

THE OBJECTIVES AND PRINCIPLES OF THE TRIPS AGREEMENT

*Peter K. Yu**

Introduction

The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) is one of the more controversial international intellectual property agreements that have entered into force. Its negotiations were highly contentious, and the perspectives of developed and less developed countries on the role of intellectual property protection and enforcement remain far apart.

In recent years, less developed countries—including both developing and least developed countries—have expressed their deep dissatisfaction with the way the Agreement has been interpreted and implemented. They are also frustrated by the ongoing demands by developed countries for protections that are in excess of what they promised during the TRIPS negotiations—often through new bilateral and regional trade and investment agreements. As they claim, the Agreement as interpreted by their developed trading partners and the additional TRIPS-plus demands ignore their local needs, national interests, technological capabilities, institutional capacities, and public health conditions.¹ These concerns and frustrations eventually led to the establishment of a set of development agendas at the WTO, the World Intellectual Property Organization (WIPO), and other international fora.²

Although the TRIPS Agreement's one-size-fits-all—or, more precisely, super-size-fits-all—approach is highly problematic, the Agreement, in its defense, includes a number of flexibilities to facilitate development and to protect the public interest. To safeguard these flexibilities, Articles 7 and 8 provide explicit and important objectives and principles that play important roles in the interpretation and implementation of the Agreement. This Chapter explores the origins of these two provisions and the roles they can play in promoting the development goals of less developed countries.

* Copyright © 2009 Peter K. Yu. This Chapter was abridged and adapted from Yu, Peter K. (2009), 'The objectives and principles of the TRIPS agreement', *Houston Law Review*, **46**: forthcoming.

¹ Yu, Peter K. (2007), 'The international enclosure movement', *Indiana Law Journal*, **82**(4): 827–907, 828.

² Yu, Peter K. (2009), 'A tale of two development agendas', *Ohio Northern University Law Review*, **35**(2): 465–573.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

The Chapter begins by tracing the development of Articles 7 and 8 of the TRIPS Agreement. By recounting their historical origins and subsequent developments, it shows that, even though only a small amount of the treaty language proposed by less developed countries was included in the final text of the Agreement, the choice of such language in Articles 7 and 8 may provide less developed countries with important tools for restoring the balance of the international intellectual property system.

The Chapter then examines the normative content of Articles 7 and 8 of the TRIPS Agreement. It highlights the interpretations made by WTO panels and the Appellate Body and the implications of the two declarations adopted during the Fourth WTO Ministerial Conference in Doha (Doha Ministerial). The Chapter concludes by exploring the multiple roles Articles 7 and 8 can play in facilitating a more flexible interpretation and implementation of the TRIPS Agreement. It also explains how less developed countries can use these provisions to preserve the hard-earned bargains they won through the TRIPS negotiations.

Origins and development

The TRIPS negotiations

The negotiations of the TRIPS Agreement began with the Ministerial Conference of the General Agreement on Tariffs and Trade (GATT) in Punta del Este, Uruguay. Held in September 1986, the conference came at a critical point in time when the negotiations between developed and less developed countries over the revision of the Paris Convention for the Protection of Industrial Property (Paris Convention) was deadlocked at WIPO.³ During that ministerial conference, the GATT contracting parties set out their negotiating objectives for the new Uruguay Round, which included the establishment of a new multilateral intellectual property agreement.

In the beginning, many less developed countries naively believed they could use the text of the Punta del Este Declaration to ‘limit the negotiations primarily on trade in counterfeit goods and other such trade-related aspects’.⁴ As these countries claimed, the GATT mandate did not allow for the discussion of substantive issues on intellectual property rights. Led by Brazil and India, these countries insisted that only WIPO had the institutional competence to discuss those issues. However, as Jayashree Watal, a former negotiator for India, pointed out, ‘This was a misreading not only of the text but also of the writing on the wall. Clearly, the negotiations were aimed not only at clarifying GATT provisions but elaborating, “as appropriate”, new rules and disciplines.’⁵

By the early 1990s, virtually all negotiating parties accepted as inevitable the inclusion of minimum standards for intellectual property protection and enforcement in the GATT

³ Yu, Peter K. (2004), ‘Currents and crosscurrents in the international intellectual property regime’, *Loyola of Los Angeles Law Review*, 38(1): 323–443, 357–58.

⁴ Watal, Jayashree (2001), *Intellectual Property Rights in the WTO and Developing Countries*, The Hague and Boston: Kluwer Law International, p. 21.

⁵ *Id.*

THE OBJECTIVES AND PRINCIPLES OF TRIPS

framework.⁶ Such a change of attitude was largely the result of the United States' aggressive strategies toward the hardliner opposition countries, its successful 'divide and conquer' tactics, the economic crises confronting many of these countries, and the successful lobbying of the European Communities, Japan, and the United States by global intellectual property industries.⁷ By the time Canada proposed to create a new multilateral trade organization in October 1990, its proposal, along with the less developed countries' fears of being excluded from such an organization, 'effectively ended the debate on the earlier developing country position of WIPO as the appropriate forum for lodging the results of the TRIPS negotiations'.⁸

What remained in the negotiations were the details of these new standards and how these standards were to be incorporated into the new Agreement without adversely affecting the protections already put in place by the extant international intellectual property conventions. To expedite the negotiation process, and to bring the positions of developed and less developed countries closer to each other, the GATT Secretariat and Chairman Anell prepared what was commonly referred to as the Anell Draft. This draft was later formalized as the Chairman's Report to the Group of Negotiation on Goods. As Professor Gervais, who was working at the Secretariat at the time of negotiations, recounted in detail:

In the first few months of 1990, a number of industrialized countries tabled, with little advance notice, draft legal texts of what they saw as the future TRIPS Agreement. Prior to the tabling of these texts, the discussions had focused on identifying existing norms and possible trade-related gaps therein, but the emerging outline of a possible TRIPS result had essentially been at the level of principles, not legal texts. The draft legal texts, which emanated from the European Community, the United States, Japan, Switzerland, and Australia, foreshadowed a detailed agreement covering all IP rights then in existence, even the seldom used *sui generis* protection for computer chips. The proposals also included detailed provisions on the enforcement of those rights before national courts and customs authorities and a provision bringing future TRIPS disputes under the General Agreement on Tariffs and Trade ('GATT')/WTO dispute-settlement umbrella. These proposals were far from obvious in light of the limited mandate of the TRIPS negotiating group.

As a reaction, more than a dozen developing countries proposed another 'legal' text, much more limited in scope, with few specific normative aspects. They insisted on the need to maintain flexibility to implement economic and social development objectives. In retrospect, some developing countries may feel that the Uruguay Round Secretariat did them a disservice by preparing a 'composite' text, which melded all industrialized countries' proposals into what became the 'A' proposal, while the developing countries' text became the 'B' text. The final Agreement mirrored the 'A' text. As such, it essentially embodied norms that had been accepted by industrialized countries. The concerns of developing countries were reflected in large part in two provisions—Articles 7 and 8.⁹

⁶ Yusuf, Abdulqawi A. (2008), 'TRIPS: Background, principles and general provisions', in Carlos M. Correa and Abdulqawi A. Yusuf (eds), *Intellectual Property and International Trade: TRIPS Agreement*, 2nd edn, Alphen aan den Rijn: Kluwer Law International, pp. 3–21, 9.

⁷ Sell, Susan K. (2003), *Private Power, Public Law: The Globalization of Intellectual Property Rights*, Cambridge and New York: Cambridge University Press; Watal, supra note 4, at 19; Yu, Peter K. (2008), 'Access to medicines, BRICS alliances, and collective action', *American Journal of Law & Medicine*, 34(2): 345–94, 365; Yu, supra note 3, at 412–13.

⁸ Watal, supra note 4, at 34.

