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Intellectual Property Rights in International Investment Agreements

AN OVERVIEW

Lahra Liberti

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Abstract

INTELLECTUAL PROPERTY RIGHTS IN INTERNATIONAL INVESTMENT AGREEMENTS: AN OVERVIEW

2010 / 01

by

Lahra Liberti*

This article provides an overview of recent developments in investment treaty practice with regard to the protection of intellectual property rights (IPRs). The analysis departs from traditional IPR studies developed almost exclusively in the context of the WTO-TRIPS Agreement. The aim of this study is to clarify the extent to which and how international investment agreements (IIAs), including Regional Trade Agreements (RTAs) with an investment chapter, increase the scope of IPR protection beyond TRIPS minimum standards. Some IPR provisions found in the sample of RTAs extend IPR protection beyond WTO-TRIPS minimum standards, by providing supplementary coverage of specific standards or additional obligations under the intellectual property chapter. Expanded IPR protection can also derive from the unqualified treatment protection provisions found in IIAs. This note further explores possible reasons for the limited role played by investor-state arbitration in the enforcement of IPRs.

JEL classification: F21, F23, K33
Keywords: international investment, intellectual property rights, investment agreements

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I. Introduction

This survey reviews intellectual property rights (IPR) protection standards in the context of World Trade Organization (WTO) and intellectual property chapters of regional trade agreements (RTAs)[1]. It then examines the extent to which bilateral investment treaties (BITs) and investment chapters of RTAs provide for IPR protection above the standards embodied in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement). Finally, it reviews the role that investor-state dispute settlement mechanisms have played so far in addressing IPR-related disputes.

II. Intellectual Property Rights in the WTO-TRIPS Agreement and Intellectual Property Chapters of Regional Trade Agreements (RTAs)

In the last century, international co-operation in the field of IPR protection has progressively shifted from the ambit of international intellectual property conventions (Paris Convention for the Protection of Industrial Property[2] and Berne Convention for the Protection of Literary and Artistic Works[3]) to the World Intellectual Property Organization (WIPO), and subsequently from WIPO to the General Agreement on Tariffs and Trade (GATT) and WTO. IPRs became an integral part of the WTO multilateral trade system with the WTO-TRIPS Agreement[4]. TRIPS rules cover the protections of trademarks, patents, copyrights, industrial designs, trade secrets, geographical indicators, and integrated circuit industrial designs. TRIPS also set minimum standards of protection, which constitutes a floor and not a ceiling as to adequate IPR protection[5]. TRIPS thus provides members with the right to adopt higher and more extensive levels of protection if they willingly do so or to undertake the elimination of an option awarded under the TRIPS, as long as they apply the general principles of National Treatment and Most-Favoured-Nation Treatment provided under Article 3 and 4 and subject to their relevant exceptions.

According to Article 3.1 of the TRIPS Agreement "[e]ach Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits. In respect of performers, producers of phonograms and broadcasting organisations, this obligation only applies in respect of the rights provided under this Agreement. Any Member availing itself of the possibilities provided in Article 6 of the Berne Convention (1971) or paragraph 1(b) of Article 16 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for TRIPS".

The WTO-TRIPS also requires the automatic extension to the nationals of all other members of any advantage, favour, privilege or immunity granted to the nationals of any other country, with the following exceptions provided for under Article 4 for any advantage, favour, privilege or immunity

(a) deriving from international agreements on judicial assistance or law enforcement of a general nature and not particularly confined to the protection of intellectual property;

(b) granted in accordance with the provisions of the Berne Convention (1971) or the Rome Convention authorising that the treatment accorded be a function not of national treatment but of the treatment accorded in another country;

(c) in respect of the rights of performers, producers of phonograms and broadcasting organizations not provided under this Agreement;

(d) deriving from international agreements related to the protection of intellectual property which entered into force prior to the entry into force of the WTO Agreement, provided that such agreements are notified to the Council for TRIPS and do not constitute an arbitrary or unjustifiable discrimination against nationals of other Members.

The obligations under Articles 3 and 4 do not apply to procedures provided in multilateral agreements concluded under the auspices of WIPO relating to the acquisition or maintenance of intellectual property rights (Article 5). In addition, TRIPS also provides member countries with the discretion of incorporating their own standards and procedures regarding how to implement the TRIPS standards within their jurisdictions.

Since 2000, RTAs signed by the US, the European Union and Japan have incorporated IPRs provisions which contain more detailed or even additional obligations in respect of the WTO-TRIPS Agreement.

The IP chapter of post-TRIPS FTAs signed with the US contains substantial intellectual property provisions that exceed TRIPS minimum standards (frequently referred to as TRIPS-Plus obligations). These provisions do not always provide for the full range of flexibilities offered by the TRIPS Agreement with regard to compulsory licences, revocation of patents or the option to exclude the patentability of plant and animal varieties. These provisions are often combined with extended copyright and trademark protection period**,** extended patent protection term for unreasonable curtailment of the patent term as a result of the marketing approval process, data exclusivity, new use protection, and obligations to ratify international treaties on IPR protection. As far as enforcement of IPRs is concerned, US FTAs provide that the parties shall ensure the exercise of criminal actions and border measure actions *ex officio*, without the need for a formal complaint by a private party or right holder and liability and limitations for Internet Service Providers. In copyright infringement cases, all bilateral FTAs—except for the US-Vietnam Agreement—place the burden of proof on the defending party to show that works are in the public domain. The TRIPS Agreement does not provide any obligation on this question. They also provide for the obligation to publicise information on the efforts made to provide effective enforcement of IPRs in civil, administrative and criminal system[6].

The EU relies on its association agreements model[7]. IPR provisions found in EU bilateral association agreements are more general. Several European Bilateral Association Agreements with Arab countries provide for a significant reduction of transitional periods awarded to developing and least-developed countries under Article 65 of the TRIPS Agreement. For instance, the EU-Jordan Association Agreement signed in 1997 requires Jordan to implement shorter transitional periods than those required under TRIPS with regard to the protection of chemical and pharmaceutical patents. The requirement to ratify a number of IPRs conventions, including the Patent Co-operation Treaty (PCT), the Budapest Treaty on the International Recognition of the Deposit of Microorganisms for the Purpose of Patent Procedure, the Trademark Law Treaty and the International Convention for the Protection of the Varieties of Plants (UPOV), goes beyond TRIPS obligations[8]. Other common features of EU Association Agreements include: *(i)* the requirement for the parties "to grant and ensure adequate and effective protection of the highest international standards including effective means of enforcing such rights" (which in the absence of express definition may be of difficult interpretation); the obligation to continue and ensure an adequate and effective implementation of international treaties on IPR protection.

The recent Japan-Indonesia Economic Partnership Agreement fully incorporates under the chapter on intellectual property the TRIPS exceptions to national treatment and most-favoured-nation (MFN) treatment in accordance with Articles 3, 4 and 5 of the TRIPS Agreement[9]. It also requires each party to provide for an effective plant variety protection system which is consistent with the 1991 UPOV Convention as well as adequate and effective protection of undisclosed information in accordance with Article 39 of the TRIPS Agreement. State parties shall also endeavour to become parties to international IPR Treaties[10].

Annex I provides a table with a detailed comparative analysis of key provisions on IPR protection in the WTO-TRIPS Agreement and the IP chapter of US, EU and Japanese RTAs[11].

III. Enhancing IPR Protection through International Investment Agreements

IPRs as covered investment under international investment agreements

Beyond the trade context, IPRs as a form of investment also fall under the scope of application of BITs and investment chapters of RTAs (including FTAs and Economic Partnership Agreements)[12].

The qualification of IPRs as covered investments under most international investment agreements is far from being a novelty. The reference to intellectual property rights was already a common feature of the US Friendship Commerce and Navigation (FCN) Agreements before the expansion of BITs. As early as 1903, the US had negotiated a FCN treaty with China that included copyright protection. In some treaties, the term "property" was simply extended to such intangible rights, while in others explicit reference was made to patents, copyrights and trademarks.

In some cases the reference to IPRs appears in the preamble of BITs. For example, the 1999 US-Turkey BIT recognises "the importance of providing adequate and effective protection and enforcement of intellectual property rights and of adherence to intellectual property rights conventions"[13]. Although not mandatory in character, the provisions of a treaty preamble deserve particular consideration for the purposes of treaty interpretation as part of the context under Article 31(2) of the Vienna Convention on the Law of Treaties[14].

Since the very beginning of BITs negotiations, IPRs have fallen under the scope of application of international investment treaties. Article 8 of the first BIT signed between Germany and Pakistan reads as follows:

> "(1) (a) The term "investment" shall comprise capital brought into the territory of the other Party for investment in various forms in the shape of assets such as foreign exchange, goods, property rights, patents and technical knowledge. The term "investment" shall also include the returns derived from and ploughed back into such "investment" […]"[15].

This provision makes express reference to patents and technology, but the illustrative list of the asset-based definition would support a much broader interpretation. The reference to returns as amounts derived from investments would also easily encompass royalties and fees.

Although not strictly necessary to expand the scope of application of the treaty, a more detailed definition of investment is provided for under recent treaty practice, where express reference is also made to royalties and fees as form of returns.

The first BIT of the United States signed with Panama in 1982, in its Article 1(d) provides for an asset-based definition followed by a non-exhaustive list of covered assets, including:

> "[…] (i) tangible and intangible property, including rights, such as mortgages, liens and pledges;
>
> […] (iv) intellectual and industrial property rights, including rights with respect to copyrights, patents, trademarks, trade names, industrial designs, trade secrets and know-how; and goodwill;
>
> […] (vii) returns which are re-invested;

> […] (f) "return" means an amount derived from or associated with an investment, including […] royalty payment; management, technical assistance or other fee; and return in kind" [16].

The definition of "investment" under the draft MAI encompassed all forms of intellectual property rights[17].

A detailed illustrative list of covered IPRs is provided for under the 1999 US - El Salvador BIT (not yet in force). Article 1 contains a detailed list of IPRs falling under the definition of investment, including: "(v) […] copyrights and related rights, patents, rights in plant varieties, industrial designs, rights in semiconductor layout designs, trade secrets, including know-how and confidential business information, trade and service marks, and trade names".

The 2005 German Model BIT similarly defines investment as comprising "every kind of asset, in particular […] intellectual property rights, in particular copyrights, patents, utility-model patents, industrial designs, trade-marks, trade-names, trade and business secrets, technical processes, know-how, and good will", while returns encompass royalties[18].

Article 1(iv) of the 1991 United Kingdom Model BIT also makes express reference to goodwill, technical processes and know-how. A similar provision is to be found in Article 1 the South Africa-Switzerland BIT[19].

