1. Authorize the Chairman to invite the WIPO Secretariat:
> (A) to prepare with respect to conventions administered by WIPO a factual statement providing a reference to provisions of existing international conventions providing protection for types of intellectual property included in MTN.GNG/NG11/W/12 (Section II, sub-paragraphs (i) through (vi));

There was discussion throughout the TRIPS negotiating process concerning the extent to which the WIPO conventions would form the basis of TRIPS rules and how such conventions would be integrated. At the meeting of the TNG of 29 February – 3 March 1988, these issues were discussed in some detail, leading to a request for factual information from WIPO. The meeting notes indicate:

> "22. Referring to documents MTN.GNG/NG11/W/19 and 21, some participants said that efforts in the Group to deal with trade problems arising in the area of norms should build on the long history of work in this area in other organizations, in particular WIPO. While international standards or norms for the protection of intellectual property rights existed in some areas, they were absent or limited in other areas. For example, it was said that, whereas the Berne Convention for the Protection of Literary and Artistic Works contained rather precise norms, those in the Paris Convention for the Protection of Industrial Property were less complete. The existing international rules did not appear sufficient to forestall the trade problems that were arising from the inadequate provision of basic intellectual property rights in many countries. There was need for further study of the provisions of existing international conventions as they related to trade problems arising, of their implementation in member countries and of the reasons why some countries had not acceded to them. Some participants wished to have further information on existing international law and on how the norms provided therein compared to norms in national legislation and the issues and suggestions put forward in the Group; for example, was the level of protection accorded under international norms based on a concept of "sufficient profit" and, if so, how was this assessed? A number of questions were put to the representative of the World Intellectual Property Organization. Suggestions were also made about papers that the WIPO Secretariat might be invited to prepare in this connection (see paragraph 39 below for the decision of the Group).
>
> [. . .]
>
> 39. On the basis of a proposal put forward by Mexico and two other participants, the Negotiating Group took the annexed Decision, inviting the Secretariat of the World Intellectual Property Organization to prepare a document for it. The Chairman said that the document would be a factual document, independent of the other documents before the Group, aimed at increasing understanding and would be without prejudice to the position of any participant in the negotiations and to the scope of the Group's Negotiating Objective. It was expected that the Chairman and the GATT secretariat would keep in contact with the Secretariat of WIPO during the preparation of the document. . . .
>
> 40. The representative of the World Intellectual Property Organization welcomed the decision of the Group to request a major contribution from WIPO. It would be difficult for WIPO to present all the information requested in the brief time before the next meeting of the Group. WIPO would do all it could to provide the

(B) to prepare the same kind of factual information as asked for in paragraph 1(A) as far as ongoing work in WIPO is concerned for updating the Note for the Chairman on 'Activities in Other International Organizations of Possible Interest in Relation to Matters Raised in the Group'.

maximum amount of information for the next meeting and would provide the rest as soon as possible thereafter."[92]

The meeting of the TNG of 16–19 May 1988 was largely devoted to discussion of a WIPO-prepared document on the Existence, Scope and Form of Generally Internationally Accepted and Applied Standards/Norms of the Protection of Intellectual Property (MTN.GNG/NG11/W/24). In this discussion, delegates expressed views concerning the extent to which the Paris and Berne Conventions provided adequate levels of IPR protection, and on whether negotiation of changes to the rules provided by those Conventions was better undertaken in the GATT or WIPO.[93]

By the TNG meeting of 12–14 July 1989, delegations were engaged in detailed discussion of their perceptions regarding the adequacy of the regulatory standards found in the existing WIPO conventions.[94] Although there were questions raised regarding the need for rules to supplement the existing provisions of the Berne Convention, for the most part it was accepted that the Berne Convention established adequate substantive standards of copyright protection.[95] Discussions regarding the Paris Convention regarding patents reflected sharply divergent perspectives, largely as between developed and developing country delegations.[96]

2.2.2 The Anell Draft

The composite text prepared by the Chairman of the TNG (Lars Anell) in July 1990[97] included draft provisions on categories of IPRs and the relationship of the WIPO Conventions. The Anell text provided:

''PART II: GENERAL PROVISIONS AND BASIC PRINCIPLES

1. Scope and Coverage

For the purposes of this agreement, the term "intellectual property" refers to all categories of intellectual property that are the subject of Sections . . . to . . . of Part III. This definition is without prejudice to whether the protection given to that subject matter takes the form of an intellectual property right.

5. Intellectual Property Conventions

5A. PARTIES shall comply with the [substantive] provisions [on economic rights] of the Paris Convention (1967), of the Berne Convention (1971) [and of the Rome Convention].

[92] Meeting of the Negotiating Group of 29 Feb.–3 Mar. 1988 MTN.GNG/NG11/6, 8 April 1988.

[93] At this stage in the TRIPS negotiations, the Secretariat notes of meetings generally did not refer to the specific delegation intervening, but usually to a "participant" or "participants". For later meetings the intervening delegations were sometimes, though not always, identified.

[94] Meeting of Negotiating Group of 12–14 July 1989, MTN.GNG/NG11/14, 12 Sept. 1989.

[95] See, e.g., paras. 23–34, *id.*

[96] See paras. 67–85, *id*.

[97] Status of Work in the Negotiating Group, Chairman's Report to the GNG, MTN.GNG/NG11/W/76, 23 July 1990. For more details on this draft see the explanatory note on the methodology at the beginning of this volume.

PART III: STANDARDS CONCERNING THE AVAILABILITY, SCOPE AND USE OF INTELLECTUAL PROPERTY RIGHTS

SECTION 1: COPYRIGHT AND RELATED RIGHTS

1. Relation to Berne Convention

1A PARTIES shall grant to authors and their successors in title the [economic] rights provided in the Berne Convention (1971), subject to the provisions set forth below.

1B PARTIES shall provide to the nationals of other PARTIES the rights which their respective laws do now or may hereafter grant, consistently with the rights specially granted by the Berne Convention."

With respect to the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, the Anell Draft contained a proposal that would have gone beyond the corresponding obligation under the current TRIPS Agreement (see above, bracketed text under proposal 5A). This proposal would have rendered substantive obligations under the Rome Convention mandatory for all WTO Members, which is not the case under Article 2, TRIPS Agreement (see below, Section 3, for details).

2.2.3 The Brussels Draft

The Anell composite text emerged with modification in the Brussels Ministerial Text in December 1990. Article 1.2 (regarding the term "intellectual property") of the Brussels Ministerial Text and the final TRIPS Agreement text are essentially identical (although the Brussels text does not identify the relevant Section numbers).