⁹ Gervais, Daniel J. (2005), 'Intellectual property, trade & development: The state of play', *Fordham Law Review*, 74(2): 505–35, 507–08.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

The Chairman's Report was later followed up by the text included in the Dunkel Draft—a 'take it or leave it' final draft of the TRIPS Agreement advanced by Arthur Dunkel, GATT's Director General, that constituted the Secretariat's best judgment of what would be acceptable to all of the negotiating parties.¹⁰ Although Dunkel's approach, and the linkage between trade and intellectual property, was and remains controversial, his approach proved to be effective, and the negotiations concluded quickly. In April 1994, the TRIPS Agreement was adopted with very minor changes as Annex 1C of the Marrakesh Agreement Establishing the World Trade Organization.¹¹

The WTO panel's clarification

Since the TRIPS Agreement entered into force on January 1, 1995, WTO member states have explored the use of Articles 7 and 8 to support their positions. The divergence of these positions was well reflected in *Canada—Patent Protection of Pharmaceutical Products*.¹² In this dispute, the European Communities challenged the regulatory review and stockpiling exceptions in Canadian patent law for violation of the TRIPS Agreement. Calling attention to Articles 7 and 8 of the TRIPS Agreement, Canada contended that these provisions 'call for a liberal interpretation of the three conditions stated in Article 30 of the Agreement, so that governments would have the necessary flexibility to adjust patent rights to maintain the desired balance with other important national policies'. As the WTO panel recounted:

In the view of Canada, [the clause 'in a manner conducive to social and economic welfare, and to a balance of rights and obligations' in] Article 7 . . . declares that one of the key goals of the TRIPS Agreement was a balance between the intellectual property rights created by the Agreement and other important socio-economic policies of WTO Member governments. Article 8 elaborates the socio-economic policies in question, with particular attention to health and nutritional policies.

Although the European Communities 'did not dispute the stated goal of achieving a balance within the intellectual property rights system between important national policies', it took a very different view of Articles 7 and 8. As the panel continued:

But, in the view of the EC, Articles 7 and 8 are statements that describe the balancing of goals that *had already taken place* in negotiating the final texts of the TRIPS Agreement. According to the EC, to view Article 30 as an authorization for governments to 'renegotiate' the overall balance of the Agreement would involve a double counting of such socio-economic policies. In particular, the EC pointed to the last phrase of Article 8.1 requiring that government measures to protect important socio-economic policies be consistent with the obligations of the TRIPS Agreement. The EC also referred to the provisions of first consideration of the Preamble and Article 1.1 as demonstrating that the basic purpose of the TRIPS Agreement was to lay down minimum requirements for the protection and enforcement of intellectual property rights.

¹⁰ Gervais, Daniel (2003), *The TRIPS Agreement: Drafting History and Analysis*, 2nd edn, London: Sweet & Maxwell, pp. 24–25; Watal, supra note 4, at 37–40.

¹¹ Watal, supra note 4, at 40–41; Gervais, Daniel J. (2007), 'The TRIPS agreement and the Doha round: History and impact on economic development', in Peter K. Yu (ed.), *Intellectual Property and Information Wealth: Issues and Practices in the Digital Age*, Westport, Conn.: Praeger Publishers, vol. 4, pp. 23–72, 29.

¹² World Trade Organization (2000), *Canada—Patent Protection of Pharmaceutical Products*, Panel Report, WT/DS114/R.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

In the end, the panel found Canada's position a little more convincing and struck a compromise between the two positions by allowing for 'certain adjustments' while preventing 'a renegotiation of the basic balance of the Agreement'. As the panel declared:

In the Panel's view, Article 30's very existence amounts to a recognition that the definition of patent rights contained in Article 28 would need certain adjustments. On the other hand, the three limiting conditions attached to Article 30 testify strongly that the negotiators of the Agreement did not intend Article 30 to bring about what would be equivalent to a renegotiation of the basic balance of the Agreement. Obviously, the exact scope of Article 30's authority will depend on the specific meaning given to its limiting conditions. The words of those conditions must be examined with particular care on this point. Both the goals and the limitations stated in Articles 7 and 8.1 must obviously be borne in mind when doing so as well as those of other provisions of the TRIPS Agreement which indicate its object and purposes.

Some commentators were disappointed by the panel's finding, which they argued would perpetuate the unfairness of the TRIPS Agreement and take away the member states' needed discretion in developing its public policies.¹³ Although these reactions are understandable, judicial activism and loose interpretation in WTO decisions can cut both ways. If the panel allowed a party to use Articles 7 and 8 to renegotiate the basic balance of the TRIPS Agreement, they would have to allow other parties to do the same. In the end, it is questionable whether a more activist approach would help less developed countries more than it would hurt them (considering the fact that developed countries hitherto have brought most of the complaints filed with the WTO Dispute Settlement Body).¹⁴

It is, nevertheless, worth noting that neither the WTO panels nor the Appellate Body has made any definitive interpretation and application of Articles 7 and 8 of the TRIPS Agreement. As Carlos Correa pointed out, the panel in *Canada—Patent Protection of Pharmaceutical Products* 'avoided elaboration of the content and implications of Articles 7 and 8.1, despite the specific reference that the parties made thereto in their submission'.¹⁵ In a later case, *Canada—Term of Patent Protection*, the Appellate Body also acknowledged that it has yet to determine 'the applicability of Article 7 or Article 8 of the TRIPS Agreement in possible future cases with respect to measures to promote the policy objectives of the WTO Members that are set out in those Articles' and that '[t]hose Articles still await appropriate interpretation'.¹⁶

The Doha fortifications

During the Doha Ministerial, WTO member states adopted two very important documents: (1) the Doha Ministerial Declaration (Ministerial Declaration) and (2) the Declaration on the

¹³ Barbosa, Denis Borges, Margaret Chon and Andres Moncayo von Hase (2007), 'Slouching towards development in international intellectual property', *Michigan State Law Review*, 2007(1): 71–141, 113; Howse, Robert (2002), 'The Canadian Generic Medicines panel: A dangerous precedent in dangerous times', *Journal of World Intellectual Property*, 3(4): 493–507; Okediji, Ruth L. (2003), 'Public welfare and the role of the WTO: Reconsidering the TRIPS agreement', *Emory International Law Review*, 17(2): 819–918, 915.

¹⁴ Davey, William J. (2005), 'The WTO dispute settlement system: The first ten years', *Journal of International Economic Law*, 8(1): 17–50, 17.

¹⁵ Correa, Carlos (2007), *Trade Related Aspects of Intellectual Property Rights: A Commentary on the TRIPS Agreement*, Oxford and New York: Oxford University Press, p. 102.

¹⁶ World Trade Organization (2000), *Canada—Term of Patent Protection*, Appellate Body Report, WT/DS170/AB/R, para. 101.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

TRIPS Agreement and Public Health (Doha Declaration). Both documents strongly reinforced the objectives and principles set forth in Articles 7 and 8 of the TRIPS Agreement.

Paragraph 19 of the Ministerial Declaration concerned the work program conducted by the TRIPS Council, including ‘the review of Article 27.3(b) [of the TRIPS Agreement], the review of the implementation of the TRIPS Agreement under Article 71.1 and the work foreseen pursuant to paragraph 12 of this declaration’, which focused on implementation-related issues and concerns. The Declaration explicitly ‘instruct[ed] the Council . . . to examine, *inter alia*, the relationship between the TRIPS Agreement and the Convention on Biological Diversity, the protection of traditional knowledge and folklore, and other relevant new developments raised by members pursuant to Article 71.1’. The Declaration also stated that ‘[i]n undertaking [the work outlined in this paragraph], the TRIPS Council shall be guided by the objectives and principles set out in Articles 7 and 8 of the TRIPS Agreement and shall take fully into account the development dimension’.