The revised version of the Canadian Model FIPA now expressly refers to IPRs under Article 1(i) as covered investments. The meaning of IPRs is further clarified by covering copyright and related rights, trademark rights, rights in geographical indications, rights in industrial designs, patent rights, rights in layout designs of integrated circuits, rights in relation to protection of undisclosed information, and plant breeders' rights[20].

Article 1(2) of the 2003 Japan-Korea BIT provides a straightforward definition of investment that includes "intellectual property rights, any other tangible and intangible property [...]". In addition, the term investment includes "the amounts yielded by investment, in particular profit, interest, capital gains, dividends, royalties and fees".

Under the investment chapter of the recent Agreement between Japan and Indonesia for an Economic Partnership, the non-exhaustive asset-based definition of investment covers intellectual property rights, including copyrights, patent rights and rights relating to utility models, trademarks, industrial designs, layout-designs of integrated circuits, new varieties of plants, trade names, indications of source or geographical indications and undisclosed information[21]. A footnote further clarifies that royalties and fees are also included.

Most of the BITs signed by Australia have specifically indicated that investment includes IPRs, and 'returns' include payment in connection with IPR among others and those activities of the investor associated with the investment (associated activities) includes all juridical acts in relation to IPR[22]. The Australian BITs with India, Peru and Hong Kong, however, omit specific language on payments in connection with IP to form 'returns' subject to repatriation guarantee.

Treatment of IPRs as investment under international investment agreements

Unlike RTAs' IP chapters, bilateral and multilateral investment treaties and investment chapters of RTAs do not set specific substantial standards on intellectual property, but they protect the rights of investors who use intellectual property as a mode of investment.

A first issue regarding the scope of the definition of investment is whether patent applications, though not an IPR, would qualify as an "intangible property". Since for some IPRs the holder is entitled to enjoy them only after completion of the registration process (patents, trademarks, industrial designs), the holder is required to file an application. Although a patent application creates a mere expectation of obtaining an exclusive right, it entitles the holder with certain prerogatives such as the ability to act against infringers. It has been argued that the wording of certain investment treaties referring to "rights with respect to copyrights, patents, […]" or to "copyright and related rights" would qualify for coverage[23].

In addition, although the vast majority of BITs does not include binding provisions relating to the pre-establishment (admission) phase and only apply once an investment has been made, most BITs entered into by the United States and some recent treaties of Canada and Japan require the application of the national treatment to both the pre and post-establishment phases[24]. In the absence of any specific exceptions, this broad coverage may be interpreted in support of the claim of national treatment with regard to the acquisition of IPRs[25].

IIAs can also strengthen IPR protection through the unqualified operation of Most-Favoured-Nation (MFN) and National Treatment (NT) obligations and expropriation provisions, which would trigger a wider impact for IPR protection.

Under an unqualified MFN treatment of IPRs, a state party to a BIT should accord to the investors and investments (including IPRs) of the other contracting party no less favourable treatment than it accords in like circumstances to a third country under any other bilateral or multilateral agreement in respect of the protection of intellectual property rights.

In this regard, Article 18(2) of the Japan - Viet Nam BIT and Article 6(2) of the Japan-Korea BIT expressly clarify that "[n]othing in this Agreement shall be construed so as to oblige either Contracting Party to extend to investors of the other Contracting Party and their investments treatment accorded to investors of any third country and their investments by virtue of multilateral agreements in respect of protection of intellectual property rights, to which the former Contracting Party is a party".

A further question relates to the operation of the MFN treatment when a WTO-TRIPS member country enters into a bilateral investment treaty or a free trade agreement providing for TRIPS-Plus obligations. Since under the TRIPS agreement there is no equivalent of Article XXIV providing for an exception to MFN for free trade agreements and customs unions, further analysis would be needed to appreciate whether states parties to the WTO-TRIPS Agreement will be required to extend the same benefits deriving from BITs or FTAs with TRIPS-Plus provisions to all TRIPS-WTO members.

In order to appreciate whether IIAs actually provide for extended IPR protection, a distinction could be drawn between pre-TRIPS and post-TRIPS IIAs. With respect to MFN and NT, the TRIPS Agreement offers WTO members the possibility of using the various exceptions which were negotiated during the years of the Uruguay Round[26].

Most of the pre-1994 North-South BITs do not cover all the exceptions to national or most-favoured-nation treatment provided under WTO-TRIPS and IP treaties. As a result, most of pre-TRIPS investment agreements allow for a broader application of both standards. For example, NAFTA Article 1108(5) stipulates that articles 1102 (national treatment) and 1103 (MFN clause) "do not apply to any measure that is an exception to, or derogation from, the obligations under the IP chapter, article 1703 (Intellectual Property-National Treatment) as specifically provided in that article"[27]. Article 1703 (4) is, however, limited to procedural laws relating to treaties negotiated under WIPO.

Incorporation of TRIPS exceptions to Most-Favoured-Treatment and National Treatment

Post-TRIPS treaty practice generally treats IPRs as an investment with due regard to relevant MFN and national treatment exceptions under WTO-TRIPS and IP treaties.

In practice, consistency with TRIPS standards depends on the extent to which TRIPS exceptions are incorporated in IIAs. For instance, the US BITs signed during the period 1994-2000, provided a paragraph restating Article 5 of the TRIPS Agreement to the effect that the national treatment and MFN do not apply to procedures provided in multilateral agreements concluded under the auspices of the WIPO relating to the acquisition or maintenance of IP. The exception was, however, limited to procedural laws relating to treaties negotiated under WIPO[28].

The 2004 US Model BIT now covers all the exceptions provided under Article 3, 4 and 5 of the TRIPS Agreement. Article 14.4 reads: "Articles 3 [National Treatment] and 4 [Most-Favored-Nation Treatment] do not apply to any measure covered by an exception to, or derogation from, the obligations under Article 3 or 4 of the TRIPS Agreement, as specifically provided in those Articles and in Article 5 of the TRIPS Agreement"[29].

However, the US-Salvador BIT still provides that a Party is not required to extend to covered investments national and MFN treatment with respect to procedures provided for in multilateral agreements concluded under the auspices of the World Intellectual Property Organization relating to the acquisition or maintenance of intellectual property rights. This provision clarifies that certain procedural preferences granted under intellectual property conventions, such as the Patent Cooperation Treaty, fall outside the BIT[30].

The Japan-Singapore Agreement for the New Age Economic Relationship provides that the national treatment provision of the investment section shall apply only to the extent as provided in the TRIPS[31]. The investment chapter of the Japan-Indonesia Economic Partnership Agreement similarly provides that national treatment (Article 59) and most-favoured-nation treatment (Article 60) shall not apply to any measure covered by the exceptions to, or derogations from, obligations under Articles 3 and 4 of the TRIPS Agreement, as specifically provided in Articles 3 through 5 of the TRIPS Agreement[32].

The 2004 Canadian Model Foreign Investment Promotion and Protection Agreement (FIPA) adopts more nuanced language, by providing in its Article 9.4.: "In respect of intellectual property rights, a Party *may* derogate from Articles 3 (National Treatment) and 4 (Most-Favoured-Nation Treatment) in a manner that is consistent with the WTO Agreement" (emphasis added). Without impairing FIPA protection for IPRs, the IP-related exceptions in Canada's Model FIPA seek to ensure the coordination between FIPA obligations with respect to IPRs and WTO-TRIPS obligations. The Model FIPA also has an exception carving out the cultural industries from the agreement's investment disciplines[33].

Expropriation and compulsory licences, revocation of patents and parallel importation

TRIPS Article 31 explicitly allows member states to issue licences under three circumstances: (1) after efforts to obtain a licence from the patent holder on "reasonable commercial terms and conditions" have failed, (2) "in the case of a national emergency or other circumstances of extreme urgency", or (3) for public non-commercial use. The latter two circumstances do not require prior negotiation with the patent holder, thus making a compulsory licence easier to obtain[34]. Recognising the gravity of health problems affecting developing countries, in 2001 WTO members adopted the Doha Declaration on TRIPS and Public Health, reaffirming the right of WTO members to use the flexibilities of TRIPS in the area of compulsory licensing and parallel importation to "[…] *promote access to medicines for all*." Moreover, in August 2003, WTO members created a special mechanism under the TRIPS Agreement that allows countries with insufficient manufacturing capacity to effectively use compulsory licences by importing generic drugs[35].

The question which arises is whether expropriation provisions under IIAs restrict the grounds for the issuance of compulsory licences, revocation of patents or parallel importation and ultimately interfere with the protection of public interests such as health.

During the MAI negotiations expropriation in cases where the investment consists in total or in part of intellectual property rights was seen as critical, but it was decided not to suggest specific language on this issue. Although an agreement was not reached for the final text, during the 1997 MAI negotiations there was general agreement among IP experts that certain IP management and legal provisions do not constitute expropriation. The IP experts considered the following draft text: "The creation, limitation, revocation, annulment, statutory licensing, compulsory licensing and compulsory collective management of IPRs, the withholding of authorised deductions by an entity charged with the collective management of IPRs, and the sharing of remuneration between different holders of IPRs are not expropriation within the terms of this agreement, to the extent that they are not inconsistent with specialised IPR conventions"[36].

Without specific carve-out provisions, it can be argued that an obligation to compensate on expropriation might arise when a compulsory licence is granted in order to ensure access to essential medicines[37] or a patent is revoked. Possible expropriation claims may also arise in cases in which parallel imports cause an IPR loss of value or diminish an IPR owner's market share, which according to NAFTA jurisprudence constitute an investment[38].

The possibility of challenging compulsory licences on the basis of investors' rights has been anticipated by some post-TRIPS IIAs, by excluding the issuance of compulsory licence consistent with the TRIPS Agreement from the scope of application of expropriation provisions.

While dealing with expropriation issues, Article 6(5) of the 2004 U.S. Model BIT reads: "this Article does not apply to the issuance of compulsory licences granted in relation to intellectual property rights in accordance with the TRIPS Agreement […]".

The wording of this "non-application" clause has two important implications. First, an expropriation can occur even in the case of a compulsory licence granted in accordance with the TRIPS requirements. This means that an expropriation measure which complies with TRIPS requirements is to be considered as taken in the legitimate exercise of the State's regulatory power pursuant to the usual conditions set forth under customary international law and BITs, (namely that the measure is taken for a public purpose; in a non-discriminatory manner; in accordance with due process of law the state and on payment of compensation). Secondly, Article 6 will apply if the compulsory licences are granted either in violation of TRIPS requirements or of one of the other conditions set forth under the BIT.