Article 2.1 of the Brussels Ministerial Text provided:

"1. In respect of Parts II, III and IV of this Agreement, PARTIES shall not depart from the relevant provisions of the Paris Convention (1967)."

At this stage, the Paris Convention is still referenced in general terms, contrasting to the subsequent introduction of reference to specific articles. Also a "shall not depart" from formula is used, instead of the later "shall comply with".[98]

Article 2.2 of the Brussels Ministerial Text provided:

"2. Nothing in this Agreement shall derogate from existing obligations that PARTIES 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."

The transition from the Anell composite text to the Brussels Ministerial Text is important. For example, the predecessor to Article 1.2 in the Anell composite text contained an additional sentence implicitly acknowledging that some of the rights regulated by the agreement might not be considered "intellectual property" in the customary sense in which that term was used (see above, Anell Draft, under paragraph 1, "Scope and Coverage"). Also, Article 2.2 of the Brussels Ministerial Text

[98] For an interpretation of the current TRIPS obligation to "comply" with Paris Convention provisions and the question of a possible hierarchy between the TRIPS Agreement and the Paris Convention, see below, Section 3 (Possible interpretations).

(see above) added an important provision referring to derogation from *obligations* under the WIPO Conventions, but without reference to *rights* under those Conventions (as to the differentiation in this context between "rights" on the one hand and "obligations" on the other hand, see Section 3).

2.2.4 The Dunkel Draft

The only change in the Dunkel Draft and final TRIPS Agreement text is introduction in Article 2.2 of the limiting reference to "Parts I to IV" of the TRIPS Agreement as occasioning no derogation.[99] In practical terms, this limitation does not substantially alter the provision; the Parts not referenced under the current Article 2.2 concern provisions on dispute prevention and settlement (Part V); transitional arrangements (Part VI); and institutional arrangements and final provisions (Part VII). These provisions are unique to TRIPS and are thus unlikely to affect Members' obligations under the referenced conventions.

3. Possible interpretations

3.1 Article 1.2, TRIPS Agreement

> 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.

As will be evident from the discussion that follows, "categories of intellectual property" is not synonymous with the headings of Sections 1 through 7, Part II of TRIPS. It is useful, nonetheless, to list those headings to provide a reference point for further discussion.

"Part II – Standards Concerning the Availability, Scope and Use of Intellectual Property Rights

Section 1 – Copyright and Related Rights

Section 2 – Trademarks

Section 3 – Geographical Indications

Section 4 – Industrial Designs

Section 5 – Patents

[99] The Dunkel Draft texts of Articles 1.2 and 2, TRIPS Agreement, are almost identical to the finally adopted versions, with the only changes clarifying the section numbers referenced. The Dunkel Draft text of Article 1.2, TRIPS Agreement, referred to "Sections 1 *to* 7 of Part II", whereas the final TRIPS Agreement in Article 1.2 text refers to "Sections 1 *through* 7 of Part II" (italics added). The Dunkel Draft text of Article 2.1, TRIPS Agreement, referred to "Articles 1–12 and 19 of the Paris Convention (1967), whereas the final TRIPS Agreement text in Article 2.1 refers to "Articles 1 through 12, and Article 19, of the Paris Convention (1967)". Similarly, Article 9.1 of the Dunkel Draft text and the TRIPS Agreement regarding Berne Convention rules are essentially identical, with only clarifying changes involving numbering. Negotiating history regarding references to WIPO Conventions for other forms of intellectual property is addressed in the relevant chapters of this book.

Section 6 – Layout-Designs (Topographies) of Integrated Circuits

Section 7 – Protection of Undisclosed Information"

The scope of the intellectual property rights subject matter covered by TRIPS determines the extent of each Member's obligation to implement and enforce the agreement. The text indicates that Article 1.2 is intended to limit the subject matter scope of "intellectual property". By defining "intellectual property" by reference to "all categories" of intellectual property that are the subject of certain sections of the Agreement, the definition excludes other potential categories of intellectual property that are not the subject of those sections.[100]

The question arises, what is meant by a "category"? "Category" is defined as a set or subset of things.[101] The term is inherently ambiguous because sets and subsets may be defined more broadly or narrowly depending on the intent of the creator of the set or subset. So, for example, when reference is made to the "category" of "Copyright and related rights", that reference could be understood to refer only to the specific types of protection referred to in Section 1 of Part II, or it could be understood to refer to any type of right that "relates" to expressive works (bearing in mind that "neighbouring rights" to copyright has its own customary meaning).[102]

Furthermore, since the reference in Article 1.2 is to categories that "are the subject" of Sections 1 through 7, the scope of the covered matter may not be strictly limited by the general category headings of the sections. Within the sections there are references to subject matters not traditionally considered to be within those general categories. For example, *sui generis* plant variety protection is provided as an optional form of protection under Section 5 on patents. Such protection does not involve patents as such. As discussed in detail below (Section 4), the Appellate Body in its *Havana Club* case has endorsed this interpretation.

Since Article 1.2 is expressed in the form of limitation, there is good reason to conclude that the categories of intellectual property should bear a reasonably close relationship to the subject matters enumerated in Sections 1 through 7 of Part II, especially as the negotiating history of TRIPS reflects an intention to regulate those subject matter areas that were agreed upon, and not areas as to which the parties did not agree.

There are certain subject matter areas "at the border" of existing forms of intellectual property. One notable area is database protection. In this respect, it is decisive whether the database at issue, *by reason of the selection or arrangement of its contents*, constitutes an *intellectual creation*. If this is the case, it is covered

[100] The definition of "intellectual property" in the Convention Establishing WIPO (referred to above), by way of contrast, includes not only a list of subject matter areas designated as intellectual property, but also a general reference to "all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields." The list in the Convention Establishing WIPO includes subject matter that is not expressly covered by the TRIPS Agreement, for example, "scientific discoveries", which are different from "inventions" that are subject to patent protection (see Article 27.1, TRIPS Agreement).

[101] The New Shorter Oxford English Dictionary defines "category" as "Any of a possibly exhaustive set of basic classes among which all things might be distributed".