Compared to the Ministerial Declaration, the Doha Declaration focused more specifically on the interplay between intellectual property protection and the protection of public health. The first two paragraphs of the Declaration explicitly ‘recognize[d] the gravity of the public health problems afflicting many developing and least-developed countries, especially those resulting from HIV/AIDS, tuberculosis, malaria and other epidemics . . . [and] the need for the [TRIPS Agreement] to be part of the wider national and international action to address these problems’.

Paragraph 4 of the Declaration then stated that member states ‘agree that the TRIPS Agreement does not and should not prevent members from taking measures to protect public health’. The Paragraph further noted that the TRIPS 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’. Finally, the Declaration underscored the various ‘flexibilities’ reserved to all WTO member states under the TRIPS Agreement.

Taken together, the two declarations have put in a special light the relationship between the TRIPS Agreement and the protection of public health. Nevertheless, their legal effect on Articles 7 and 8 remains unclear. As Professor Correa pointed out:

There are different possible interpretations for this paragraph. On the one hand, it may be viewed as a statement of fact rather than a rebalancing of the Agreement. On the other, it may be regarded as an indication that in cases where there is conflict, IPRs should not be an obstacle to the realization of public health.¹⁷

Those who view the Declaration as a statement of fact are unlikely to impute to Articles 7 and 8 any new or elevated legal status. In fact, one could make a strong argument that the Doha Declaration was a *mere* restatement of Article 31(1) of the Vienna Convention on the Law of Treaties (Vienna Convention), which stipulates that ‘[a] treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty . . . *in the light of its object and purpose*’. Since the WTO panels and the Appellate Body began their operations, they have embraced the provision as part of the customary rules of interpretation as required by

¹⁷ Correa, *supra* note 15, at 105.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

the Understanding on Rules and Procedures Governing the Settlement of Disputes (Dispute Settlement Understanding). Moreover, it is important not to overstate the impact of the Doha negotiations. As Susy Frankel has noted:

Doha may have rightfully curtailed attempts to suggest meanings other than that each Member may determine what is a ‘national emergency,’ but the idea that the declaration provides any clarity to the already clear words appears to be a politically convenient overstatement that turns a blind eye to the principles of treaty interpretation.¹⁸

By contrast, those who consider the Declaration an attempt to rebalance the TRIPS Agreement are likely to point to the fact that the trade ministers of the WTO member states, via the Doha Declaration, ‘agree[d] that the TRIPS Agreement does not and should not prevent members from taking measures to protect public health’. Notably, paragraph 4 of the Declaration did not repeat the phrase ‘taking measures *necessary* to protect public health’ as used in Article 8(1) of the TRIPS Agreement. The necessity requirement was conspicuously omitted.

If such an omission is insufficient, Paragraph 4 uses the word ‘agree’, while the other paragraphs of the Declaration use words such as ‘recognize’, ‘stress’, ‘affirm’, and ‘reaffirm’. As noted in the *UNCTAD-ICTSD Resource Book on TRIPS and Development (TRIPS Resource Book)*:

The first important point regarding this paragraph is that it is stated in the form of an agreement (i.e., ‘we agree’). Since this statement was adopted by consensus of the Ministers, and since the operative language is in the form of an agreement, this may be interpreted as a ‘decision’ of the Members under Article IX.1 of the WTO Agreement. Although paragraph 4 is not an ‘interpretation’ in the formal sense since it was not based on a recommendation of the TRIPS Council pursuant to Article IX:2 of the WTO Agreement, a decision that states a meaning of the Agreement should be considered as a very close approximation of an interpretation and, from a functional standpoint, may be indistinguishable.¹⁹

Indeed, the word choice in this paragraph is identical to that of paragraph 7 of the Declaration—the provision that extended the deadline for least developed countries to protect pharmaceuticals to January 1, 2016. Because those two paragraphs are the *only* paragraphs that use the word ‘agree’ in the whole declaration, paragraph 4 should be given the same legal effect. After all, there is no denial that the WTO member states have reached an *agreement* over the extension of the deadline for least developed countries in paragraph 7.

Regardless of whether the Doha Declaration restates or renegotiates the balance in the TRIPS Agreement, the explicit inclusion of Articles 7 and 8 in the Ministerial Declaration is likely to have a significant impact on the work of the TRIPS Council. This is particularly true when Paragraph 19 of the Ministerial Declaration is read together with Paragraph 4 of the Doha Declaration. The two Doha documents are also likely to have additional impact on decisions reached by WTO panels and the Appellate Body. As Professor Gervais noted:

¹⁸ Frankel, Susy (2006), ‘WTO application of “the customary rules of interpretation of public international law” to intellectual property’, *Virginia Journal of International Law*, 46(2): 365–431, 401.

¹⁹ UNCTAD-ICTSD (2004), *Resource Book on TRIPS and Development*, Cambridge: Cambridge University Press, p. 131.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

The importance accorded to these Articles in the Doha negotiations . . . may lead a panel to take a longer look at how these provisions should be interpreted in the context of the Agreement as a whole, especially with respect to the need for ‘balance’. A possible practical impact of the Doha insistence of Arts 7 and 8 may serve as a basis for the interpretation of certain provisions of the Agreement.²⁰

Moreover, Article 31(3) of the Vienna Convention states that ‘[t]here shall be taken into account, together with the context . . . any subsequent agreement between the parties regarding the interpretation of the treaty or the application of its provisions’. Although one could argue whether the Doha documents would constitute subsequent agreement, WTO panels and the Appellate Body are likely to take into account the documents as subsequent development. After all, as Professor Frankel pointed out, the WTO panel in *United States—Section 110(5) of the U.S. Copyright Act* considered the WIPO Copyright Treaty as a subsequent development even though it neither has come into force nor has been ratified by either party.²¹ Based on an extension of that logic, one could make a strong argument that the Doha documents should constitute a subsequent agreement.

Normative content

Article 7

Article 7 delineates the objectives of the TRIPS Agreement. The article provides:

The protection and enforcement of intellectual property rights *should* contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations.

While the first three objectives—technological innovation, transfer and dissemination of technology, and the production and use of technological knowledge—focus mainly on technological development and may not affect all forms of intellectual property rights, the latter two have a much broader focus and cover virtually all forms of intellectual property rights.

The origin and focus of these objectives become clearer when they are viewed in light of the negotiating history of Article 7. In the beginning of the TRIPS negotiations, the discussion focused primarily on the interests of developed countries—that is, to promote the contributions of authors and inventors. As Frederick Abbott pointed out, the promotion of these contributions can be seen as the protection of ‘First World assets’—something that were of marginal interest to the less developed world.²²

Although less developed countries initially resisted the inclusion of new substantive standards for the protection and enforcement of intellectual property rights in GATT, they soon realized that they were fighting a losing battle. As a result, they began to insist on linking intellectual property protection to the promotion of social, economic, and technological

²⁰ Gervais, *supra* note 10, at 120.

²¹ Frankel, *supra* note 18, at 413–14.