The treatment of compulsory licences of patents under FTA investment chapters varies. The US-Chile FTA incorporates the TRIPS standards under its investment chapter[39]. There are some FTAs that provide under their investment chapters for maintaining general TRIPS exceptions as incorporated under the IP Chapters. For example, the US-Australia investment chapter carves out from the scope of application of Article 11.7.5 on expropriation and compensation the issuance of compulsory licences granted in relation to intellectual property rights in accordance with the TRIPS Agreement, or to the revocation, limitation, or creation of intellectual property rights, *to the extent that such issuance, revocation, limitation, or creation is consistent with Chapter Seventeen (Intellectual Property Rights)* (emphasis added)[40]. Article 17.9.7 of the IP chapter further reads that "[a] Party shall not permit the use[41] of the subject matter of a patent without the authorization of the right holder except in the following circumstances: […] (b) in cases of public non-commercial use, or of national emergency, or other circumstances of extreme urgency […]".

Similar provisions are to be found in the US-Singapore FTA, limiting the use of compulsory licences to antitrust remedies, public non-commercial use, or national emergencies.

Unlike compulsory licences, the grounds for revocation/forfeiture of a patent have not been dealt with in the TRIPS Agreement. The only provision in TRIPS on this matter ensures the availability of a judicial review of any decision to revoke/forfeit a patent. The effect of the revocation/forfeiture of any IPR, such as a patent, is that the protected subject matter is put back into the public domain. There is no "taking" as such of the property, but the value of the IPR as an "investment" is affected and arguments about *indirect* or *de facto* expropriation could be made, unless otherwise specified in the agreement.

With particular regard to revocation, Art. 6.5 of the 2004 US Model BIT, ruling on expropriation matters, provides (in addition to compulsory licences) that: "[t]his Article does not apply […] to the revocation, limitation, or creation of intellectual property rights, to the extent that such […] revocation, limitation, or creation is consistent with the TRIPS Agreement".

More detailed conditions for revocation are to be found in recent FTAs. NAFTA and other FTAs provide for an exception to the expropriation clause if the revocation/forfeiture is made consistently with the IPR rules contained in the treaty. The US-Chile FTA stipulates that the provision on expropriation and compensation: " […] does not apply to […] the revocation, limitation, or creation of intellectual property rights, to the extent that such revocation, limitation, or creation is consistent with Chapter Seventeen (Intellectual Property Rights) (Article 10.9.5).

Thus, in the case of the Chile-US FTA "[a] Party may revoke or cancel a patent only when grounds exist that would have justified a refusal to grant the patent" (Article 17.9.5). A footnote adds that fraud in obtaining the patent may also be cause for revocation. Article 15.9.4 of the US-CAFTA is broader in permitting that a Party may also provide that "inequitable conduct may be the basis for revoking, cancelling, or holding a patent unenforceable" and explicitly refers to revocation in accordance with Article 5.A (3) of the Paris Convention. The US-Singapore FTA stipulates that the patent may be revoked, besides fraud and misrepresentation, on grounds that pertain to the insufficiency of or unauthorised amendments to the patent specification, nondisclosure or misrepresentation of prescribed material particulars, fraud, and misrepresentation (Article 16.6.4).

The 2004 Canada Model FIPA is more straightforward by excluding from the understanding of a compensable expropriation claims arising from the issuance of compulsory licences for IPRs or from the revocation, limitation, or creation of IPRs consistent with TRIPS[42].

The Japan-Vietnam BIT specifically provides that its provisions should not be construed so as to derogate from the rights and obligations under multilateral agreements in respect of protection of IPRs. This merely confirms the legitimacy of BITs, by giving precedence to the obligations deriving from multilateral IPR rules, in accordance with Article 30 of the Vienna Convention on the Law of Treaties. The situation in which the states parties to the BIT are not at the same time both parties to the same other IPR multilateral treaty may be more problematic. In the latter case, the Japan-Vietnam BIT and Japan-Republic of Korea BIT provides for consultation procedures[43].

With regard to parallel importation, the TRIPS Agreement affords WTO members flexibility in determining whether to permit parallel importation of patented drugs. TRIPS Agreement explicitly provides that nothing in the agreement "shall be used to address the issue of the exhaustion of intellectual property rights." This means that countries can choose whether to allow or forbid parallel imports.

The US FTAs with Australia, Morocco and Singapore allow for the prevention of parallel importation through contractual or other means.

Article 16.7(2) of the US-Singapore FTA requires state parties to provide a cause of action to prevent or redress parallel importation of patented medicines: “Each Party shall provide a cause of action to prevent or redress the procurement of a patented pharmaceutical product, without the authorization of the patent owner, by a party who knows or has reason to know that such product is or has been distributed in breach of a contract between the right holder and a licensee, regardless of whether such breach occurs in or outside its territory”.

Article 15(9)(4) of the US-Morocco FTA reads: “Each Party shall provide that the exclusive right of the patent owner to prevent importation of a patented product, or a product that results from patented process, without the consent of the patent owner shall not be limited by the sale or distribution of that product outside its territory. A footnote text clarifies that “[a] Party *may* limit application of this paragraph to cases where the patent owner has placed restrictions on importation by contract or other means” (emphasis added). Article 17.9.4 of the US-Australia FTA requires that: “[e]ach Party shall provide that the exclusive right of the patent owner to prevent importation of a patented product, or a product that results from a patented process, without the consent of the patent owner shall not be limited by the sale or distribution of that product outside its territory, at least where the patentee has placed restrictions on importation by contract or other means”.

Possible claims by a patent owner as an investor may arise for loss of IPR value or market shares or, under the US-Singapore FTA, for denial of justice, if the state fails to provide adequate remedies.

A further issue is whether provisions under the IP chapter on marketing approval during the patent term and test data exclusivity *de facto* preclude the effective use of compulsory licenses.

The US-Singapore FTA provides that the regulatory authority may not grant marketing approval to a generic drug while the brand name drug is under patent (unless authorized by the patent owner). In addition, the patent owner must be notified of the name of the generic company requesting marketing approval. These provisions may restrict the effective utilization of compulsory licenses.

In this respect the side letter to US-Morocco FTA expressly states that the intellectual property chapters do not affect the ability to “[…] take necessary measures to protect public health by promoting medicines for all, in particular concerning cases such as HIV/AIDS, tuberculosis, malaria, and other epidemics as well as circumstances of extreme urgency or national emergency. In recognition of the commitment to access to medicines that are supplied in accordance with the Decision of the General Council of 30 August 2003 on the Implementation of Paragraph Six of the Doha Declaration on the TRIPS Agreement and public health (WT/L/540) and the WTO General Council Chairman’s statement accompanying the Decision (JOB(03)/177, WT/GC/M/82) (collectively the “TRIPS/health solution”), Chapter Fifteen does not prevent the effective utilization of the TRIPS/health solution. With respect to the aforementioned matters, if an amendment of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights enters into force with respect to the Parties and a Party’s application of a measure in conformity with that amendment violates Chapter Fifteen of the Free Trade Agreement, our Governments shall immediately consult in order to adapt Chapter Fifteen as appropriate in the light of the amendment”.

In a letter to a Member of the US Congress on the US-Morocco FTA, the General Counsel of the United States Trade Representative (USTR) further clarified: “[…] if circumstances ever arise in which a drug is produced under a compulsory license, and it is necessary to approve that drug to protect public health or effectively utilize the TRIPS/health solution, the data protection provision in the FTA would not stand in the way. […]. As stated in the side letter, the letter constitutes a formal agreement between the Parties. It is, thus, a significant part of the interpretive context for this agreement and not merely rhetorical. According to Article 31 of the Vienna Convention on the Law of Treaties, which reflects customary rules of treaty interpretation in international law, the terms of a treaty must be interpreted ‘in their context,’ and that ‘context’ includes ‘any agreement relating to the treaty which was made between all the parties in connection with the conclusion of the treaty”[44].

What happens if specific exceptions and exclusions are lacking?

Reference to TRIPS under IIAs ensures that there is no breach of investment protection standards to the extent that domestic measures derogating from MFN, national treatment and expropriation conform to TRIPS exceptions and waivers. By so doing, foreign investors will have guarantee that the exception from the duty to compensate for “expropriation” or other treatment would be predictable and measured with an agreed yardstick. At the same time, states will have the flexibility to adopt IPR measures in line with TRIPS exceptions and waivers[45] (including subsequent decisions). Should such measures be challenged under investor-state dispute settlement, arbitrators will get clear guidance to distinguish bona fide regulatory measures from compensable expropriations.

It may be argued that without express reference to TRIPS provisions, the balance could be upset by unqualified MFN, national treatment and expropriation requirements in a subsequent investment treaty.

Article 1(6) of the Energy Charter Treaty[46], specifically includes both “intangible property” and “intellectual property” within the definition of “investment”. For IPRs, Article 10(10) says MFN and national-treatment obligations shall be “as specified in the corresponding provisions of the applicable international agreements for the protection of IPRs to which the respective Contracting Parties are parties”. However, Article 13 on expropriation does not include a carve-out from the scope of expropriation for TRIPS-consistent issuance of compulsory licenses, granted in relation to IPRs and the revocation, limitation or creation of IPRs. During the negotiations, unsuccessful was the attempt to include in the Energy Charter Treaty such an exception to the expropriation obligation.

The US-Jordan BIT, the US-Bahrain BIT and the 2005 German Model BIT neither provide for such specific exceptions.

Since many IIAs do not set specific standards of IPR treatment but provide at best for unqualified national treatment, most-favoured-nation-treatment and expropriation provisions, the question is whether in absence of specific incorporation of TRIPS standards, a patent holder can for example successfully challenge a compulsory license as an expropriation under these IIAs. Similarly one might wonder whether the “fair and equitable” standard can be invoked in order to challenge national IPR laws consistent with the TRIPS Agreement.

Even in the absence of specific exclusions or exceptions, consistency may be preserved through clauses of coordination or interpretative solutions.

The Japanese-Indonesia EPA offers an example of a general provision which governs the relation to other Agreements (and to the WTO in particular) and which has a role to play should any kind of inconsistency arise. Article 12 expressly provides that “1. [t]he Parties reaffirm their rights and obligations under the WTO Agreement or any other agreements to which both Parties are parties. 2. In the event of any inconsistency between this Agreement and the WTO Agreement, the WTO Agreement shall prevail to the extent of the inconsistency”[47].