[102] See Chapter 13.

as intellectual property under Article 10.2, TRIPS Agreement.[103] If, on the other hand, the selection or arrangement of the contents of the database is *not creative* (e.g. a telephone book), it cannot be considered "intellectual property" in the customary sense because such compilation reflects only the expenditure of effort. The EC Database Directive provides protection of databases as a *sui generis* right distinct from interests protected by copyright.[104] The U.S. Supreme Court has denied copyright protection to non-creative databases. Yet such databases might be protectable to some extent by unfair competition law, and the question arises whether an interest in a database protected by unfair competition law might be considered an intellectual property right. Since non-creative databases are not the subject of Sections 1 through 7 of Part II of TRIPS, it seems that they should not be considered, for the purpose of the Agreement, "intellectual property", even if they may be protected by unfair competition law.[105]

The incorporation of provisions of the WIPO conventions also raises interpretative issues regarding the categories of intellectual property covered by TRIPS. For example, Article 2.1 provides that Members shall comply with Articles 1 through 12 and 19 of the Paris Convention (in respect of Parts II, III and IV, TRIPS Agreement). TRIPS thus incorporates a definition of "industrial property" in Article 1, Paris Convention, which plays an uncertain role in respect both to interpretation of the Paris Convention and TRIPS.[106] According to the WTO Appellate Body (see discussion of *Havana Club* case, Section 4 below), even though trade names are not expressly addressed by any "category" of Sections 1 through 7, Part II, the TRIPS Agreement covers them because it incorporates an obligation to comply with Article 8, Paris Convention.[107]

Sections 1 through 7 of Part II of TRIPS are drafted with a moderate degree of specificity concerning the subject matter of intellectual property protection, and the application of TRIPS to some subject matter areas is fairly clear. However, Sections 1 through 7 are not uniformly precise, and Article 1.1 grants discretion to Members regarding the way in which subject matter may be protected. Members have some discretion in determining what types of legal entitlements will

[103] For details, see Chapter 9. Note that TRIPS does not provide any definition of what constitutes an "intellectual creation" within the meaning of Article 10.2.

[104] Under the EC Directive, such protection is granted in addition to, but independent of, copyright protection. For details on the EC Database Directive, see Chapter 9, Section 6.3 (regional contexts).

[105] On the other hand, as noted above, databases that do constitute an intellectual creation are covered by Article 10.2, TRIPS Agreement and therefore qualify as "intellectual property" within the meaning of Article 1.2.

[106] To illustrate the potential interpretative issues, Article 1(3), Paris Convention, states that:

> "Industrial property shall be understood in the broadest sense and shall apply not only to industry and commerce proper, but likewise to agricultural and extractive industries and to all manufactured or natural products, for example, wines, grain, tobacco leaf, fruit, cattle, minerals, mineral waters, beer, flowers, and flour."

If this definition were considered in connection with Article 27:2–3, TRIPS Agreement, it might be argued to inform the types of exclusions from patentability that could be adopted. It seems doubtful that such a role for Article 1(3), Paris Convention, was intended.

[107] In Section 6.4 below (proposals for review), the situation regarding traditional knowledge (TK) and folklore, as matters presumably outside the scope of the existing categories of intellectual property, is briefly examined. For more details, see Chapter 21.

be considered "intellectual property" and will ultimately determine the scope of "intellectual property" within their own legal systems and practice.

3.2 Article 2, TRIPS Agreement and other cross-referencing provisions

> Article 2
>
> 1. In respect of Parts II, III and IV of this Agreement, Members shall comply with Articles 1 through 12, and Article 19, of the Paris Convention (1967).
>
> 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.

The web of relationships between TRIPS and the various WIPO conventions is complex. It is established by a number of TRIPS provisions, including but not limited to Article 2.[108] The provisions of each category of intellectual property refer directly or indirectly to one or more of the WIPO conventions. Details concerning the relationships between the sets of norms are better dealt with in those chapters that address specific intellectual property subject matter. However, some general observations may be made here.

Article 2.1 provides that Members "shall comply" with Articles 1 through 12 and 19, Paris Convention, in respect to Parts II, III and IV.[109] The obligation to comply with the relevant Paris Convention provisions thus applies in respect to the substantive standards relating to the categories of intellectual property, to the enforcement of intellectual property rights, and to the mechanisms for acquiring those rights.[110]

[108] Footnote 2 to Article 1.3, TRIPS Agreement, as quoted above (Section 1), describes the particular version of the relevant WIPO convention to which the other provisions refer. This is necessary because the WIPO conventions are typically subject to revisions that may not be accepted by all parties to the prior version in force. In some cases, WTO Members may be parties to different revisions of the WIPO conventions. In fact, there are few instances in which Members are not parties to the versions referenced in Article 1.2, TRIPS Agreement. Article 1.3, TRIPS Agreement, also establishes rules regarding how nationals of Members are defined, in accordance with various agreements administered by WIPO.

[109] Part II, TRIPS Agreement, addresses "Standards Concerning the Availability, Scope and Use of Intellectual Property Rights", Part III deals with "Enforcement of Intellectual Property Rights", and Part IV concerns "Acquisition and Maintenance of Intellectual Property Rights and Related *Inter-Partes* Procedures".

[110] Articles 1 through 12 and 19, Paris Convention, include rules regarding the basic national treatment obligation (Article 2), filing and priority rules for patents, utility models, industrial designs and trademarks (Article 4), independence of patents (Article 4bis), compulsory licensing (Article 5), protection of industrial designs (Article 5quinquies), registration and independence of trademarks (Article 6), well known marks (Article 6bis), service marks (Article 6sexies), trade names (Article 8), seizure of trademark or trade name infringing imports (Article 9), unfair competition (Article 10bis), right to enforce trademark, trade name and unfair competition in national law (Article 10ter), establishment of intellectual property offices (Article 12), and right to make special agreements (Article 19).

The parts of TRIPS not subject to Paris Convention compliance obligations relate to the general provisions and basic principles, dispute settlement, transitional arrangements and institutional arrangements.[111]

There is some ambiguity as to whether by obligating Members to "comply", Article 2.1 is subjecting TRIPS to the provisions of the Paris Convention. The ordinary meaning of "comply" is to conform or obey.[112]

The Vienna Convention on the Law of Treaties provides at Article 30:

> "1. [...]
>
> 2. When a treaty specifies that it is subject to, or that it is not to be considered as incompatible with, an earlier or later treaty, the provisions of that other treaty prevail.
>
> 3. When all the parties to the earlier treaty are parties also to the later treaty but the earlier treaty is not terminated or suspended in operation under article 59, the earlier treaty applies only to the extent that its provisions are compatible with those of the latter treaty."

TRIPS does not provide a general hierarchy of norms as between its rules and those of the Paris Convention. The directive that WTO Members should "comply" with relevant provisions of the Paris Convention may imply that Paris Convention rules should take priority in the event of a conflict in the sense of Article 30(2), VCLT. The alternative under Article 30(3), VCLT, that TRIPS should be considered a later in time treaty the provisions of which prevail over the Paris Convention does not appear satisfactory because of the specific incorporation of Paris Convention provisions, the obligation to "comply" with them, and the lack of express indication that Paris Convention rules are intended to be superseded by TRIPS. However, Article 2.2 needs to be considered. Article 2.2 provides:

> "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."