²² Abbott, Frederick M. (1989), ‘Protecting first world assets in the third world: intellectual property negotiations in the GATT multilateral framework’, *Vanderbilt Journal of Transnational Law*, 22(4): 689–745.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

development.²³ Deeply aware of their weakness in generating new science and technology, they feared that stronger intellectual property protection ‘would give too much power to title-holders and limit access to, and transfer of, technology to those countries’²⁴—and, in GATT parlance, would result in distortions or impediments to trade in legitimate goods. They were also worried that their interests would be relegated to secondary status, if those interests would be respected at all.²⁵

When the European Communities submitted their draft text in March 1990, which was followed by the United States two months later, less developed countries had no choice but to respond by advancing their own text.²⁶ As Abdulqawi Yusuf recounted, some of the provisions in this text ‘were either directly based on or inspired by those of the Draft International Code of Conduct on the Transfer of Technology which was negotiated under the auspices of UNCTAD but was never adopted as an international instrument’.²⁷ Article 2 of the draft, which provides the normative principles, states:

- (1) *Parties recognize that intellectual property rights are granted not only in acknowledgement of the contributions of inventors and creators, but also to assist in the diffusion of technological knowledge and its dissemination to those who could benefit from it in a manner conducive to social and economic welfare and agree that this balance of rights and obligations inherent in all systems of intellectual property rights should be observed.*
- (2) In formulating or amending their national laws and regulations on IPRs, Parties have the right to adopt appropriate measures to protect public morality, national security, public health and nutrition, or to promote public interest in sectors of vital importance to their socio-economic and technological development.
- (3) Parties agree that the protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and enhance the international transfer of technology to the mutual advantage of producers and users of technological knowledge.
- (4) Each Party will take the measures it deems appropriate with a view to preventing the abuse of intellectual property rights or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology. Parties undertake to consult each other and to co-operate in this regard. (Emphasis added)

The text was eventually adopted as Articles 7 and 8 of the TRIPS Agreement. While subparagraphs (1) and (3) found their way to Article 7, the rest became Article 8. The italicized text, which was omitted in the final version of Article 7, made clear the concerns of the less developed world. Those concerns also explain why the first three objectives of Article 7 focus significantly on technology-related intellectual property rights. As Professor Correa surmised:

²³ Yusuf, *supra* note 6, at 10.

²⁴ Correa, *supra* note 15, at 91.

²⁵ UNCTAD-ICTSD, *supra* note 19, at 118.

²⁶ TRIPS Negotiating Group (1990), ‘Draft agreement on trade-related aspects of intellectual property rights’, MTN.GNG/NG11/W/68; TRIPS Negotiating Group (1990), ‘Draft agreement on the trade-related aspects of intellectual property rights: Communication from the United States’, MTN.GNG/NG11/W/70; TRIPS Negotiating Group (1990), ‘Communication from Argentina, Brazil, Chile, China, Colombia, Cuba, Egypt, Nigeria, Peru, Tanzania and Uruguay’, MTN.GNG/NG11/W/71.

²⁷ Yusuf, *supra* note 6, at 10 n.18.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

This imbalance [in the focus] is possibly attributable to developing countries' preoccupation about the impact of higher standards of IPR protection on the access to innovations and the products and services derived therefrom. Negotiations on issues not directly related to access to and use of technology were overall less controversial between the North and the South, while they often created considerable tensions between developed countries themselves.²⁸

It is worth noting that the first provision of the B text supplied the last two objectives, while the third provision provided the first three objectives.

From the standpoint of treaty interpretation, it is important to point out that Article 7 is a 'should' provision, as compared to a 'shall' provision.²⁹ Although this word choice has led some industry groups and commentators to argue that the provision is mere hortatory,³⁰ the location of the provision should not be ignored. In fact, according to Professor Gervais, '[t]he fact that a provision of this nature is contained in the body of the agreement, and not in the preamble, would seem to heighten its status'.³¹ His view is further supported by the Appellate Body in *United States—Standards for Reformulated and Conventional Gasoline*, which stated that treaty interpreters should 'take adequate account of the words actually used by [the covered agreement]'.³²

Moreover, the TRIPS Agreement represents a compromise between the two texts advanced by the developed and less developed worlds. While the objectives and principles in the A text found their way to the *Preamble*, the language in the B text became the *text* of Articles 7 and 8 of the TRIPS Agreement (in addition to the Preamble). As the *TRIPS Resource Book* reminded us:

It is significant that the developing country proposal for objectives and principles became operative provisions of TRIPS (i.e., Articles 7 and 8), while the largely developed country proposals set out in the Annex were reflected in the more general statement of intent (i.e., the Preamble). Because articles of a treaty are intended to establish rights and obligations, Articles 7 and 8 should carry greater weight in the process of implementation and interpretation.³³

Thus, the strongest argument developed countries and their intellectual property industries could make based on the plain meaning of the Agreement and the context provided by the TRIPS negotiation history is that Article 7 'may not be used to reduce the scope of "shall" or equivalents thereof in other Articles', assuming that the Doha documents did not elevate its legal status.³⁴ However, because Article 7 is included in the text of the Agreement, it should be given greater weight than the treaty's preambular provisions. After all, the latter were primarily

²⁸ Correa, supra note 15, at 92.

²⁹ Gervais, supra note 10, at 116.

³⁰ Correa, supra note 15, at 93; Gorlin, Jacques J. (1999), *An Analysis of the Pharmaceutical-Related Provisions of the WTO TRIPS (Intellectual Property) Agreement*, London: Intellectual Property Institute, p. 16; Chon, Margaret (2006), 'Intellectual property and the development divide', *Cardozo Law Review*, 27(6): 2821–912, 2843.

³¹ Gervais, supra note 10, at 116; Correa, supra note 15, at 93.

³² World Trade Organization (1996), *United States—Standards for Reformulated and Conventional Gasoline*, Appellate Body Report, WT/DS2/AB/R, part III.B.

³³ UNCTAD-ICTSD, supra note 19, at 123–24.

³⁴ Gervais, supra note 10, at 116.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

‘designed to establish a definitive record of the intention or purpose of the parties in entering into the agreement’.³⁵

From the standpoint of policy development, Article 7 is also rather important. Highlighting the many public interest objectives of the TRIPS Agreement, the provision ‘makes it clear that IPRs are not an end in themselves’.³⁶ As less developed countries declared in their submission to the TRIPS Council before the Doha Ministerial: ‘Article 7 . . . clearly establishes that *the protection and enforcement of intellectual property rights do not exist in a vacuum*. They are supposed to benefit society as a whole and do not aim at the mere protection of private rights.’³⁷

Likewise, the final report of the U.K. Commission on Intellectual Property Rights states that intellectual property rights should be regarded ‘as instruments of public policy which confer economic privileges on individuals or institutions solely for the purposes of contributing to the greater public good’ and that the conferred privileges should be ‘a means to an end, not an end in itself’.³⁸ Such an emphasis is important, ‘because interest groups’, the Commission claimed, ‘often lose sight of the basic mission of the WTO which, as stated in the preamble of the WTO Agreement, is to promote trade and economic development, not to protect the interests of particular private IPR-holding interest groups’.

The use of the word ‘should’ in Article 7 further reminds member states that stronger intellectual property protection does not necessarily lead to more innovation, dissemination of knowledge, or the transfer of technology.³⁹ To date, economists have provided an abundance of empirical studies to demonstrate the ambiguous relationship intellectual property protection has with economic development, technology transfer, and foreign direct investment (FDI).⁴⁰ For example, Claudio Frischtak states that a country’s overall investment climate is often more influential on decisions on FDI than the strength of intellectual property protection it offers.⁴¹ Carsten Fink and Keith Maskus observed that ‘[a] poor country hoping to attract inward FDI would be better advised to improve its overall investment climate and business infrastructure than to strengthen its patent regime sharply, an action that would have little effect on its own’.⁴² Professor Maskus further stated that, if stronger intellectual property protection always led to more FDI, ‘recent FDI flows to developing economies would have gone largely to sub-Saharan

³⁵ UNCTAD-ICTSD, *supra* note 19, at 2.

³⁶ *Id.* at 125–26.

³⁷ Council for Trade-Related Aspects of Intellectual Property Rights (2001), ‘Submission by the African Group, Barbados, Bolivia, Brazil, Cuba, Dominican Republic, Ecuador, Honduras, India, Indonesia, Jamaica, Pakistan, Paraguay, Philippines, Peru, Sri Lanka, Thailand and Venezuela’, IP/C/W/296, para. 18.

³⁸ Commission on Intellectual Property Rights (2002), *Integrating Intellectual Property Rights and Development Policy: Report of the Commission on Intellectual Property Rights*, London: Commission on Intellectual Property Rights, p. 7.