In interpreting the unqualified substantial provisions of investment treaties (whose state parties are at the same time parties to the WTO-TRIPS), consistency might also be preserved by taking into account the subsequent treaty practice and “any relevant rules of international law applicable in the relations between the parties” under Article 31(3)(c) of the 1969 Vienna Convention on the Law of Treaties. Relevant rules to be taken into account in the interpretation of IPR protection under investment treaties arguably include the TRIPS standards and exceptions to IPR national treatment, most-favoured-nation treatment and issuance of compulsory license agreed by the state parties in the WTO context. In particular, WTO-TRIPS rules may provide clear guidance to distinguish *bona fide* regulatory measures from compensable expropriations. In light of this, arbitral tribunals might find that compulsory licenses conforming to TRIPS standards do not constitute a compensable expropriation under IIAs' unqualified expropriation provisions. The same holds true for a claim based on a breach of fair and equitable standards[48].

The situation in which the states parties to the IIAs are not at the same time parties to the same other multilateral treaty may be more problematic.

Standard and quantum of compensation

In the event of compensable expropriation of IPRs, disputes on the standard and quantum of compensation may arise. The first issue is whether the standard of compensation provided for under TRIPS Article 31(h) differs in any respects from the "prompt, adequate and effective" standard incorporated in most BITs.

Under WTO-TRIPS, compensation under compulsory licenses rules is to be "adequate" in "the circumstances of the case" and has to be determined on the basis of the "economic value" of the license. Neither "adequate remuneration" nor "economic value" is defined in the agreement.

While it may be difficult to speculate on the more or less equivalent character of the standard adopted under the two different agreements[49], the requirements provided for under TRIPS are *minimum standards*. It follows that any additional or more stringent requirements in BITs' specific provisions may apply.

Moreover, an investor-state arbitration dispute arising from the investor's dissatisfaction with the determination of the *quantum* of compensation would seem perfectly in line with Article 31 (h), by providing a kind of "judicial […] or other independent review". However, it would be difficult for an investor to substantiate a claim on due process ground if the patent owner can appeal the decision granting the license and the determination of compensation.

Prohibition of performance requirements and transfer of technology

IIAs provisions on the prohibition of performance requirements and their impact on transfer of technology also require close consideration. Article 7 of the TRIPS Agreement makes it clear that "[t]he protection and enforcement of intellectual property rights *should* contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations". Article 8 further recognises the needs of member states to "adopt measures necessary […] to promote […] technological development, provided that such measures are consistent with the provisions of this Agreement". Article 8.2 further recognizes that: "[a]ppropriate measures, provided that they are consistent with the provisions of this Agreement, *may be needed* to prevent the abuse of intellectual property rights by right holders or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology". Article 66.2 also provides that [d]eveloped country Members *shall* provide incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to least-developed country Members in order to enable them to create a sound and viable technological base[50]. Apart from incentives, the TRIPS Agreement does not impose binding obligations on states with regard to transfer of technology.

While some BITs do not provide for specific provisions on performance requirements[51], those which do so can be at odds with the spirit of the WTO-TRIPS Agreement unless they incorporate appropriate TRIPS exceptions. In this respect, a distinction can be drawn between IIAs with unqualified provisions on the prohibition of performance requirements and those referring to the TRIPS Agreement.

An example of unqualified provisions may be found in Article 6 of the 1997 US-Jordan BIT, which prohibits either party from mandating or enforcing specified performance requirements as a condition for the establishment, acquisition, expansion, management, conduct, or operation of a covered investment. The list includes technology transfer requirements[52]. Still, a party may impose conditions for the receipt or continued receipt of benefits and incentives. Article 2(4) of the 1982 US-Panama BIT similarly provides that: "[n]either Party shall impose performance requirements as a condition for the establishment of investment owned by nationals or companies of the other Party, which require or enforce commitments to export goods produced, or which specify that goods or services must be purchased locally, or which impose any other similar requirements".

Most recent investment treaty practice articulates rules on technology transfer and IPRs. The draft MAI provides for an exception to the prohibition of performance requirements when the requirement "concerns the transfer of intellectual property and is undertaken in a manner not inconsistent with TRIPS Agreement"[53].

While providing for the prohibition of performance requirements, Article 7 of the 2004 Canada Model FIPA states that measures requiring an investment to use a technology to meet generally applicable health, safety or environmental requirements shall not be construed to be inconsistent with the prohibition of the requirement to transfer technology, a production process or other proprietary knowledge under paragraph 1(f)[54]. It further adds that for greater certainty the MFN and NT provisions (which include the exceptions illustrated above) will apply. The 2003 Japan-Vietnam and Japan-Korea BITs also provide for an exception to the prohibition of performance requirements when the requirement "concerns the transfer of intellectual property rights which is undertaken in a manner not inconsistent with the TRIPS Agreement[55]. A similar provision is included in the 2007 Japan-Singapore EPA[56].

The 2004 US Model BIT and the US-Chile FTA[57] also provide for specific exclusions from the scope of application of the prohibition of mandatory performance requirements in connection with the transfer of a particular technology, a production process, or other proprietary knowledge to a person in its territory, "when a Party authorizes use of intellectual property right in accordance with Article 31 of the TRIPS Agreement, or to measures requiring the disclosure of propriety information that fall within the scope of, and are consistent with, Article 39 of the TRIPS Agreement". Similar provisions are to be found in the US-Oman FTA, Article 10.8.3(b)(i) and US-Morocco FTA, Article 10.8.3(b)(i). The US-Morocco FTAs further clarifies in a footnote that for greater certainty, the references to the TRIPS Agreement in paragraph 3(b)(i) include any waiver in force between the Parties of any provision of that agreement granted by WTO Members in accordance with the WTO Agreement[58]. A footnote to the definition of "TRIPS Agreement" in the 2004 US model BIT also clarifies that the expression includes any waiver in force between the parties of any provision of the TRIPS Agreement granted by WTO members in accordance with the WTO Agreement[59]. Other investment agreements do not usually provide explicit provision on implementation of waivers. Article 15.8.3(b)(i) of the US-Singapore FTA also provides that the provisions on performance requirements do not apply "when a Party authorizes use of an intellectual property right in accordance with Article 16.7.6 (Patents), and to measures requiring the disclosure of proprietary information that fall within the scope of, and are consistent with, Article 39 of the TRIPS Agreement".

IV. Enforcing IPRs through Investor-State Arbitration

Under the TRIPS Agreement, only member states can resort to the WTO dispute settlement procedure. TRIPS Article 64 (Dispute Settlement) provides for consultations and settlement of TRIPS disputes under the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes, which in turn specifically applies to TRIPS[60]. But WTO rules do not require disputes arising under TRIPS-Plus provisions to be settled by the mandatory WTO dispute settlement mechanism, since these provisions lie outside the WTO Agreements.

The possibility for an IPR holder to bring a claim against a state under the investor-state dispute settlement mechanism for breach of TRIPS-Plus provisions is a further element which should be taken into account while appreciating IIAs potential for expanding IPR protection beyond the standards prescribed under multilateral IPR instruments.

The 2004 Canadian Model FIPA's general exceptions expressly provide that an investor purporting to act pursuant to the dispute settlement section of the agreement may not claim that measures in conformity with WTO waiver decisions under article IX of the Marrakesh Agreement that established the WTO are in breach of the BIT.

In addition to the possibility of a state-to-state dispute, FTAs' investment chapter vests the IP owner as an investor with the right to bring the host state to binding international arbitration. For instance, as an "investment", IPRs are protected as "intangible property" under NAFTA Chapter 11 providing for investor-state dispute settlement, in addition to the possibility of state-state dispute settlement under NAFTA Chapter 20. Except for the US-Australia FTA, which only provides for state-to-state dispute settlement, international investment agreements generally allow private investors to sue a state party to an investment treaty before an international arbitration tribunal, should a breach of IPR protection standards under the treaty occur.

A few claims have been brought by private investors under both NAFTA and BITs on the basis of an alleged violation of IPRs. None of them has been adjudicated so far.

The first IPR challenge against a state was brought on May 10, 1994 by representatives of some U.S. tobacco companies against Canada under NAFTA. In order to reduce tobacco consumption, the Canadian government considered requiring that cigarettes sold in Canada be packaged in generic plain packages[61]. Under one proposal, packaging would consist of only the brand name, risk warnings and product content information, all in a standard font. Complete plain packaging would mean tobacco companies could not use their existing trademarks on packaging, other than brand names. US tobacco companies warned Canada that, under NAFTA's Investment Chapter, any plain-packaging requirement would be a measure tantamount to a compensable expropriation of their Canadian trademark rights. Should Canada enact a plain-packaging requirement preventing them from using their existing Canadian trademarks on cigarette packs, U.S. companies would respond with an investor-state complaint. Whether a plain packaging requirement would amount to an expropriation of the use of trademarks under NAFTA was a matter of controversy. Before the Canadian House of Commons Standing Committee on Health's hearings, tobacco companies presented a legal opinion from former US trade representative Carla Hills, prepared for R.J. Reynolds Tobacco Company and Philip Morris International Inc. Hill's opinion argues that under Article 1708(10) a party may not encumber the use of a trademark, the plain packaging requirement would prohibit the use of trademarks and thus violate Chapter 17 and would also amount to an expropriation under Article 1110(1). The NAFTA issue was made moot when the Canadian Supreme Court struck down the regulation deemed to be in violation of constitutional free speech requirements[62].

In 2001, Philip Morris used similar arguments to oppose a proposed ban on the use of the words "light" and "mild" on cigarette packaging in Canada. The company argued that the terms are an integral part of their registered trademarks and that the ban would violate Article 1110 by expropriating these trademarks and associated goodwill.

Another IP related request was for arbitration was filed with the International Centre for the Settlement of Investment Disputes (ICSID) by Shell against Nicaragua [Shell Brands International AG and Shell Nicaragua S.A. v. Republic of Nicaragua (ICSID Case No. ARB/06/14)]. Two companies connected to the petrochemical giant Shell Group, Shell Brands International, a subsidiary of the Dutch-based Shell Petroleum Naamloze Vennootschap, and Shell Nicaragua S.A., a Nicaraguan company, filed a claim against the Government of Nicaragua for breach of the Netherlands-Nicaragua bilateral investment treaty (BIT) in response to an alleged expropriation of their logo and brand name. According to Shell, Nicaragua seized Shell's trademarks in an effort to enforce a 489 Million US Dollar judgment handed down in 2002 by a Nicaraguan court, in Sonia Eduarda Franco Franco, et al. v. Dow Chemical, et al. That judgment was in favour of some 500 Nicaraguan citizens who claimed to have been affected by the pesticide DBCP, which was manufactured for use on banana plantations in the 1960s and 1970s. DBCP, sold under the brand name Nemagon, was banned in the United States in 1979, after its use was linked to sterility. Shell said it stopped selling the pesticide in 1978.