By stating that nothing in Parts I to IV "shall derogate from existing obligations" under the Paris Convention, Article 2.2 might imply that TRIPS provisions may derogate from existing "rights" (but not obligations) under the Paris Convention. On the other hand, the Article 2.2 text might only be an affirmation that TRIPS was not intended to affect specific entitlements that private right holders may have obtained by virtue of operation of the Paris Convention, and not be intended to more generally address the hierarchy of norms. There was no draft text of Article 2.2 prior to the Brussels Draft, and the negotiating history offers little in the way of guidance regarding the drafters' intent.

[111] Part I, TRIPS Agreement, addresses "General Provisions and Basic Principles", Part V addresses "Dispute Prevention and Settlement", Part VI addresses "Transitional Arrangements" and Part VII addresses "Institutional Arrangements; Final Provisions".

[112] The New Oxford Shorter English dictionary defines "comply" as "1. fulfill, accomplish" and "5. act in accordance with ..."

Provisions of the Paris Convention are referenced elsewhere in TRIPS in different ways to accomplish different results. For example, Article 16.2–3, TRIPS Agreement, applies Article 6*bis*, Paris Convention, regarding well known trademarks to service marks, and modifies its application to goods and services, using a *mutatis mutandis* formula. Article 22.2(b), TRIPS Agreement, regarding geographical indications of origin incorporates Article 10*bis*, Paris Convention, regarding unfair competition as one of its basic standards of protection. Article 39.1, TRIPS Agreement, refers to Article 10*bis*, Paris Convention, as the basis for providing protection for undisclosed information, stating that the specific rules in Article 39.2–3 apply "In the course of ensuring effective protection . . . as provided in Article 10*bis*". Each of these formulas may have different legal consequences.

The formula for incorporation of Berne Convention rules is similar to that used for the Paris Convention, and is found at Article 9.1, TRIPS Agreement:

> "Members shall comply with Articles 1 through 21 of the Berne Convention (1971) and the Appendix thereto. However, Members shall not have rights or obligations under this Agreement in respect of the rights conferred under Article 6bis of that Convention or of the rights derived therefrom."[113]

The methods by which provisions of other WIPO conventions are incorporated vary. For example, certain conditions, limitations and exceptions permitted by the Rome Convention are incorporated in Article 14, TRIPS Agreement (regarding performance and broadcast rights), by reference to the Rome Convention as a whole. Article 35, TRIPS, incorporates specific articles and paragraphs of the Treaty on Intellectual Property in Respect of Integrated Circuits (IPIC Treaty) and refers to additional rules of Articles 36–38, TRIPS Agreement.

The Berne, Rome and IPIC Conventions are all subject to Article 2.2, so that Members shall not derogate from existing obligations under those Conventions. Just as with respect to the Paris Convention, derogation from existing "rights" under the Paris, Rome and IPIC are not referenced, but this may not imply a general hierarchy that differentiates as between rights and obligations.

All or virtually all Members of the WTO are also parties to the Paris and Berne Conventions. As regards these two Conventions, Article 2.2 effectively states a rule of general application as among all WTO Members.[114] The Rome Convention has limited membership (77 members as of July 15, 2004[115]) and the IPIC Convention (as of August 2004) has not entered into force.[116] The obligation not to derogate

[113] The specific provisions of the Berne Convention for which a compliance obligation is established are elaborated in Chapters 7–13. Articles 1 through 21, Berne Convention, however, encompass all the substantive provisions regarding copyright subject matter. The Appendix establishes special provisions in favour of developing countries. The articles that are not referenced concern institutional arrangements. Article 6*bis*, which is excluded by operation of the second sentence, establishes certain moral rights in favour of authors and artists.

[114] It is conceivable that a state first acceding to the WTO and TRIPS Agreement, and later joining one of the four listed Conventions, might be argued not to fall within the terms of Article 2.2, TRIPS Agreement because its other obligations were not "existing" when it acceded to the WTO or TRIPS Agreement. The prospects of this situation arising, with meaningful consequences attached, appears sufficiently remote as not to warrant treatment here.

[115] See <http://www.wipo.int/treaties/en/documents/pdf/k-rome.pdf>.

[116] For more details on the IPIC Convention, see Chapter 27.

from existing obligations applies only among parties to the relevant agreements. In this respect, Article 2.2 differs from Article 2.1: the obligation under the first paragraph to comply with certain obligations under the Paris Convention extends even to those WTO Members that are not parties to the Paris Convention. The same approach applies to Articles 1–21 of the Berne Convention and its Appendix (see Article 9.1, TRIPS, as quoted above) and Articles 2–7 (except Article 6.3), Article 12 and 16.3 of the IPIC Treaty (see Article 35, TRIPS). With respect to the Rome Convention, TRIPS does not contain a comparable reference to non-WTO obligations. As stated above, Article 14.6, TRIPS, declares certain *exceptions* to copyright as permitted by the Rome Convention to be applicable in the TRIPS context.[117] But there is no such reference to any *obligations* under the Rome Convention. Note that in this respect, one proposal under the Anell Draft sought to include a reference to the Rome Convention in the predecessor to Article 2.1 (see above, Section 2.2). This would have rendered the Rome obligations generally mandatory for all WTO Members.

As opposed to the mandatory extension of non-WTO obligations to all WTO Members under the first paragraph of Article 2, the second paragraph of the same Article applies only between those Members that are parties to the enumerated agreements. The purpose of this provision is to make sure that parties to these agreements do not take TRIPS as an excuse to no longer respect their non-WTO commitments where those go beyond the TRIPS minimum standards. In *EC-Bananas*, the arbitration award concerning, *inter alia*, the level of suspension of concessions applied to the EC, also referred to Article 2.2. In this respect, the arbitrators said:

> "This provision can be understood to refer to the obligations that the contracting parties of the Paris, Berne and Rome Conventions and the IPIC Treaty, who are also WTO Members, have between themselves under these four treaties. This would mean that, by virtue of the conclusion of the WTO Agreement, e.g. Berne Union members cannot derogate from existing obligations between each other under the Berne Convention. For example, the fact that Article 9.1 of the TRIPS Agreement incorporates into that Agreement Articles 1–21 of the Berne Convention with the exception of Article 6bis does not mean that Berne Union members would henceforth be exonerated from this obligation to guarantee moral rights under the Berne Convention."[118]

In the final analysis, the relationship between TRIPS, the Paris Convention and the other WIPO conventions may require the development of treaty jurisprudence specific to this set of circumstances in which the various sets of rules appear to "inform" each other.