³⁹ Correa, *supra* note 15, at 97.

⁴⁰ Yu, Peter K. (2007), ‘Intellectual Property, Economic Development, and the China Puzzle’, in Daniel J. Gervais (ed.), *Intellectual Property, Trade and Development: Strategies to Optimize Economic Development in a TRIPS Plus Era*, Oxford: Oxford University Press, pp. 173–220, 176–80.

⁴¹ Frischtak, Claudio R. (1993), ‘Harmonization versus differentiation in intellectual property rights regime’, in Mitchel B. Wallerstein, Mary Ellen Mogege and Roberta A. Schoen (eds), *Global Dimensions of Intellectual Property Rights in Science and Technology*, Washington, D.C.: National Academy Press, pp. 89–106, 99–100.

⁴² Fink, Carsten and Keith E. Maskus (2005), ‘Why we study intellectual property rights and what we have learned’, in Carsten Fink and Keith E. Maskus (eds), *Intellectual Property and Development: Lessons from Recent Economic Research*, Washington, DC: World Bank, pp. 1–15, 7.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

Africa and Eastern Europe . . . [rather than] China, Brazil, and other high-growth, large-market developing economies with weak IPRs'.⁴³

Furthermore, the five objectives in Article 7 provide useful guidance to those involved in implementing the TRIPS Agreement. For example, the first three objectives—technological innovation, the transfer and dissemination of technology, and the production and use of technological knowledge—provide support to those provisions of the TRIPS Agreement that outline the obligations of developed countries to promote technology transfer, technical cooperation, and legal assistance.⁴⁴ Article 66 of the TRIPS Agreement states 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'. Titled technical cooperation, Article 67 further provides:

In order to facilitate the implementation of this Agreement, developed country Members shall provide, on request and on mutually agreed terms and conditions, technical and financial cooperation in favour of developing and least-developed country Members. Such cooperation shall include assistance in the preparation of laws and regulations on the protection and enforcement of intellectual property rights as well as on the prevention of their abuse, and shall include support regarding the establishment or reinforcement of domestic offices and agencies relevant to these matters, including the training of personnel.

The third objective highlights the *equal* importance of both producers and users of technological knowledge. It therefore makes a strong case that exceptions and limitations in the TRIPS Agreement should be treated as important as the rights provided in the Agreement—an argument commentators have made with respect to exceptions and limitations in the domestic intellectual property system.⁴⁵ To some extent, Article 7 paves the way for the development of future exceptions and limitations, which can be used to restore the balance of the international intellectual property system. This objective is particularly important to less developed countries, which 'are largely users of technologies produced abroad'.⁴⁶ Because these countries tend to have many more consumers than producers, Article 7 will greatly benefit them when users are broadly 'interpreted as encompassing final consumers as well as producers of goods and services that utilize technological knowledge'.⁴⁷

The last two objectives underscore the needs to take account of the member state's 'social and economic welfare' and its need to develop 'a balance of rights and obligations'. As the *TRIPS Resource Book* declared: 'Article 7 makes clear that TRIPS negotiators did not mean to abandon a balanced perspective on the role of intellectual property in society. TRIPS is not

⁴³ Maskus, Keith E. (1998), 'The role of intellectual property rights in encouraging foreign direct investment and technology transfer', *Duke Journal of Comparative and International Law*, 9(1): 109–61, 129.

⁴⁴ UNCTAD-ICTSD, *supra* note 19, at 126.

⁴⁵ Boyle, James (1996), *Shamans, Software and Spleens: Law and the Construction of the Information Society*, Cambridge, Mass.: Harvard University Press, p. 138.

⁴⁶ UNCTAD-ICTSD, *supra* note 19, at 126.

⁴⁷ Correa, *supra* note 15, at 99.

intended only to protect the interests of rights holders. It is intended to strike a balance that more widely promotes social and economic welfare.’⁴⁸

Although there is a tendency for policymakers to strike a balance within the TRIPS regime, Article 7 mentions broadly ‘[t]he protection and enforcement of intellectual property rights’. The provision therefore anticipates further balancing within the larger international trading system. As the WTO panel declared in *United States—Section 110(5) of the U.S. Copyright Act*, ‘the agreements covered by the WTO form a single, integrated legal system’.⁴⁹ Because ‘[t]he proper balance of rights and obligations is an overriding objective of the WTO system’,⁵⁰ the objectives and principles of the TRIPS Agreement need to be considered in relation to this particular objective.

While it is important to strike a balance within the TRIPS regime, maintaining balance outside the WTO is also very important. As I have noted elsewhere, the spillover effects of intellectual property protection and the increased fragmentation of the international treaty system have necessitated the development of not only *endogenous* limits to intellectual property protection, but also *exogenous* limits that can be found in related regimes, such as those concerning public health, human rights, biological diversity, food and agriculture, and information and communications.⁵¹ As the complexity of the international intellectual property regime continues to increase, the need to better understand the interactions between intellectual property rights and rights in other areas becomes even greater.

Article 8(1)

Article 8 provides the interpretative or normative principle of the TRIPS Agreement. It echoes the Agreement’s Preamble by recognizing ‘the special needs of the least-developed country Members in respect of *maximum flexibility* in the domestic implementation of laws and regulations in order to enable them to create a sound and viable technological base’. In addition, the provision, together with Article 7, ‘confirms the broad and unfettered discretion that Members have to pursue public policy objectives’.⁵² As the *TRIPS Resource Book* notes, the provision ‘advises that Members were expected to have the discretion to adopt internal measures they consider necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development’.⁵³

Article 8(1) lays out the public interest principle in the TRIPS Agreement.⁵⁴ The provision states: ‘Members may, in formulating or amending their laws and regulations, adopt measures necessary to protect public health and nutrition, and to promote the public interest in sectors of vital importance to their socio-economic and technological development, provided that such measures are consistent with the provisions of this Agreement.’ As Professor Correa

⁴⁸ UNCTAD-ICTSD, *supra* note 19, at 126.

⁴⁹ World Trade Organization (2000), *United States—Section 110(5) of the U.S. Copyright Act*, Panel Report, WT/DS/160/R, para. 6.185.

⁵⁰ Correa, *supra* note 15, at 92.

⁵¹ Yu, Peter K. (2009), ‘The political economy of data protection’, *Chicago-Kent Law Review*, **83**: forthcoming.

⁵² Correa, *supra* note 15, at 108; Deere, Carolyn (2009), *The Implementation Game: The TRIPS Agreement and the Global Politics of Intellectual Property Reform in Developing Countries*, Oxford and New York: Oxford University Press, p. 64; UNCTAD-ICTSD, *supra* note 19, at 546; Yusuf, *supra* note 6, at 13.

⁵³ UNCTAD-ICTSD, *supra* note 19, at 126–27.

⁵⁴ Yusuf, *supra* note 6, at 13–15.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

pointed out, these measures include both measures inside and outside the intellectual property regime:

Article 8.1 broadly recognizes Members' rights 'in formulating or amending their laws and regulations'. . . . [I]t does not only refer to laws and regulations on IPRs but to measures adopted in other fields, for instance, those that restrict the manufacture or commercialization of IPR-protected goods. Issues concerning the application of Article 8.1 may, hence, arise in two contexts, one fully within the IPR realm, and another one outside it, but with implications on the protection of IPRs.⁵⁵

Although the original proposal in the less developed countries' B text included additional measures to protect 'public morality' and 'national security', those two areas were omitted in the final version of Article 8. These measures, nonetheless, are covered elsewhere in the TRIPS Agreement. Article 27(2) of the TRIPS Agreement allows member states to exclude certain inventions from patentability provided that the prevention of the commercial exploitation of those inventions 'is necessary to protect *ordre public* or morality, including to protect human, animal or plant life or health or to avoid serious prejudice to the environment' (emphasis added). Article 73 further enables member states to pursue their essential security interests and to fulfill obligations under the United Nations Charter in relation to the maintenance of international peace and security.