They maintained that the class-action judgment concerned companies other than themselves, and therefore the seizure of intellectual property under their ownership constituted "an unlawful expropriation, an unfair and inequitable act and a denial of justice." A settlement of the case was agreed by the parties and ICSID proceeding discontinued at the request of the claimants on March 12, 2007.

There may be several reasons why investor-state arbitration has not played a major role in the enforcement of IPRs. First, most of IPR infringements are the result of the conduct of private individuals that are not attributable to states or their organs.

Then, except for the hypothesis of denial of justice for failure to provide adequate remedies for IPR violations under domestic law, the content of most investment treaty obligations the breach of which gives rise to international responsibility implies that the international wrongful act consists of an action rather than an omission. Whether there has been an internationally wrongful act for the violation of the treatment of IPRs as investments ultimately depends on the adoption of a positive action by the state while in most cases IPR protection suffers from omissions attributable to the state such as the lack of adequate enforcement measures. A claim filed against a state would succeed if investment treaty obligations were to be construed as positive obligations, implying for the state the duty to protect IPRs from infringements by private individuals[63].

Finally, IIAs' investment chapters do not set autonomous substantial standards for IPR protection. It follows that a claim based on the violation of the treatment of IPRs as investments may be difficult to substantiate. It remains to be seen whether the standards provided for under RTAs' IP chapter could be effectively combined with the substantial and procedural provisions set forth under RTAs' investment chapter.

NOTES

1 For the purposes of this survey FTAs with an investment chapter, European Union Bilateral Association Agreements and Economic Partnership Agreements are collectively referred to as RTAs, consistent with OECD conventional language.

2 Paris Convention for the Protection of Industrial Property, March 20, 1883, 13 U.S.T. 2, 828 U.N.T.S. 107, as last revised at the Stockholm Revision Conference, July 14, 1967, 21 U.S.T. 1538, 828 U.N.T.S. 303.

3 Berne Convention for the Protection of Literary and Artistic Works, Sept. 9, 1886, as last revised July 24, 1971, 25 U.S.T. 1341, 828 U.N.T.S. 221.

4 Agreement on Trade-Related Aspects of Intellectual Property Rights, April 15, 1994, art. 63.3 Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299, 33 I.L.M. 1197 (1994) [hereinafter TRIPS]. The 1986 Punta del Este Ministers' meeting of the GATT Contracting Parties decided to include IPRs within the scope of the Uruguay Round of Multilateral Trade Negotiations. According to the September 20, 1986 Ministerial Declaration: "In order to reduce the distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of IPRs, and to ensure that measures and procedures to enforce IPRs do not themselves become barriers to legitimate trade, the negotiations shall aim to clarify GATT provisions and elaborate as appropriate new rules and disciplines". This Punta del Este decision was a turning point because it allowed for the creation of the WTO framework in which it became possible to link trade obligations to IPRs.

5 TRIPS Art. 1(1) reads: "Members shall give effect to the provisions of this Agreement. Members may, but shall not be obliged to, implement in their laws more extensive protection than is required by this Agreement, provided that such protection does not contravene the provisions of this Agreement".

6 The sample includes US-Chile FTA, signed on 6 June 2003 and entered into force on 1 January 2004; US-Singapore FTA, signed on 15 January 2003 and entered into force on 1 January 2004; US-Oman FTA not yet in force; US-Australia FTA entered into force on 1 January 2005, US-Morocco FTA, signed on 15 June 2004 and entered into force.

7 For the purposes of the present survey the following European Bilateral Association Agreements have been reviewed: EU-Egypt Association Agreement, signed on 25 June 2001 and entered into force on 1 June 2004; EU-Jordan Association Agreement, signed on 24 November 1997 and entered into force on 1 May 2002; EU-Tunisia Association Agreement, signed on 17 July 1995 and entered into force on 1 March 1998.

8 EU-Lebanon AA, Annex, Article 2.2. Similar provisions also exist in other agreements. See the EU-Jordan AA, Annex VII, the EU-Morocco AA, Annex 7, the EU-Tunisia AA, Annex 7, the EU-Egypt AA, Annex VI, EU-Syria AA, Article VI and the EU-Algeria AA, Annex 6.

9 Agreement between Japan and Indonesia for an Economic Partnership (2007), Chapter 9 – Intellectual Property, Article 108(1)(2).

10 Ibidem, Articles 116, 118 and 106.

11 The sample of Japanese RTAs includes: Agreement between Japan and Indonesia for an Economic Partnership, signed on 20 August 2007 and entered into force on 1 July 2008 (available at http://www.mofa.go.jp/region/asia-paci/indonesia/epa0708/index.html); Agreement between Japan and

Brunei Darussalam for an Economic Partnership, signed on 15 June 2007 and entered into force on 31 July 2008; Agreement between Japan and the Republic of Singapore for a New-Age Economic Partnership (2002) as amended by the Protocol entered into force on 2 September 2007.

12 For the purpose of this survey, the sample of IIAs includes BITs, MITs, FTAs and EPAs with an investment chapter as follows: Australia-Pakistan BIT, signed on 7 February 1998 and entered into force 14 October 1998; US-Panama BIT, signed on 27 October 1982 and entered into force on 30 May 1991; US-Jordan BIT, signed in July 1997 and entered into force in March 2003; US-Bahrain BIT, signed on 29 September 1999 and entered into force on 31 May 2001; US-El Salvador BIT, signed on 10 March 1999 and not yet in force; US-Turkey BIT signed on 29 September 1999 and entered into force on 11 February 2000; South-Africa Switzerland BIT, signed on 27 June 1995 and entered into force on 29 November 1997; Japan-Vietnam BIT signed on 14 November 2003 and entered into force on 19 December 2004; Japan-Republic of Korea BIT, signed on 22 March 2002 and entered into force on 1 January 2003; 2005 German Model BIT; 2004 Canada Model FIPA; 1991 United Kingdom Model BIT; 2004 US Model BIT; Energy Charter Treaty; US-Chile FTA, signed on 6 June 2003 and entered into force on 1 January 2004; US-Singapore FTA, signed on 15 January 2003 and entered into force on 1 January 2004; US-Oman FTA not yet in force; US-Australia FTA entered into force on 1 January 2005, US-Morocco FTA, signed on 15 June 2004 and entered into force, NAFTA; Agreement between Japan and Indonesia for an Economic Partnership signed on 20 August 2007 and entered into force on 1 July 2008; Agreement between Japan and the Republic of Singapore for a New-Age Economic Partnership (2002) as amended by the Protocol entered into force on 2 September 2007.

13 The Agreement between the Government of the Republic of Turkey and the Government of the United States of America Concerning the Development of Trade and Investment Relations was signed on 29 September 1999 and entered into force on 11 February 2000.

14 Article 31 of the 1969 Vienna Convention on the Law of Treaties (signed on 23 May 1969 and entered into force on 27 January 1980) provides that:

"1.A treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose.

2. The context for the purpose of the interpretation of a treaty shall comprise, in addition to the text, including its preamble and annexes".

15 German-Pakistan BIT, signed on 25 November 1959 and entered into force on 28 April 1962.

16 US-Panama BIT (1982) - Article I(d)(iv). See also among consistent Australia BITs practice, 1998 Australia-Pakistan BIT, Article 1.

17 See OECD, 'The Multilateral Agreement on Investment: Commentary to the Consolidated Text' DAFFE/MAI(98)8/REV1 (22 April 1998):
"Investment means:
Every kind of asset owned or controlled, directly or indirectly, by an investor, including: […]
(vi) intellectual property rights;
1. The Negotiating Group agrees that this broad definition of investment calls for further work on appropriate safeguard provisions. In addition, the following issues require further work to determine their appropriate treatment in the MAI: indirect investment, intellectual property, concessions, public debt and real estate. […]
12. All forms of intellectual property are included in the definition of "investment", including copyrights and related rights, patents, industrial designs, rights in semiconductor layout designs, technical processes, trade secrets, including know-how and confidential business information, trade and service marks, and trade names and goodwill. Views differ on whether it is necessary to specifically refer to some of these elements in the definition as part of the illustrative list of assets. Some delegations consider that "literary and artistic property rights" should not be included. One delegation wishes to cover intellectual property

rights under the MAI only when acquired in the expectation of economic benefit or other business purposes".

18 2005 Germany Model BIT, Article 1(1)(d) and 1(2).

19 South Africa – Switzerland BIT (signed on 27 june 1995 and entered into force on 29 November 1997), Article 1 (d) the : "(1) Le terme «investissements» désigne toutes les catégories d'avoirs et inclut en particulier, mais non exclusivement: […] (d) les droits de propriété intellectuelle, la clientèle, les procédés techniques et le savoir-faire".

20 Revised Canada Model FIPA, Art. 1: Definitions: "[…] intellectual property rights means copyright and related rights, trademark rights, rights in geographical indications, rights in industrial designs, patent rights, rights in layout designs of integrated circuits, rights in relation to protection of undisclosed information, and plant breeders' rights".

21 Japan-Indonesia EPA (2007), Article 58(f)(vi).

22 See, for example, 1998 Australia-Pakistan BIT, Article 1.

23 See for example the 1991 Canada-Argentina BIT, Article 1(a)(iv). See further 1996 Canada-Barbados BIT, Article 1(f)(v).

24 See, US model BIT (2004), Article 3.2: "Each Party shall accord to covered investments treatment no less favorable than that it accords, in like circumstances, to investments in its territory of its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments"**.** See further US-Singapore FTA, article 15.4.1. The MFN clause is also applicable in these agreements to the pre-establishment phase. On this latter issue, see *infra* the analysis on MFN standard.

25 See, e.g. article 3.1 of the draft US model BIT (2004) and article 15.4.1 of the US-Singapore FTA. The MFN clause is also applicable in these agreements to the pre-establishment phase. See C. M. Correa, 'Investment protection in bilateral and free trade agreements: implications for the granting of compulsory licenses' (2004) 26 Michigan Journal of International Law 331.

26 See, supra Section II.

27 NAFTA Article 1703 – National Treatment reads:

"1. Each Party shall accord to nationals of another Party treatment no less favorable than that it accords to its own nationals with regard to the protection and enforcement of all intellectual property rights. In respect of sound recordings, each Party shall provide such treatment to producers and performers of another Party, except that a Party may limit rights of performers of another Party in respect of secondary uses of sound recordings to those rights its nationals are accorded in the territory of such other Party.

2. No Party may, as a condition of according national treatment under this Article, require right holders to comply with any formalities or conditions in order to acquire rights in respect of copyright and related rights.