[117] Article 14.6, TRIPS Agreement reads in relevant part: "Any Member may, in relation to the rights conferred under paragraphs 1, 2 and 3, provide for conditions, limitations, exceptions and reservations to the extent permitted by the Rome Convention."

[118] See *European Communities – Regime for the Importation, Sale and Distribution of Bananas – Recourse to Arbitration by the European Communities under Article 22.6 of the DSU* – Decision by the Arbitrators, WT/DS27/ARB/ECU, at para. 149. For the development implications of the dispute settlement system in general and the *EC-Bananas* case in particular, see Chapter 32, Section 7.

3.3 State practice

One of the most important issues raised in regard to the relationship between TRIPS and WIPO conventions is the extent to which "state practice" under the WIPO conventions will be considered relevant to interpretation of TRIPS. Article 31(3)(b), VCLT, provides that together with the context, the following should be taken into account in the process of treaty interpretation:

> "(b) any subsequent practice in the application of the treaty which establishes the agreement of the parties regarding its interpretation."

The Paris and Berne Conventions have been in force for more than a century and a great deal of state practice under these conventions has accumulated. An argument in favour of taking such state practice into account in interpreting TRIPS is that such practice provides a substantial amount of legal texture or context to otherwise general terms. Moreover, by adopting the rules of these Conventions, TRIPS negotiators signalled that they were not intending to make a sharp break with pre-existing intellectual property legal development, albeit they did choose to modify various rules. Finally, the Paris and Berne Conventions were subject to fairly wide adherence by WTO Members even prior to conclusion of TRIPS.

On the other hand, a number of WTO Members were not parties to the Paris and Berne Conventions for much of the historical evolution of these treaties. A number of developing and least-developed WTO Members were subject to foreign rule for a good part of the period during which the Paris and Berne Conventions were evolving. The developing and least-developed Members might argue in favour of being allowed to develop their own state practice before the practices of developed Members are used to interpret TRIPS.

The VCLT rule on the use of state practice as an interpretative source does not directly address the issue whether prior practice applies to later adherents to the treaty. Under ordinary circumstances, it might be assumed that prior state practice will be taken into account since the meaning of a treaty develops over time as its parties implement it, and thereby agree on its interpretation. Each party joining the treaty would not expect to find a "blank slate" on which no prior state practice was written.

The question may well be asked, however, whether the TRIPS Agreement relationship to the Paris and Berne Conventions involves a unique situation that should lead treaty interpreters to develop a particularized jurisprudence to address this case. At a point in time, a substantial group of countries that was not party to the Paris and Berne Conventions accepted the application of the rules of those Conventions in the new TRIPS context. The object and purpose of TRIPS is different from the object and purpose of the WIPO conventions. The first has as its object and purpose the prevention of trade distortions attributable to intellectual property rules (i.e., under- and over-protection of IPRs). The latter have the purpose of promoting the protection of intellectual property. Only taken together with TRIPS can the WIPO conventions be understood in the TRIPS context. State practice under the WIPO conventions prior to application of TRIPS Agreement rules may have some relevance in the TRIPS interpretative process, but not without a second lens through which prior WIPO state practice is viewed.

State practice is always evolving, and the practices of developing and least-developed WTO Members subsequent to application of TRIPS Agreement rules will also inform interpretation of the Paris and Berne Convention rules.

In a number of instances TRIPS either supplements[119] or modifies[120] the terms of the WIPO conventions. In such cases, prior state practice under the WIPO conventions would only be relevant to the extent that TRIPS does not set out to modify that state practice.

4. WTO jurisprudence

4.1 Havana Club

The subject matter scope of TRIPS, including its relationship to the WIPO Conventions, is considered in some detail by the WTO Appellate Body (AB) in the *United States – Section 211 Omnibus Appropriations Act of 1998* ("*Havana Club*")[121] case.

The panel in the *Havana Club* case decided that trade names were not "intellectual property" within the meaning of Article 1.2 because they were not a "category" of Sections 1 through 7, Part II.[122] The panel said:

> "We interpret the terms 'intellectual property' and 'intellectual property rights' with reference to the definition of 'intellectual property' in Article 1.2 of the TRIPS Agreement. The textual reading of Article 1.2 is that it establishes an inclusive definition and this is confirmed by the words 'all categories'; the word 'all' indicates that this is an exhaustive list. Thus, for example, the national and most-favoured-nation treatment obligations contained in Articles 3 and 4 of the TRIPS Agreement that refer to the 'protection of intellectual property' would be interpreted to mean the categories covered by Article 1.2 of the TRIPS Agreement. We consider the correct interpretation to be that there are no obligations under those Articles in relation to categories of intellectual property not set forth in Article 1.2, e.g., trade names, consistent with Article 31 of the Vienna Convention." (para. 8.26)

The panel went on to consider whether Article 2.1, by incorporating Article 8, Paris Convention (obligating parties to provide trade name protection), brought trade names within the scope of intellectual property covered by the agreement. The panel reasoned that since Article 2.1 provided that the referenced Paris Convention articles were to be complied with "in respect of" Parts II, III and IV of TRIPS, and since those parts did not refer to trade names, Article 8, Paris Convention did not add obligations regarding trade names. The panel referred to negotiating history

[119] For example, Article 10.1, TRIPS Agreement, provides that computer programs are protected by copyright. Prior state practice under the Berne Convention had accepted this view prior to conclusion of the TRIPS Agreement, so this article supplements the Convention by confirming that practice.

[120] For example, Article 16.2, TRIPS Agreement, provides new rules regarding the meaning of well-known trademarks which arguably modify Article 6*bis,* Paris Convention. To the extent that Article 16.2, TRIPS Agreement, creates new rules, prior state practice under Article 6*bis*, Paris Convention, would not be relevant to its interpretation.

[121] AB-2001-7, WT/DS176/AB/R, Report of the Appellate Body, 2 Jan. 2002.

[122] *United States – Section 211 Omnibus Appropriations Act of 1998*, WT/DS176/R, Report of the Panel, 6 Aug. 2001.

to confirm its conclusion, though the references are somewhat tangential to its reasoning.