Article 8(1) is important to less developed countries, because it provides justifications for special exceptions that promote the public interest in sectors of vital importance to socio-economic and technological development. Notably, the provision uses the term 'public interest', which can be easily contrasted with the narrower term '*ordre public*' in Article 27(2) of the TRIPS Agreement. Because the Appellate Body reminds us that the interpretation of a provision should 'take adequate account of the words actually used' there,⁵⁶ this distinction is likely to be significant.

Moreover, as Professor Correa pointed out, the term 'public interest' is likely to be more subjective than, say, the term '*ordre public*'.⁵⁷ According to Gillian Davies, which Professor Correa cited for elaboration:

Whether a particular act is 'in the public interest' . . . is probably not subject to any objective tests. Inherent in the noble motive of the public good is the notion that, in certain circumstances, the needs of the majority override those of the individual, and that the citizen should relinquish any thoughts of self-interest in favor of the common good of society as a whole.⁵⁸

Also of interest in Article 8(1) are the ambiguities over what constitute the necessary measures for 'promot[ing] the public interest in sectors of vital importance to their socio-economic and technological development'. The TRIPS Agreement does not offer any definition to the relevant sectors. In fact, '[s]ectors of vital importance may vary from country to country

⁵⁵ Correa, *supra* note 15, at 104.

⁵⁶ World Trade Organization (1996), *United States—Standards for Reformulated and Conventional Gasoline*, Appellate Body Report, WT/DS2/AB/R, part III.B.

⁵⁷ Correa, *supra* note 15, at 105–06.

⁵⁸ Davies, Gillian (2002), *Copyright and the Public Interest*, London: Sweet & Maxwell, p. ___.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

and region to region, and the provision is not limited to implementation by developing countries'.⁵⁹

For instance, these sectors can be defined based on their specialization—for example, the pharmaceutical industry versus the automotive industry. The only major constraint seems to be Article 27(1) of the TRIPS Agreement, which prohibits discrimination based on 'the place of invention, the field of technology and whether products are imported or locally produced'. The sectors can also be defined based on the size of the sectors or their stage of development—for example, infant industry or small and mid-sized enterprises. In those scenarios, Article 27(1) will not even present a barrier, except in situations when there is *de facto* discrimination based on the composition of the affected industries.

In his new treatise on the TRIPS Agreement, Professor Correa went even further to argue that each member state should be able to decide what constitute these sectors based on their needs, goals, and interests.⁶⁰ As he explained:

On the one hand, 'sectors' may refer to economic activities at different levels of aggregation (eg agriculture, maize production), as well as to certain groups of economic agents (eg, small and medium enterprises). Although the adjective 'vital importance' would seem to limit the scope of the provision to specially significant sectors, which sector is important or not is also subject to determination by the concerned Member in the light of its 'socio-economic and technological development'.

... [T]he concept of 'social-economic and technological development' is broad enough to encompass any sector, socially, economically, or technologically relevant. Thus, the importance of a sector may be measured by its contribution to GNP; but it may be also socially important, despite a low contribution thereto.

According to Professor Correa, permissible actions may include 'measures excluding foreign direct investment in certain sectors, and the regulation of royalty rates and other conditions in licensing agreements'.⁶¹ As he reminded us, '[t]hese regulations were applied by many developing (and some developed) countries during the 1970s and 1980s but were gradually abandoned in the context of more liberal policies towards foreign direct investment'.

With the rapid development experienced by complex economies, such as Brazil, China, India, and South Africa, what constitute sectors of vital importance may take on new complexities. Unlike the United States and most members of the European Communities, these economies have the distinctive characteristics of having wide internal divergences in their socio-economic conditions and technological capabilities. It is therefore difficult to determine what constitute the relevant sectors in those countries. As I have suggested in the past, China may prefer stronger protection of intellectual property rights in entertainment, software, semiconductors, and selected areas of biotechnology,⁶² even though it may remain reluctant to increase protection for pharmaceuticals, chemicals, fertilizers, seeds, and foodstuffs—due to its

⁵⁹ UNCTAD-ICTSD, *supra* note 19, at 127.

⁶⁰ Correa, *supra* note 15, at 106.

⁶¹ *Id.* at 105.

⁶² Yu, Peter K. (2007), 'International enclosure, the regime complex, and intellectual property schizophrenia', *Michigan State Law Review*, 2007(1): 1–33, 25–26.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

huge population, continued economic dependence on agriculture, the concerns about public health and its people's overall well-being.

Although Article 8(1) can be interpreted broadly to promote the development goals of less developed countries, the provision contains two major constraints, both of which were added at the request of developed countries in the last stages of the negotiation.⁶³ The first constraint concerns the necessity requirement, which is somewhat similar to the one found in Article XX of the GATT.⁶⁴ By limiting the flexibilities available in the TRIPS Agreement, this requirement threatens to impede the public policy goals of many less developed countries.

For example, without taking into account the language in Paragraph 4 of the Doha Declaration, Article 8 of the TRIPS Agreement does not allow member states to adopt *any* measures they deem useful to protect public health and nutrition. Rather, the provision states explicitly that they can only adopt measures that are *necessary* for those purposes. In fact, they may not even adopt measures that *they consider necessary* for those purposes. As Wesley Cann explained:

the use of the term 'necessary,' as opposed to the language 'it considers necessary' employed in the Article 73 security exception, would seem to indicate that the imposition of these measures are not within the absolute discretion of the invoking Member, but are instead subject to potential WTO review in regard to their validity.⁶⁵

Even worse, the provision requires the measures to be 'consistent with the provisions of [the TRIPS] Agreement'. This second constraint greatly erodes the pro-development aspect of Article 8. As Professor Gervais noted:

It is . . . tempting to conclude that this Article may serve as a basis for broader exceptions than [Article 7]. That is not the case, however. Both paras of Art. 8 are limited by the use of the phrase 'consistent with the provisions of this Agreement' Given the phrase added by negotiators, it would be difficult to justify an exception not foreseen under the Agreement, unless it is an exception to a right not protected under other provisions of the TRIPS Agreement or those of other international instruments incorporated in TRIPS.⁶⁶

Fortunately for less developed countries, whether one fails the TRIPS-consistency requirement will depend on the overall interpretation of the TRIPS Agreement. When Articles 7 and 8 are read together, a careful and effective interpretation of Article 7 may help remove the potential inconsistency with the TRIPS Agreement. Also of great importance is a skilful use of the Preamble, which arguably can be viewed as a 'condensed expression of [the] underlying objectives' of the TRIPS Agreement.⁶⁷ As Professor Correa pointed out, consistency with the TRIPS Agreement 'should be assessed in the light of Article 7 and of the Preamble, that is, taking the balance of rights and obligations and the social and economic welfare into account'.⁶⁸

⁶³ Gervais, *supra* note 10, at 121; Yusuf, *supra* note 6, at 14.

⁶⁴ Correa, *supra* note 15, at 106.

⁶⁵ Cann, Wesley A. Jr. (2004), *On the Relationship Between Intellectual Property Rights and the Need of Less-Developed Countries for Access to Pharmaceuticals: Creating a Legal Duty to Supply Under a Theory of Progressive Global Constitutionalism*, *University of Pennsylvania Journal of International Economic Law*, 25(3): 755-944, 808.

⁶⁶ Gervais, *supra* note 10, at 121-22.

⁶⁷ *Id.* at 80.