3. A Party may derogate from paragraph 1 in relation to its judicial and administrative procedures for the protection or enforcement of intellectual property rights, including any procedure requiring a national of another Party to designate for service of process an address in the Party's territory or to appoint an agent in the Party's territory, if the derogation is consistent with the relevant Convention listed in Article 1701(2), provided that such derogation:

(a) is necessary to secure compliance with measures that are not inconsistent with this Chapter; and

(b) is not applied in a manner that would constitute a disguised restriction on trade.

4. No Party shall have any obligation under this Article with respect to procedures provided in multilateral agreements concluded under the auspices of the World Intellectual Property Organization relating to the acquisition or maintenance of intellectual property rights.

28 US BITs with Honduras (1995), Azerbaijan (1997), Bahrain (1999), Bolivia (1998), Costa Rica (1996), Georgia (1994), Trinidad and Tobago (1995), Vietnam (2000), Article II (2)(b).

29 US Model BIT (2004), Article 14.4.

30 US-El Salvador BIT, Article II(2)(b).

31 Agreement between Japan and the Republic of Singapore for a New-Age Economic Partnership (2007), Article 86, available at http://www.mofa.go.jp/policy/economy/FTA/ .

32 Agreement between Japan and Indonesia for an Economic Partnership, Investment Chapter, Article 64.8 - Reservations and Exceptions.

33 Canada Model FIPA (2004), Art. 1 Definitions: […] cultural industries means persons engaged in any of the following activities:

(i) the publication, distribution, or sale of books, magazines, periodicals or newspapers in print or machine readable form but not including the sole activity of printing or typesetting any of the foregoing;

(ii) the production, distribution, sale or exhibition of film or video recordings;

(iii) the production, distribution, sale or exhibition of audio or video music recordings;

(iv) the publication, distribution, sale or exhibition of music in print or machine readable form; or

(v) radio communications in which the transmissions are intended for direct reception by the general public, and all radio, television or cable broadcasting undertakings and all satellite programming and broadcast network services.

34 Compulsory licensing is defined under the TRIPS as the "use of the subject matter of a patent without the authorization of the right holder". Further requirements under TRIPS Article 31 (g) and (h) are: termination of the use if the circumstances which led to it cease to exist and are unlikely to recur"; payment of compensation: "(h) the right holder shall be paid adequate remuneration in the circumstances of each case, taking into account the economic value of the authorization". Finally, "any decision relating to the remuneration provided in respect of [the license] shall be subject to judicial review or other independent review".

35 See World Trade Organization, Declaration on the TRIPS Agreement and Public Health of 20 November 2001, 4, 6, WT/MIN(01)/DEC/2, 41 I.L.M. 755 (2002) [hereinafter Doha Declaration] ("[W]e affirm that the Agreement can and should be interpreted and implemented in a manner supportive of WTO members' right to protect public health and, in particular, to promote access to medicines for all"). See also WTO Council, Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health, Doc. WT/L/540 and Corr. 1 (Sept. 1, 2003), establishing waivers from TRIPS obligations related to pharmaceutical products for "least developed country Member[s]".

36 See OECD, The Multilateral Agreement on Investment: Commentary to the consolidated text DAFFE/MAI(98)8/REV1 (22 April 1998), Expropriation Not agreed: flowing from proposed text:

"The creation, limitation, revocation, annulment, statutory licensing, compulsory licensing and compulsory collective management of IPRs, the withholding of authorised deductions by an entity charged with the collective management of IPRs, and the sharing of remuneration between different holders of IPRs are not expropriation within the terms of this agreement, to the extent that they are not inconsistent with specialised IPR conventions."

[37] Although TRIPS was created as a treaty of general application, it was understood that the primary purpose of Art. 31 exception clause was to increase access to essential goods such as food and pharmaceuticals. In particular, the Declaration on the TRIPS Agreement and Public Health ("Doha Declaration") and the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health ("Paragraph 6 Compromise"), provide the flexibility to ensure access to medicines to address pandemics for those countries that lack domestic manufacturing capacity.

[38] Correa (*op. cit.*, 351) notes that loss of value and market share do not flow automatically from the issuance of a compulsory licence: "[l]oss of value will not be automatic, and may not occur at all if compulsory licenses increase the global demand for the patented product, or if the royalties received compensate for the losses originated by the compulsory licensee's competition. Compulsory licenses must be non-exclusive; this means that the patent owner can continue with the exploitation of the invention and can compete, as aggressively as it wishes, with the compulsory licensee, with the advantages conferred by the prestige of brand names and generally abundant resources for marketing. In fact, the market share that compulsory licensees may obtain may be small and even insignificant, on account of the reputation and dominant presence of the patent owner in the market. Moreover, given the characteristics of competition in some markets such as, for example, pharmaceuticals, high-priced brand-name goods (e.g., medicines) often perform commercially better than their low-priced equivalents".

[39] US-Chile FTA, Article 10.9: "Expropriation and Compensation. […] 5. This Article does not apply to the issuance of compulsory licenses granted in relation to intellectual property rights in accordance with the TRIPS Agreement […]".

[40] A footnote clarifies: "[f]or greater certainty, the reference to the "TRIPS Agreement" in paragraph 5 includes any waiver in force between the Parties of any provision of that Agreement granted by WTO Members in accordance with the WTO Agreement".

[41] Note 17-15 clarifies that the term "use" in paragraph 17.9.7 refers to use other than that allowed under paragraph 3 and Article 30 of the TRIPS Agreement. Article 30 of the TRIPS Agreement in turn reads as follows: "Exceptions to Rights Conferred. Members may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties".

[42] Canada Model FIPA (2004), Art. 13 (5) Expropriation: "[…] The provisions of this Article shall not apply to the issuance of compulsory licenses granted in relation to intellectual property rights, or to the revocation, limitation or creation of intellectual property rights, to the extent that such issuance, revocation, limitation or creation is consistent with the WTO Agreement".

[43] Japan-Vietnam BIT (2003), Article 18 and Japan-Republic of Korea BIT (2002).

[44] See the letter from USTR General Counsel John K. Veroneau to Congressman Levin dated July 19, 2004, available at *Inside US Trade*.

[45] See, for example, the decision of the WTO General Council on 30 August 2003, which authorised countries that lack the capacity to manufacture generic substitutes for patented medicines under locally-granted compulsory licences, to obtain imports of these medicines.

[46] Energy Charter Treaty [Lisbon, Dec. 17, 1994] 34 I. L. M. 360 (1995).

47 See Japan-Indonesia EPA (2007), Article 12.

48 Correa, C. M., 'Investment protection in bilateral and free trade agreements: implications for the granting of compulsory licenses' (2004) 26 Michigan Journal of International Law 331, 344: "It is to be noted that *differentiation* in legal treatment is not the same as *discrimination*, and that WTO members can adopt different rules for particular areas, provided that the differences are adopted for *bona fide* purposes. A WTO panel held in this regard that: [TRIPS] Article 27 prohibits only discrimination as to the place of invention, the field of technology, and whether products are imported or produced locally. Article 27 does not prohibit *bona fide* exceptions to deal with problems that may exist only in certain product areas. Moreover, to the extent the prohibition of discrimination does limit the ability to target certain products in dealing with certain of the important national policies referred to in Articles 7 and 8.1, that fact may well constitute a deliberate limitation rather than frustration of purpose. The Doha Declaration on the TRIPS Agreement and Public Health in particular, may be considered as authorising differentiation in intellectual property rules if necessary to protect public health".

49 *Ibidem*, 351: "While it may be difficult to make arguments about adequateness if the TRIPS standards are complied with, more controversial may be an argument about promptness because, in practice, the compensation for a compulsory license has been generally established in the form of a royalty payable over time as sales of the licensed product take place. The standard of prompt compensation, however, may be interpreted as requiring payment without unreasonable delay, but not necessarily an up-front payment. Finally, the procedures for granting a compulsory license should ensure the patent owner at least the right to appeal the validity of the decision granting the license and the determination of the compensation. If such appeal is provided for, it may be difficult to substantiate a complaint about due process".

50 At the WTO Ministerial Conference in Doha in November 2001, ministers issued a decision on Implementation related issues and concerns that elaborated upon Article 66.2: "Reaffirming that the provisions of Article 66.2 of the TRIPS Agreement are mandatory, it is agreed that the TRIPS Council shall put in place a mechanism for ensuring the monitoring and full implementation of the obligations in question. To this end, developed-country members shall submit prior to the end of 2002 detailed reports on the functioning in practice of the incentives provided to their enterprises for the transfer of technology in pursuance of their commitments under Article 66.2. These submissions shall be subject to a review in the TRIPS Council and information shall be updated by Members annually".

51 Australia-Pakistan BIT (1998), US-Turkey BIT (1999), United Kingdom Model BIT (1991) do not provide for specific provisions on performance requirements.

52 US-Jordan BIT, Article VI: "Neither Contracting Party shall mandate or enforce, as a condition for the establishment, acquisition, expansion, management, conduct or operation of a covered investment, any requirement (including any commitment or undertaking in connection with the receipt of a governmental permission or authorization): […]

(e) to transfer technology, a production process or other proprietary knowledge to a national or company in the Contracting Party's territory, except pursuant to an order, commitment or undertaking that is enforced by a court, administrative tribunal or competition authority to remedy an alleged or adjudicated violation of competition laws; […]

Such requirements do not include conditions for the receipt or continued receipt of an advantage".

See further 1999 US-Bahrain BIT, Article 6; 1999 US-Salvador BIT (not in force), Article 6 covering both technology transfer requirements, and requirements relating to the conduct of research and development in the host country,

53 OECD, 'The Multilateral Agreement on Investment: Commentary to the consolidated text' DAFFE/MAI(98)8/REV1 (22 April 1998).

[54] Canada Model FIPA (2004), Article 7 - Performance Requirements:

"1. Neither Party may impose or enforce any of the following requirements, or enforce any commitment or undertaking, in connection with the establishment, acquisition, expansion, management, conduct or operation of an investment of an investor of a Party or a non-Party in its territory: […]

(f) to transfer technology, a production process or other proprietary knowledge to a person in its territory, except when the requirement is imposed or the commitment or undertaking is enforced by a court, administrative tribunal or competition authority, to remedy an alleged violation of competition laws or to act in a manner not inconsistent with other provisions of this Agreement; […]

2. A measure that requires an investment to use a technology to meet generally applicable health, safety or environmental requirements shall not be construed to be inconsistent with paragraph 1(f). For greater certainty, Articles 3 and 4 apply to the measure".