The AB disagreed with the panel. It said:

> "333. We disagree with the Panel's reasoning and with the Panel's conclusion on the scope of the *TRIPS Agreement* as it relates to trade names.
>
> 334. To explain, we turn first to the Panel's interpretation of Article 1.2 of the *TRIPS Agreement*, which, we recall, provides:
> 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.
>
> 335. The Panel interpreted the phrase ' "intellectual property" refers to all categories of intellectual property that are the *subject* of Sections 1 through 7 of Part II' (emphasis added) as if that phrase read 'intellectual property means those categories of intellectual property appearing in the *titles* of Sections 1 through 7 of Part II.' To our mind, the Panel's interpretation ignores the plain words of Article 1.2, for it fails to take into account that the phrase 'the subject of Sections 1 through 7 of Part II' deals not only with the categories of intellectual property indicated in each section *title*, but with other *subjects* as well. For example, in Section 5 of Part II, entitled 'Patents', Article 27(3)(b) provides that Members have the option of protecting inventions of plant varieties by *sui generis* rights (such as breeder's rights) instead of through patents. Under the Panel's theory, such *sui generic* rights would not be covered by the *TRIPS Agreement*. The option provided by Article 27(3)(b) would be read out of the *TRIPS Agreement*.
>
> 336. Moreover, we do not believe that the Panel's interpretation of Article 1.2 can be reconciled with the plain words of Article 2.1. Article 2.1 explicitly incorporates Article 8 of the Paris Convention (1967) into the *TRIPS Agreement*.
>
> 337. The Panel was of the view that the words 'in respect of' in Article 2.1 have the effect of 'conditioning' Members' obligations under the Articles of the Paris Convention (1967) incorporated into the *TRIPS Agreement*, with the result that trade names are not covered. We disagree.
>
> 338. Article 8 of the Paris Convention (1967) covers only the protection of trade names; Article 8 has no other subject. If the intention of the negotiators had been to exclude trade names from protection, there would have been no purpose whatsoever in including Article 8 in the list of Paris Convention (1967) provisions that were specifically incorporated into the *TRIPS Agreement*. To adopt the Panel's approach would be to deprive Article 8 of the Paris Convention (1967), as incorporated into the *TRIPS Agreement* by virtue of Article 2.1 of that Agreement, of any and all meaning and effect. As we have stated previously:
>
> One of the corollaries of the "general rule of interpretation" in the *Vienna Convention* is that interpretation must give meaning and effect to all the terms of a treaty. An interpreter is not free to adopt a reading that would result in reducing whole clauses or paragraphs of a treaty to redundancy or inutility.
>
> 339. As for the import of the negotiating history, we do not see it as in any way decisive to the issue before us. The documents on which the Panel relied are not conclusive of whether the *TRIPS Agreement* covers trade names. The passages

quoted by the Panel from the negotiating history of Article 1.2 do not even refer to trade names. There is nothing at all in those passages to suggest that Members were either for or against their inclusion. Indeed, the only reference to a debate about the categories for coverage in the *TRIPS Agreement* relates, not to trade names, but to trade secrets. The Panel itself acknowledged that '[t]he records do not contain information on the purpose of the addition' of the words 'in respect of' at the beginning of Article 2.1. Therefore, we do not consider that any conclusions may be drawn from these records about the interpretation of the words 'in respect of' in Article 2.1 as regards trade names.

340. Thus, in our view, the Panel's interpretation of Articles 1.2 and 2.1 of the *TRIPS Agreement* is contrary to the ordinary meaning of the terms of those provisions and is, therefore, not in accordance with the customary rules of interpretation prescribed in Article 31 of the *Vienna Convention*. Moreover, we do not believe that the negotiating history confirms, within the meaning of Article 32 of the *Vienna Convention*, the Panel's interpretation of Articles 1.2 and 2.1.

341. For all these reasons, we reverse the Panel's finding in paragraph 8.41 of the Panel Report that trade names are not covered under the *TRIPS Agreement* and find that WTO Members do have an obligation under the *TRIPS Agreement* to provide protection to trade names." [footnotes omitted, italics in the original]

The AB's analysis confirms the view that the broad subject matter headings of Sections 1 through 7, Part II, do not strictly limit the subject matter scope of "intellectual property". This does not mean that the subject matter of "intellectual property" is unlimited. In the case of trade names, they are covered subject matter because they are specifically incorporated by Article 8, Paris Convention. Nonetheless, to some extent the AB has adopted a broader rather than narrower view of the interpretation of "intellectual property" in Article 1.2.

In *Havana Club*, the AB also explained the legal relationship between TRIPS and the Paris Convention. There is nothing surprising about this explanation but, as it comes from the AB, it is worth setting out.

"123. Article 6*quinquies* [the 'as is' or 'telle quelle' rule regarding trademarks] forms part of the Stockholm Act of the Paris Convention, dated 14 July 1967. The Stockholm Act is a revision of the original *Paris Convention for the Protection of Industrial Property*, which entered into force on 7 July 1884. The parties to the Paris Convention, who are commonly described as the 'countries of the Paris Union', are obliged to implement the provisions of that Convention.

124. Article 2.1 of the *TRIPS Agreement* provides that: '[i]n respect of Parts II, III and IV of this Agreement, Members shall comply with Articles 1 through 12, and Article 19, of the Paris Convention (1967).' Thus, Article *6quinquies* of the Paris Convention (1967), as well as certain other specified provisions of the Paris Convention (1967), have been incorporated by reference into the *TRIPS Agreement* and, thus, the *WTO Agreement*.

125. Consequently, WTO Members, whether they are countries of the Paris Union or not, are obliged, under the *WTO Agreement*, to implement those provisions of the Paris Convention (1967) that are incorporated into the *TRIPS Agreement*. As

we have already stated, Article *6quinquies* of the Paris Convention (1967) is one such provision."

4.2 EC – Bananas

For the interpretation of Article 2.2 in this case see above, Section 3.

5. Relationship with other international instruments

5.1 WTO agreements

The general question of the proper interpretation of terms such as "intellectual property" is common to all WTO Agreements. The term "intellectual property" is unique in the sense that it is the subject of an extensive history of regulation by multilateral instruments outside the WTO context. There are analogies, nonetheless, in terms such as "national treatment" that were used in various treaty contexts (including in the Paris and Berne Conventions) well before the GATT 1947.

The determination of the subject matter scope of "intellectual property" under Article 1.2 might be relevant to other WTO agreements in the sense that subject matter not covered by TRIPS might be principally regulated by another WTO agreement.

The extensive incorporation and cross-referencing of TRIPS to the WIPO conventions is distinctive to TRIPS (among the WTO agreements).

5.2 Other international instruments

While TRIPS incorporates and cross-references WIPO conventions, the WIPO conventions do not in their text incorporate or cross-reference the TRIPS Agreement. However, the 1996 WIPO Copyright Treaty[123] includes a number of "Agreed Statements", and among these are three that refer to TRIPS.[124] In each case, the presumed objective of the agreed statement is to clarify that the rules adopted at WIPO are consistent with the rules of TRIPS. However, the language used to express this consistency does little to resolve ambiguity.