⁶⁸ Correa, *supra* note 15, at 104.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

Abdulqawi Yusuf went even further: '[E]ven though certain public interest measures may be inconsistent with some of the specific standards laid down in the TRIPS Agreement, it is their overall consistency with the agreement that should be taken into account.'⁶⁹

The developed countries' push for the addition of these requirements is understandable. From their standpoint, both requirements are greatly needed to ensure that the protections offered by the TRIPS Agreement will not be undercut by measures that are adopted under the pretexts of protecting health and nutrition or promoting socioeconomic and technological development.⁷⁰ Unfortunately for the less developed world, the added requirements in Article 8(1) now have created the perverse effect of privileging intellectual property protection over other arguably more important socio-economic goals, such as providing access to essential medicines to combat HIV/AIDS, tuberculosis, malaria and other epidemics. Such an effect is no doubt one of the Agreement's more harmful unintended consequences. To some extent, the added requirements and the less developed countries' willingness to accept the modifications reflect the countries' limited understanding during the TRIPS negotiations of the dramatic adverse spillover effects of strong international intellectual property protection.⁷¹ Nevertheless, even if they were aware of these effects, they might still not have been 'able to withstand the considerable political resources that the developed countries' negotiators brought to bear to secure the TRIPS Agreement'.⁷²

It is also problematic that the safeguards available in the TRIPS Agreement are more restrictive than those available under Article XX of the GATT. As noted in the *TRIPS Resource Book*:

TRIPS does not contain a general safeguard measure comparable to Article XX of the GATT 1994 or Article XIV of the GATS. For those other Multilateral Trade Agreements (MTAs), the necessity to protect human life or health may take priority over the generally applicable rules of the agreement, subject only to general principles of non-discrimination. Yet when it comes to intellectual property, the 'exceptions' are circumscribed with various procedural or compensatory encumbrances, making their use more difficult.⁷³

It is therefore no surprise that the concerns over the restrictiveness of these safeguards in the public health area in part precipitated the Doha negotiations,⁷⁴ which sought to renegotiate the ways safeguards are handled in the TRIPS Agreement. Viewed against this background, the

⁶⁹ Yusuf, supra note 6, at 14.

⁷⁰ Ullrich, Hanns (2004), *Expansionist Intellectual Property Protection and Reductionist Competition Rules*, *Journal of International Economic Law*, 7(2): 401–30, 410.

⁷¹ Yu, supra note 3, at 419.

⁷² May, Christopher (2007), *The World Intellectual Property Organization: Resurgence and the Development Agenda*, London and New York: Routledge, p. 30.

⁷³ UNCTAD-ICTSD, supra note 19, at 132. Although commentators have explored whether the general exceptions in article XX of the GATT are permitted under the TRIPS Agreement, commentators have expressed skepticism over such application. Gervais, supra note 10, at 122. The WTO panel decision in *European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs* also seems to have confirmed this skeptical position. World Trade Organization (2005), *European Communities—Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs*, Panel Report, WT/DS174/R. As the panel declared, 'there is no hierarchy between the TRIPS Agreement and GATT 1994, which appear in separate annexes to the WTO Agreement. The ordinary meaning of the texts of the TRIPS Agreement and GATT 1994, as well as Article II:2 of the WTO Agreement, taken together, indicates that obligations under the TRIPS Agreement and GATT 1994 can co-exist and that one does not override the other.'

⁷⁴ Correa, supra note 15, at 108.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

Ministerial Declaration and the Doha Declaration may have given Article 8 a ‘higher legal status not only for the negotiations but in interpreting the Agreement in the context of, e.g., dispute-settlement procedures’.⁷⁵ It is, indeed, significant that the omitted the necessity requirement. Such omission is likely to create interesting discussion concerning the interpretation and implementation of the TRIPS Agreement.

Article 8(2)

Article 8(2) provides: ‘Appropriate measures, provided that they are consistent with the provisions of this Agreement, may be needed to prevent the abuse of intellectual property rights by rights holders or the resort to practices which unreasonably restrain trade or adversely affect the international transfer of technology.’ The structure of this provision is similar to that of Article 8(1), and the provision resembles its predecessor in including the TRIPS-consistency requirement.

To some extent, Article 8(2) is somewhat redundant. Virtually all the public policy objectives mentioned in the provision have already been addressed elsewhere in the Agreement. For example, Article 30 allows member states to ‘provide limited exceptions to the exclusive rights conferred by a patent’ on the condition that such exceptions satisfy the three-step test—that is, they ‘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’. Article 31(k) enumerates special conditions for members to issue compulsory licenses in an effort ‘to remedy a practice determined after judicial or administrative process to be anti-competitive’. That provision also allows ‘[t]he need to correct anti-competitive practices . . . [to] be taken into account in determining the amount of remuneration in such cases’. In addition, Article 40 permits member states to take appropriate measures to curb ‘an abuse of intellectual property rights having an adverse effect on competition in the relevant market’.

While the provision no doubt offers added support to these provisions, it is likely to have limited legal effect. Article 8, for example, is unlikely to provide the legal basis for ‘justify[ing] an exception not foreseen under the Agreement, unless it is an exception to a right not protected under other provisions of the TRIPS Agreement or those of other international instruments incorporated in TRIPS’.⁷⁶ It is therefore no surprise that Professor Gervais has described Article 8 as ‘essentially a policy statement that explains the rationale for measures taken under Arts 30, 31 and 40’.⁷⁷

Nevertheless, Article 8(2) is important for both historical reasons and symbolic effect. The provision serves as a conspicuous reminder of what less developed countries initially considered within the mandate of the GATT negotiations.⁷⁸ As India noted in a detailed intervention during a meeting of the TRIPS Negotiating Group, ‘it was only the restrictive and anti-competitive practices of the owners of the IPRs that could be considered to be trade-related

⁷⁵ *Id.*

⁷⁶ Gervais, *supra* note 10, at 121–22.

⁷⁷ *Id.* at 121. The *TRIPS Resource Book*, however, disagreed with Professor Gervais and observed that ‘Article 8.2 states a “principle”, which is different from a mere “policy statement”’. UNCTAD-ICTSD, *supra* note 19, at 546.

⁷⁸ UNCTAD-ICTSD, *supra* note 19, at 127.

because they alone distorted or impeded international trade'.⁷⁹ Notably, India 'did not regard the other aspects of IPRs [discussed in the Group at that time] to be trade-related', that is, not within the mandate set up by the Punta del Este Declaration.⁸⁰

Similar structure was followed in the B text draft, which was divided into two parts. As Adronico Adede noted, '[b]y presenting the proposed text of a TRIPS agreement into two parts, the developing countries wanted . . . to signal their determination to emphasize the part dealing with trade in counterfeit goods while minimizing the part relating to substantive standards on IPRs'.⁸¹ Notably, Articles 7 and 8 were taken from the first part of the B text, which focused on what less developed countries considered to be trade-related intellectual property matters.

Multiple uses of articles 7 and 8

Articles 7 and 8, which outline the objectives and principles of the TRIPS Agreement, constitute 'a central piece for the implementation and interpretation of the TRIPS Agreement'.⁸² These objectives and principles become even more important, due to the revolutionary nature of the TRIPS Agreement, which has transformed the international intellectual property system from an inter-national patchwork system to a global supranational code.⁸³ As elaborated in the *TRIPS Resource Book*:

Since TRIPS brought the regulation of intellectual property rights into the GATT, and now WTO, multilateral trading system for the first time, there is no pre-TRIPS situation in respect to the objectives and principles of the Agreement. In other words, the objectives and principles of the TRIPS are unique to the Agreement. . . . Neither the Paris nor Berne Convention included provisions analogous to Articles 7 and 8. That is, there are no provisions that act to establish an overarching set of principles regarding the interpretation and implementation of the agreement.⁸⁴

Because the pre-TRIPS international intellectual property conventions do not contain 'provisions that act to establish an overarching set of principles regarding the interpretation and implementation of the agreement',⁸⁵ one could argue that 'the elaboration of objectives and principles in Articles 7 and 8 may well be viewed as a means to establish a balancing of interests at the multilateral level to substitute for the balancing traditionally undertaken at the national level'.⁸⁶ To some extent, the two provisions codify the multilateral norms concerning the

⁷⁹ *Id.* at 121.