[55] Japan-Vietnam BIT (2003), Article 4: "1. Neither Contracting Party shall impose or enforce, as a condition for investment activities in its Area of an investor of the other Contracting Party, any of the following requirements: […] (g) to transfer technology, a production process or other proprietary knowledge to a natural or legal person or any other entity in its Area, except when the requirement (i) is imposed or enforced by a court, administrative tribunal or competition authority to remedy an alleged violation of competition laws; or (ii) concerns the transfer of intellectual property rights which is undertaken in a manner not inconsistent with the Agreement on Trade-Related Aspects of Intellectual Property Rights, Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization […]". See also the 2002 Japan-Korea BIT, Article 9.

[56] Japan–Singapore EPA, Art. 75(1)(f)(ii).

[57] US-Chile FTA (2003), Article 10.5 Exceptions and Exclusions; US Model BIT (2004), Article 8(3)(b).

[58] U.S.-Morocco FTA, 2004, Article 10.8(3) (b), Footnote 6.

[59] US (2004) Model BIT, Article 1, Footnote 7: "For greater certainty, "TRIPS Agreement" includes any waiver in force between the Parties of any provision of the TRIPS Agreement granted by WTO Members in accordance with the WTO Agreement".

[60] See WTO Understanding on Rules and Procedures Governing the Settlement of Disputes, art. 1(1) and Appendix 1(B), which specifically refers to Annex 1C: TRIPS as one of the covered "multilateral trade agreements." For statistical information on the use of WTO Dispute Settlement with special regard to TRIPS see OECD, WTO dispute settlement: an important trade policy instrument (Note by Consultant) DSTI/SU/SC(2008)13 (20 May 2008).

[61] See Canada, House of Common Standing Committee on Health, Towards Zero Consumption: Generic Packaging of Tobacco Products Standing Committee Report, 21 June 1994.

[62] A summary of the case can be found in A. Newcombe, 'Regulatory Expropriation, Investment Protection and International Law: When Is Government Regulation Expropriatory and When Should Compensation Be Paid?' Thesis, Master of Laws 1999 Faculty of Law, University of Toronto, available at: http://ita.law.uvic.ca/researchpublications.htm.

[63] For an attempt to construe investment treaty obligations as positive obligations, see Robbins J., 'The emergence of positive obligations in bilateral investment treaties' (2006) 13 University of Miami International and Comparative Law Review 403.

ANNEX I. IPR PROTECTION UNDER RTAS (IP CHAPTER)

	Term of Protection of Copyright	Term of Protection of Trademark	"Fair use"	Term of Protection of Patent and Extension of the Term of the Patent	"New use"	Exclusions from Patentability (in part. plant and animal varieties)	Exceptions to use of patents Compulsory licensing Revocation / Forfeiture of patents	IPR Exhaustion and parallel importation of patented products	Non-disclosure, data exclusivity and marketing approval	Obligation to ratify or accede to international IPR Treaties
WTO-TRIPS	Art. 12: **Term of protection**: Life of a natural person + no less than **50 years** from authorized publication, or, **50 years** from the end of the calendar year of making.	Art. 18: **Term of protection**: Initial registration and renewal for a term no less than **7 years**. The registration of a trademark shall be renewable indefinitely	Art. 13 Copyrights Limitations and exceptions which do not conflict with a normal exploitation and do not unreasonably prejudice the legitimate interests of the right holder. Article 17: Trademarks: Limited exceptions, such as fair use of descriptive terms, taking into account legitimate interests of	Art. 33: **Term of protection** 20 years from the filing date	No provisions on patenting new uses of existing substances.	Art. 27.3 (b) Members may also exclude from patentability: plants and animals other than micro-organisms, and essentially biological processes for the production of plants or animals other than non-biological and microbiological processes. However, Members shall provide for the protection of plant varieties either by patents or by an effective *sui*	Art. 30: Limited exceptions to the exclusive rights conferred by a patent, provided that: They do not unreasonably conflict with a normal exploitation of the patent They do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties. Art. 31 **Use without**	Flexibility: no specific provision on the international exhaustion of patents	Art. 39.3: Protection of data against unfair commercial use. In addition, Members shall protect such data against disclosure, except where necessary to protect the public, or unless steps are taken to ensure that the data are protected against unfair commercial use.	No

	Term of Protection of Copyright	Term of Protection of Trademark	"Fair use"	Term of Protection of Patent and Extension of the Term of the Patent	"New use"	Exclusions from Patentability (in part. plant and animal varieties)	Exceptions to use of patents Compulsory licensing Revocation / Forfeiture of patents	IPR Exhaustion and parallel importation of patented products	Non-disclosure, data exclusivity and marketing approval	Obligation to ratify or accede to international IPR Treaties
			the owner and of third parties.			*generis* system or by any combination thereof.	**authorization of the patent holder** - after efforts to obtain a licence from the patent holder under reasonable commercial terms have failed; - national emergency, or, - other circumstances of extreme urgency, - for public non commercial use Payment of adequate remuneration Art. 32: An opportunity for judicial review of any decision to revoke or forfeit a			

	Term of Protection of Copyright	Term of Protection of Trademark	"Fair use"	Term of Protection of Patent and Extension of the Term of the Patent	"New use"	Exclusions from Patentability (in part. plant and animal varieties)	Exceptions to use of patents Compulsory licensing Revocation / Forfeiture of patents	IPR Exhaustion and parallel importation of patented products	Non-disclosure, data exclusivity and marketing approval	Obligation to ratify or accede to international IPR Treaties
							patent shall be available.			
US-Morocco	Art. 15.5.5: Life of the author + **70 years**; or, **70 years** from first authorized publication, or, **70 years** from the creation of the work.	Art. 15.2.10: no less than **10 years** for initial registration and each renewal	Art. 15.2.5: Exceptions to the rights conferred by a trademark: TRIPS standard applies	Art. 15.9.6: **Adjustment** to compensate for unreasonable delays in granting the patent. Art. 15.10.3: **Extension** with respect to pharmaceutical products in case of unreasonable curtailment of the effective patent term as a result of the marketing approval process.	Art. 15.9.2 Obligation to provide patents for new uses or methods of using a known product.	Art. 15.9.2(a)(b) Explicit obligation to provide patent protection for plants and animals.	Art. 15.9.3 - **Exceptions**: TRIPS standard applies Art. 15.9.5: **Revocation** only on grounds that would have justified a refusal to grant the patent (revocation for fraud, misrepresentation or inequitable conduct may be provided)	Art. 15.9.4: Prevent parallel imports, which may be limited to restrictions to parallel imports by contract or other means	Art. 15.10.: 5 years for pharmaceutical products and10 years for agricultural chemical products + additional 3 year data exclusivity triggered by 'new clinical information'. A Party may limit such protection to new clinical information involving considerable efforts. Art. 15.10 (4) (a) Implementation of measures in the marketing approval process preventing third persons from marketing a product under patent during the patent term, unless by consent of the patent owner. (b) if marketing approval applications are allowed during the patent term, the patent owner shall be	Art. 15.1

	Term of Protection of Copyright	Term of Protection of Trademark	"Fair use"	Term of Protection of Patent and Extension of the Term of the Patent	"New use"	Exclusions from Patentability (in part. plant and animal varieties)	Exceptions to use of patents Compulsory licensing Revocation / Forfeiture of patents	IPR Exhaustion and parallel importation of patented products	Non-disclosure, data exclusivity and marketing approval	Obligation to ratify or accede to international IPR Treaties
									notified of the identity of the applicant.	
US-Chile	Art. 17.5.4: Life of the author + **70 years**; or, **70 years** from first authorized publication, or, **70 years** from the creation of the work.	No specific provision	Art. 17.2.5 Exceptions to the rights conferred by a trademark: TRIPS standard applies	Art. 17.9.6: **Adjustment** to compensate for unreasonable delays in granting the patent. Art. 17.10.2(a): **Extension** with respect to pharmaceutical products in case of unreasonable curtailment of the effective patent term as a result of the marketing approval process.	No specific provision	No specific provision	Art. 17.9.3 - **Exceptions**: TRIPS standard applies Art. 17.9.4: **Use by unauthorized third parties** to generate information necessary to support an application for marketing approval Art. 17.9.5: **Revocation** only on grounds that would have justified a refusal to grant the patent	TRIPS standards apply	Data exclusivity: **5 years** for the marketing approval of a pharmaceutical products utilizing a new chemical entity; or, **10 years** for the marketing approval of an agricultural chemical product utilizing a new chemical entity. Art. 17.10.2 b) The patent owner shall be notified of the identity of any third party requesting marketing approval during the term of the patent. (c) No marketing approval to any third party prior to the expiration of the patent term, unless by consent or acquiescence of the	Art. 17.1

	Term of Protection of Copyright	Term of Protection of Trademark	"Fair use"	Term of Protection of Patent and Extension of the Term of the Patent	"New use"	Exclusions from Patentability (in part. plant and animal varieties)	Exceptions to use of patents Compulsory licensing Revocation / Forfeiture of patents	IPR Exhaustion and parallel importation of patented products	Non-disclosure, data exclusivity and marketing approval	Obligation to ratify or accede to international IPR Treaties
									patent owner.	
US-Singapore	Art. 16.4.4: Life of the author + **70 years**; or, **70 years** from first authorized publication, or, **70 years** from the creation of the work.	No specific provision	Art. 16.2.3 Exceptions to the rights conferred by a trademark: TRIPS standard applies	Art. 16.7.7: **Extension** to compensate for unreasonable delays in granting the patent. Art. 16.8.4(a): **Extension** with respect to pharmaceutical products in case of unreasonable curtailment of the effective patent term as a result of the marketing approval process.	No specific provision	No specific provision	Art. 16.7.3 **Exceptions**: TRIPS standard applies. Art. 16.7.6: **Use by unauthorized third parties** in cases of: - Public non-commercial use; - national emergency - other circumstances of extreme urgency - against reasonable and entire compensation. The Parties shall respect the provisions of Article 31 of the TRIPS. Art. 16.7.4: **Revocation** only on grounds that would have justified a refusal	Art. 17.9.4: Cause of action to prevent or redress parallel imports in breach of contract.	Data exclusivity: **5 years** for a pharmaceutical product **10 years** for an agricultural chemical product. Cross border application of data exclusivity (where public authorities rely on foreign marketing approvals, data exclusivity applies automatically at home) Art. 16.8.4: (b)The patent owner shall be notified of the identity of any third party requesting marketing approval during the term of the patent. (c) No marketing approval to any third party prior to the expiration of the patent term, unless by consent or acquiescence of the	Art. 16.1.2