As example, Article 4, WIPO Copyright Treaty and Article 10.1, TRIPS Agreement, each provide that computer software is protected by copyright, but the agreements describe the subject matter of "computer programs" differently. The WIPO definition is framed more broadly ("whatever may be the mode or form

[123] Adopted in Geneva on 20 December 1996. The treaty is available at <http://www.wipo.int/clea/docs/en/wo/wo033en.htm>.

[124] These agreed statements are as follows:

"Agreed statements concerning Article 4: The scope of protection for computer programs under Article 4 of this Treaty, read with Article 2, is consistent with Article 2 of the Berne Convention and on a par with the relevant provisions of the TRIPS Agreement."

"Agreed statements concerning Article 5: The scope of protection for compilations of data (databases) under Article 5 of this Treaty, read with Article 2, is consistent with Article 2 of the Berne Convention and on a par with the relevant provisions of the TRIPS Agreement."

"Agreed statements concerning Article 7: It is understood that the obligation under Article 7(1) does not require a Contracting Party to provide an exclusive right of commercial rental to authors who, under that Contracting Party's law, are not granted rights in respect of phonograms. It is understood that this obligation is consistent with Article 14(4) of the TRIPS Agreement."

of their expression"), apparently providing a greater scope for the evolution of technologies that may eventually make obsolete the TRIPS Agreement reference ("whether in source or object code"). The agreed statement to Article 4, WIPO Copyright Treaty provides that the "scope of protection" under the WIPO Copyright Treaty (and the Berne Convention) is "on a par with the relevant provisions of the TRIPS Agreement". This might be interpreted to mean that the WIPO rule does not cover evolutionary technologies otherwise not captured within the TRIPS Agreement reference to source or object code, thereby leaving any adjustments based on technological evolution in the hands of the WTO.

In addition to these recently adopted cross-references in the WIPO Copyright Treaty, there is a close and ongoing working relationship established between the TRIPS Council and WIPO. WIPO has been delegated the tasks of receiving notifications of WTO Member intellectual property laws, and of providing assistance to Members in the preparation of TRIPS-compliant legislation. In addition, WTO Members pay close attention to rule-making activities at WIPO that may affect their rights and obligations under TRIPS. These latter relationships between WIPO and the WTO are considered later in this book in the context of the Council for TRIPS.[125]

6. New developments

6.1 National laws

6.2 International instruments

6.2.1 The Convention on Biological Diversity

TRIPS does not incorporate or cross-reference the Convention on Biological Diversity (CBD),[126] adopted prior to its conclusion (i.e. in 1992). Following proposals on this subject by a number of developing Members, WTO Ministers at the Doha Ministerial agreed that the Council for TRIPS should examine the relationship between the TRIPS Agreement and the CBD. Ministers instructed the Council for TRIPS,

> "in pursuing its work programme including under the review of Article 27.3(b), the review of the implementation of the TRIPS Agreement under Article 71.1 and the work foreseen pursuant to paragraph 12 of this Declaration, to examine, *inter alia*, the relationship between the TRIPS Agreement and the Convention on Biological Diversity, the protection of traditional knowledge and folklore, and other relevant new developments raised by Members pursuant to Article 71.1. In undertaking this work, the TRIPS Council shall be guided by the objectives and principles set out in Articles 7 and 8 of the TRIPS Agreement and shall take fully into account the development dimension."[127]

[125] See Section 3 of Chapter 35.

[126] The English text of the Convention is available at <http://www.biodiv.org/doc/legal/cbd-en.pdf>.

[127] See the Ministerial Declaration of 14 November 2001, WT/MIN(01)/DEC/W/1, paragraph 19.

Substantive aspects of the TRIPS-CBD relationship are discussed later in this book.[128] Since this work programme is at its initial stages, it is premature to indicate the legal mechanism by which the CBD ultimately may be incorporated or cross-referenced by the TRIPS Agreement.

6.2.2 WIPO patent and trademark activities

WIPO has initiated a significant set of activities (the WIPO Patent Agenda) regarding the international patent system with the objective of determining whether amendments or supplements to existing patent rules would be necessary or useful. This project might lead to proposals for revision of the Patent Cooperation Treaty (PCT).[129] Perhaps more likely such changes would be proposed as a new agreement concerning the approximation or harmonization of substantive patent law. Whatever form such developments in the field of patents might take, they will have implications for the TRIPS Agreement, potentially of a far reaching nature. There are Standing Committees on the Law of Patents and Trademarks at WIPO, each of which is considering the proposal of new substantive rules. It is premature at this stage to offer concrete observation on how the results of these work programmes might be integrated, either formally or informally, with TRIPS.

6.3 Regional and bilateral contexts

6.3.1 Regional

The European Court of Justice (ECJ) directly addressed interpretation of "intellectual property" in Article 1.2 in its *Parfums Christian Dior* decision.[130] It was called upon to decide whether EU member state (national) legislation that protects industrial designs through general civil "unlawful competition" rules is within the scope of Article 50 that applies to "intellectual property rights". Only if the unlawful competition rules establish an "intellectual property right" would the enforcement rules of TRIPS (in this case, Article 50.1) be applicable in the member state court. The ECJ held that "industrial design" protection was clearly a category of "intellectual property" because it is enumerated as such in Section 4, Part II, and that it was for WTO Members to decide what national rules would be used to protect that intellectual property (and so establish an "intellectual property right") in the context of implementing TRIPS in their own legal systems (in the sense of Article 1.1, TRIPS). It said:

> "Interpretation of the term 'intellectual property right'
>
> 50. The third question in Case C-392/98 is designed to ascertain whether the right to sue under general provisions of national law concerning wrongful acts, in particular unlawful competition, in order to protect an industrial design against

[128] For details on the various proposals submitted in this respect to the Council for TRIPS see Chapter 21, Section 3.5.

[129] See Correa and Musungu, *The WIPO Patent Agenda: The Risks for Developing Countries*, Working Paper no. 12, South Centre, 2002.

[130] See joined cases C-300/98 and C-392/98 *Parfums Christian Dior SA and Tuk Consultancy BV*, [2000] ECR I-11307. On this decision, see also Chapter 2, Section 6.3.

copying is to be classified as an 'intellectual property right' within the meaning of Article 50(1) of TRIPs.

51. Thus defined, the question falls into two parts. The first issue is whether an industrial design, such as that in question in the main proceedings, falls within the scope of TRIPs. If it does, it must then be determined whether the right to sue under general provisions of national law, such as those relied on in the main proceedings, in order to protect a design against copying constitutes an "intellectual property right" within the meaning of Article 50 of TRIPs.