	Term of Protection of Copyright	Term of Protection of Trademark	"Fair use"	Term of Protection of Patent and Extension of the Term of the Patent	"New use"	Exclusions from Patentability (in part. plant and animal varieties)	Exceptions to use of patents Compulsory licensing Revocation / Forfeiture of patents	IPR Exhaustion and parallel importation of patented products	Non-disclosure, data exclusivity and marketing approval	Obligation to ratify or accede to international IPR Treaties
							to grant the patent or non-disclosure, misrepresentation or fraud.		patent owner.	
US-Oman	Art. 15.4.4 life of the author **+ 70 years** after the author's death, or, **95 years** from first publication, or, **120 years** from the end of the calendar year of the creation of the work	Art. 15.2.11 no less than **10 years** for initial registration and each renewal Extensive protection of trademarks, including non conventional signs (visual, sound, scent etc.)	15.2.5 Exceptions to the rights conferred by a trademark: TRIPS standard applies	Art. 15.8.6(a) **Adjustment** to compensate for unreasonable delays in granting the patent. Art. 15.8.6(b)(i) **Adjustment** with respect to pharmaceutical products in case of unreasonable curtailment of the effective patent term as a result of the marketing approval process.	Art. 15.8. 1 (b) 1. Subject to paragraph 2, each Party confirms that it shall make patents available for any new uses for, or new methods of using, a known product, including new uses and new methods for the treatment of particular medical	Art. 15.8.2 Each Party may exclude from patentability: a) inventions to protect ordre public or morality, including to protect human, animal, or plant life or health or, to avoid serious prejudice to the environment, provided that such exclusion is not made merely because the exploitation is prohibited by law; b) animals other than micro-organisms, and	Art. 15.8.3: **Exceptions**: TRIPS standard applies Art. 15.8.5: **Use by third parties** to generate information necessary to support an application for marketing approval. Art. 15.8.4: **Revocation** on grounds justifying a refusal to grant the patent (revocation for fraud, misrepresentation or inequitable conduct may be provided).	TRIPS standards apply	Art.15.9.1 and 15.9.2(a) and (c) Non-disclosure without consent of safety or efficacy information of the product. Data exclusivity: No authorization for marketing approval for at least **five years for pharmaceutical products** and **ten years for agricultural chemical products** from the date of the granting of the marketing approval in the territory of the Party or another territory. **5 years + additional 3 year data exclusivity** triggered by **'new clinical**	Art. 15.1.2

	Term of Protection of Copyright	Term of Protection of Trademark	"Fair use"	Term of Protection of Patent and Extension of the Term of the Patent	"New use"	Exclusions from Patentability (in part. plant and animal varieties)	Exceptions to use of patents Compulsory licensing Revocation / Forfeiture of patents	IPR Exhaustion and parallel importation of patented products	Non-disclosure, data exclusivity and marketing approval	Obligation to ratify or accede to international IPR Treaties
					conditions.	essentially biological processes for the production of animals other than non-biological and microbial processes.			**information'**. or, **10 years** for new use for an agricultural chemical product. Art. 15.9 (4) (a) Implementation of measures in the marketing approval process preventing third persons from marketing a product under patent during the patent term, unless by consent of the patent owner. (b) if marketing approval applications are allowed during the patent term, the patent owner shall be notified of the identity of the applicant	
US-Australia	Art. 17.4.4: Life of the author + **70 years**; **otherwise not less than 70 years** from	Art. 17.2.9: no less than **10 years** for initial registration and each	Art. 17.2.5 Exceptions to the rights conferred by a trademark: TRIPS standards	17.9.8(a)(b) **Adjustment** to compensate for unreasonable delays in granting the patent.	Obligation to provide patents for new uses of known products.	Exclusions *only* for inventions the commercial exploitation of which is necessary to protect ordre	Art. 17.9.3: **Exceptions**: TRIPS standards apply Art. 17.9.7: **Use of the patent**	Prevent parallel imports through contractual means	Data exclusivity: **5 years** for marketing approval of a new pharmaceutical product or,	Art. 17.1

	Term of Protection of Copyright	Term of Protection of Trademark	"Fair use"	Term of Protection of Patent and Extension of the Term of the Patent	"New use"	Exclusions from Patentability (in part. plant and animal varieties)	Exceptions to use of patents Compulsory licensing Revocation / Forfeiture of patents	IPR Exhaustion and parallel importation of patented products	Non-disclosure, data exclusivity and marketing approval	Obligation to ratify or accede to international IPR Treaties
	first authorized publication, or failing such authorized publication within 50 years from the creation of the work, not less than **70 years** from creation.	renewal Extensive protection of trademarks, including sound or scent	apply	A**djustment** with respect to pharmaceutical products in case of unreasonable curtailment of the effective patent term as a result of the marketing approval process.		public or morality, human, anima, or plant life health.	**without the authorization** of the right holder in cases of: - Public non-commercial use; - national emergency - other circumstances of extreme urgency - against reasonable compensation. Art. 17.9.5.: **Revocation** on grounds for refusal to grant a patent or on the basis of fraud, misrepresentation or inequitable conduct.		**10 years** for the marketing approval of a new agricultural chemical product, including certain new uses of the same product. **Cross border application** (data exclusivity applies in all RTA member countries, once first obtained in another territory by a foreign authority). Art. 17.10 (4) (a) Imple-mentation of measures in the marketing approval process preventing third persons from marketing a product under patent during the patent term, unless by consent of the patent owner. (b) if marketing approval applications are allowed during the patent term, the patent owner shall be notified of the	

	Term of Protection of Copyright	Term of Protection of Trademark	“Fair use”	Term of Protection of Patent and Extension of the Term of the Patent	“New use”	Exclusions from Patentability (in part. plant and animal varieties)	Exceptions to use of patents Compulsory licensing Revocation / Forfeiture of patents	IPR Exhaustion and parallel importation of patented products	Non-disclosure, data exclusivity and marketing approval	Obligation to ratify or accede to international IPR Treaties
									identity of the applicant.	

EU-Egypt AA	Art. 37(1) Pursuant to the provisions of this Article and of Annex VI, the Parties shall grant and ensure adequate and effective protection of intellectual property rights in accordance with the prevailing international standards, including effective means of enforcing such rights. Joint Declaration on article 37 and Annex VI: For the purpose of this Agreement, intellectual property includes, in particular, copyright, including copyright in computer programmes, and neighbouring rights, patents, industrial designs, geographical indications, including appellations of origin, trademarks and service marks, topographies of integrated circuits, as well as the protection against unfair competition as referred to in Article 10 bis of the Paris Convention for the Protection of Industrial Property (Stockholm Act, 1967) and protection of undisclosed information on "know-how".	Annex VI (By the end of the fourth year after the entry into force of the Agreement)
EU-Jordan AA	Art. 56(1): Pursuant to the provisions of this Article and of Annex VII, the Parties shall grant and ensure adequate and effective protection of intellectual, industrial and commercial property rights in accordance with the highest international standards, including effective means of enforcing such rights.	Annex VII (1) (2) and (3) adequate and effective protection of patents for chemicals and pharmaceuticals in line with WTO-TRIPS Articles 27 to 34 by the end of the third year from the entry into force of this Agreement or from its accession to the WTO, whichever is the earlier.
EU-Tunisia AA	Article 39: 1. The Parties shall provide suitable and effective protection of intellectual, industrial and commercial property rights, in line with the highest international standards. This shall encompass effective means of enforcing such rights. Joint declaration relating to Article 39 of the Agreement: Under the Agreement, the Parties agree that intellectual, industrial and commercial property comprises, in particular, copyright, including copyright in computer programs, and neighbouring rights, commercial trademarks and geographical descriptions including designation of origin, industrial designs and models, patents, configuration plans (topographies) of integrated circuits, protection of undisclosed information and protection against unfair competition in accordance with Article 10(a) of the Paris Convention for the Protection of Industrial Property in the 1967 Act of Stockholm (Paris Union).	Annex 7 (By the end of the fourth year after the entry into force of the Agreement)
Japan-Singapore Agreement for the New Age Economic Partnership	The Parties shall develop their co-operation in the field of IP Facilitation of patenting process in Singapore, promotion of bilateral information exchange.	
Japan – Brunei Darussalam EPA	Chapter 8 – Improvement of Business Environment, Art. 97: Each Party, recognising the importance of protecting intellectual property in further improving the business environment in the Party, shall: (a) endeavour to improve its intellectual property protection system; (b) comply with the obligations set out in the international agreements relating to intellectual property to which it is a party; (c) endeavour to become a party to international agreements relating to intellectual property to which it is not a party;	

	(d) endeavour to ensure transparent and streamlined administrative procedures concerning intellectual property; (e) endeavour to ensure adequate and effective enforcement of intellectual property rights; and (f) endeavour to further promote public awareness of protection of intellectual property. Chapter 7 – Energy, Art. 93(2): Each Party shall: […] (b) encourage favourable conditions for the transfer and dissemination of technologies that contribute to the protection of environment, consistent with the adequate and effective protection of intellectual property rights.	
Japan-Indonesia EPA	General Provisions: Article 12 Relation to Other Agreements 1. The Parties reaffirm their rights and obligations under the WTO Agreement or any other agreements to which both Parties are parties. 2. In the event of any inconsistency between this Agreement and the WTO Agreement, the WTO Agreement shall prevail to the extent of the inconsistency. 3. In the event of any inconsistency between this Agreement and any agreements other than the WTO Agreement, to which both Parties are parties, the Parties shall immediately consult with each other with a view to finding a mutually satisfactory solution, taking into consideration general principles of international law. Chapter 8 - Energy and Mineral Resources, Article 102(2): Each Party shall: […] (b) encourage favourable conditions for the transfer and dissemination of technologies that contribute to the protection of environment, consistent with the adequate and effective protection of intellectual property rights. **Chapter 9 – Intellectual Property** Article 108 **National Treatment and Most-Favoured-Nation Treatment** 1. Each Party shall accord to nationals of the other Party treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property in accordance with Articles 3 and 5 of the TRIPS Agreement. 2. Each Party shall accord to nationals of the other Party treatment no less favourable than that it accords to the nationals of a non-Party with regard to the protection of intellectual property in accordance with Articles 4 and 5 of the TRIPS Agreement. Article 116 **New Varieties of Plants** Each Party shall provide for the protection of all plant genera and species by an effective plant varieties protection system which is consistent with the 1991 UPOV Convention. Article 118 **Protection of Undisclosed Information** Each Party shall ensure in its laws and regulations adequate and effective protection of undisclosed information in accordance with Article 39 of the TRIPS Agreement.	Art. 106.3 Each Party shall endeavor to become a party, if it is not a party, to the following international agreements: (a) the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of June 27, 1989, as amended; (b) the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations of October 26, 1961; and (c) the 1991 Act of International Convention for the Protection of New Varieties of Plants (hereinafter referred to in this Chapter as “the

		1991 UPOV Convention”)

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