52. As regards the first issue, the national court has correctly pointed out that, according to Article 1(2) of TRIPs, the term 'intellectual property' in Article 50 refers to all categories of intellectual property that are the subject of Sections 1 to 7 of Part II of that agreement. Section 4 concerns "industrial designs".

53. Article 25 sets out the conditions for protection of an industrial design under TRIPs. Article 26 concerns the nature of the protection, possible exceptions and the duration of the protection.

54. It is for the national court to determine whether the industrial design at issue in the main proceedings satisfies the requirements laid down in Article 25.

55. As to the second issue, TRIPs contains no express definition of what constitutes an 'intellectual property right' for the purpose of that agreement. It is therefore necessary to interpret this term, which appears many times in the preamble and in the main body of TRIPs, in its context and in the light of its objectives and purpose.

56. According to the first recital in its preamble, the objectives of TRIPs are to 'reduce distortions and impediments to international trade, . . . 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'. In the second recital, the Contracting Parties recognise the need for new rules and disciplines concerning:

'(a) [. . .]

(b) the provision of adequate standards and principles concerning the availability, scope and use of trade-related intellectual property rights;

(c) the provision of effective and appropriate means for the enforcement of trade-related intellectual property rights, taking into account differences in national legal systems;

[. . .]'

57. In the third and fourth recitals, the Contracting Parties recognise 'the need for a multilateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods and the fact that 'intellectual property rights are private rights'.

58. Article 1(1), concerning the 'nature and scope of obligations', provides that members are to be free to determine the appropriate method of implementing the provisions of TRIPs within their own legal system and practice.

59. Article 62, which constitutes Part IV of TRIPs, entitled 'Acquisition and maintenance of intellectual property rights and related *inter partes* procedures', provides in the first and second paragraphs that the Contracting Parties may make the

acquisition or maintenance of intellectual property rights conditional on compliance with reasonable procedures and formalities, including procedures for grant or registration. Such procedures are not, however, an essential requirement for the acquisition or maintenance of an intellectual property right within the meaning of TRIPs.

60. It is apparent from the foregoing provisions as a whole that TRIPs leaves to the Contracting Parties, within the framework of their own legal systems and in particular their rules of private law, the task of specifying in detail the interests which will be protected under TRIPs as 'intellectual property rights' and the method of protection, provided always, first, that the protection is effective, particularly in preventing trade in counterfeit goods and, second, that it does not lead to distortions of or impediments to international trade.

61. Legal proceedings to prevent alleged copying of an industrial design may serve to prevent trade in counterfeit goods and may also impede international trade.

62. It follows that a right to sue under general provisions of national law concerning wrongful acts, in particular unlawful competition, in order to protect an industrial design against copying may qualify as an 'intellectual property right' within the meaning of Article 50(1) of TRIPs.

63. It follows from all of the foregoing considerations that the answer to the third question in Case C-392/98 must be that Article 50 of TRIPs leaves to the Contracting Parties, within the framework of their own legal systems, the task of specifying whether the right to sue under general provisions of national law concerning wrongful acts, in particular unlawful competition, in order to protect an industrial design against copying is to be classified as an 'intellectual property right' within the meaning of Article 50(1) of TRIPs."

6.4 Proposals for review

A number of developing countries are pressing to expand the subject matter scope of TRIPS to include fields such as traditional knowledge (TK), folklore and related interests. In addition, a number of developing countries are pressing to expand the recognition by TRIPS of their interests in genetic resources. The latter question is related to negotiations concerning the relationship between TRIPS and the CBD (see above, Section 6.2).

TK such as medicinal uses of plant varieties is often considered not to fall within the existing "categories" of intellectual property protection. For example, such knowledge may have been known to some portion of the public and therefore not qualify for patent protection (because of the absence of novelty). Folklore has often been known within a culture for many years, and therefore may not be considered to be newly subject to copyright. If these kinds of interests are to be covered by TRIPS, it may be necessary to expand the categories of intellectual property, or at least expand the subject matter addressed by the existing categories.[131]

[131] For a detailed analysis of possible ways of protecting TK and folklore, see G. Dutfield, *Protecting Traditional Knowledge and Folklore – A review of progress in diplomacy and policy formulation*, UNCTAD-ICTSD, Geneva, June 2003. The paper is also available at <http://www.ictsd.org/pubs/ictsd_series/iprs/CS_dutfield.pdf>.

At the Doha Ministerial in November 2001, Ministers instructed the TRIPS Council to examine the protection of traditional knowledge and folklore (see above, Section 6.2).

As noted above, the TRIPS Council is considering the relationship between TRIPS and the CBD. There are no present proposals to review the categories of intellectual property covered by the TRIPS Agreement, or the relationship between TRIPS and the WIPO conventions.

7. Comments, including economic and social implications

It is not easy to generalize regarding the effects on developing countries of expanding or limiting the subject matters falling within the scope of TRIPS. Generally speaking, as the preponderance of intellectual property rights are held by developed country actors, the developing countries are economically disadvantaged by increased rent payments arising when such intellectual property falls within the scope of protection.[132] In this regard, an approach limiting the subject matter scope of intellectual property is favourable to developing country interests. However, the principal forms of intellectual property in which developed country persons have ownership interest already are within the scope of Article 1.2. The developing countries are already subject to broad subject matter coverage in fields of intellectual property where developed country ownership predominates.

The fields of traditional knowledge and folklore, and genetic resources, are ones in which developing countries have significant strength. The argument might well be made that developing countries have an interest in expanding the existing categories of intellectual property protection in TRIPS to cover such fields. However, there are risks to ventures such as this. Once the door is open to expanding TRIPS Agreement coverage, it may be difficult to limit the accretion of rights.

The TRIPS Agreement might have repeated the rules of the WIPO Conventions, rather than incorporating or cross-referencing them. Yet it is doubtful that the choice of incorporation or cross-reference in itself had significant implications for developing country interests. It is possible that by maintaining WIPO as a forum for the progressive development of intellectual property law, the developed countries left an avenue for ratcheting-up levels of protection in the absence of a WTO consensus. This, however, is more a question of institutional organization and competence than of the relationship among legal agreements.

[132] One of the arguments advanced by developed countries is that developing countries may have access to a larger pool of creative matter because their increased rent payments result in a higher level of investment in the developed countries. However, in the absence of providing intellectual property protection for creative activity undertaken in the developed countries, they would have access to the pool of creative matter from the developed countries, less whatever increment might be generated as a result of their own increased rent payments.