⁸⁰ *Id.*

⁸¹ Adede, Adronico O. (2003), 'Origins and history of the TRIPS negotiations', in Christophe Bellmann, Graham Dutfield and Ricardo Meléndez-Ortiz (eds), *Trading in Knowledge: Development Perspectives on TRIPS, Trade and Sustainability*, London and Sterling, VA: Earthscan Publications, pp. 23–35, 28.

⁸² Correa, supra note 15, at 108.

⁸³ Geller, Paul Edward (1998), 'From patchwork to network: Strategies for international intellectual property in flux', *Duke Journal of Comparative and International Law*, 9(1): 69–90; Ginsburg, Jane C. (2000), 'International copyright: From a "bundle" of national copyright laws to a supranational code?', *Journal of the Copyright Soc'y U.S.A.*, 47(1): 265–89; Yu, supra note 3, at 354–75.

⁸⁴ UNCTAD-ICTSD, supra note 19, at 119.

⁸⁵ *Id.*

⁸⁶ *Id.*; Yusuf, supra note 6, at 10.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

protection of the public interest in intellectual property law.⁸⁷ As such, they ‘qualify the scope of harmonization [of intellectual property standards] at the national level’.⁸⁸

This Part discusses the role Articles 7 and 8 can play in facilitating a more flexible interpretation and implementation of the TRIPS Agreement. It focuses, in particular, on five ways in which the provisions can be put into effective use: (1) as a guiding light for the interpretation and implementation of the Agreement; (2) as a shield against aggressive expansion of intellectual property rights and demands for TRIPS-plus protections; (3) as a sword to challenge the lack of balance in the international intellectual property system; (4) as a bridge to connect the TRIPS regime with intellectual property and other related international regimes; and (5) as a seed for the development of future international intellectual property norms.

Guiding light

Among the five different uses, the use of the provisions to clarify the TRIPS Agreement is the most obvious. Such a use is strongly supported by the WTO documents. Article 3(2) of the Dispute Settlement Understanding states that provisions of the covered agreements are to be clarified ‘in accordance with customary rules of interpretation of public international law’, including those stipulated in the Vienna Convention. Since *United States—Standards for Reformulated and Conventional Gasoline*, the first case decided by a WTO panel, the WTO panels and the Appellate Body have both embraced Article 31 of the Vienna Convention as a general rule of interpretation. As the panel declared in its report:

In resolving this interpretative issue the Panel referred, in conformity with Article 3.2 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, to the Vienna Convention on the Law of Treaties, which states in Article 31 that ‘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’.⁸⁹

The panel’s position was subsequently endorsed by the Appellate Body, which described Article 31 of the Vienna Convention as ‘a fundamental rule of treaty interpretation’.⁹⁰ In the TRIPS context, this rule of interpretation was first applied in *India—Patent Protection for Pharmaceutical and Agricultural Chemical Products*,⁹¹ which concerned India’s failure to provide a mailbox system as required by Article 70(8) of the TRIPS Agreement.

Article 31(1) of the Vienna Convention stipulates that ‘[a] treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty . . . in the light of its object and purpose’. Because Articles 7 and 8 were the designated provisions for determining the objectives and principles of the TRIPS Agreement, the Vienna Convention requires that the Agreement be interpreted in the light of these two provisions. As Professor

⁸⁷ Yusuf, *supra* note 6, at 12.

⁸⁸ *Id.* at 14.

⁸⁹ World Trade Organization (1996), *United States—Standards for Reformulated and Conventional Gasoline*, Panel Report, WT/DS2/R, para. 6.7.

⁹⁰ World Trade Organization (1996), *United States—Standards for Reformulated and Conventional Gasoline*, Appellate Body Report, WT/DS2/AB/R, part III.B.

⁹¹ World Trade Organization (1997), *India—Patent Protection for Pharmaceutical and Agricultural Chemical Products*, Panel Report, WT/DS50/R, para. 7.18.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

Correa reminded us, ‘[i]f the Agreement itself contains a definition of its purpose, as Article 7 does, panels and the Appellate Body cannot ignore it or create their own definition in interpreting other provisions of the Agreement’.⁹²

Although Articles 7 and 8 have been used only sparingly in WTO panel decisions, the panels thus far have referred favorably to the provisions. In *Canada—Patent Protection of Pharmaceutical Products*, for example, the panel declared: ‘Both the goals and the limitations stated in Articles 7 and 8.1 must obviously be borne in mind when [examining the words of the limiting conditions in Article 30] as well as those of other provisions of the TRIPS Agreement which indicate its object and purposes.’⁹³ This panel decision was particularly important because it was issued before the adoption of the Doha Declaration. As Professor Abbott pointed out:

In late 1999, the political pressures resulting from aggressive US and EC policies on TRIPS were building up, but public antipathy towards that conduct had not yet manifested itself at the level surrounding the Medicines Act trial in South Africa. The Doha Declaration on the TRIPS Agreement and Public Health was about two years off.⁹⁴

During the Doha negotiations, Articles 7 and 8 were ‘singled out’ for their special importance.⁹⁵ Paragraph 19 of the Ministerial Declaration stated explicitly that the work of the TRIPS Council ‘shall be guided by the objectives and principles set out in Articles 7 and 8 of the TRIPS Agreement and shall take fully into account the development dimension’. Although the legal effect of this document remains unclear, the documents ‘may lead a panel to take a longer look at how these provisions should be interpreted in the context of the Agreement as a whole, especially with respect to the need for “balance”’.⁹⁶

Articles 7 and 8 become even more important in light of the many ambiguities built into the TRIPS Agreement. Because Articles 7 and 8 memorialize the hard fought bargains less developed countries have won through the TRIPS negotiations, these provisions provide policymakers, WTO panels, and the Appellate Body with objective clues as to how ambiguous words in the TRIPS Agreement are to be interpreted. ‘The context provided by Articles 7 and 8 may [also] be of particular importance to correctly interpret the extent of several obligations and exceptions under the TRIPS Agreement, such as the concepts of “third party” and “legitimate interests” to Article 30, “unfair commercial use” under Article 39.3, and “abuse” in Articles 40 and 50.3, among others.’⁹⁷

Consider, for example, the word ‘review’ in Article 27(3)(b) of the TRIPS Agreement, which concerns the patentability of diagnostic, therapeutic, and surgical methods and plants and animals other than micro-organisms. As Professor Correa pointed out, ‘there had been no agreement in the Council for TRIPS on the meaning of “review.”’⁹⁸ While developed countries

⁹² Correa, *supra* note 15, at 93.

⁹³ World Trade Organization (2000), *Canada—Patent Protection of Pharmaceutical Products*, Panel Report, WT/DS114/R, para. 7.26.

⁹⁴ Abbott, Frederick M. (2003), ‘Bob Hudec as chair of the *Canada—Generic Pharmaceuticals* panel—The WTO gets something right’, *Journal of International Economic Law*, 6(3): 733–37, 736.

⁹⁵ Gervais, *supra* note 10, at 120.

⁹⁶ *Id.*

⁹⁷ Correa, *supra* note 15, at 94–95.

⁹⁸ Correa, Carlos M. (2000), *Intellectual Property Rights, The WTO and Developing Countries: The TRIPS Agreement and Policy Options*, London and New York: Zed Books, p. 211.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

interpreted the word to mean ‘review of implementation’, less developed countries interpreted the word to suggest the possibility for ‘revising’ the Agreement to meet their needs and interests.

Likewise, Sisule Musungu reminded us of the different ways to conceptualize the transitional periods built into the TRIPS Agreement and extended through the Doha Declaration:

While giving extra time due to administrative and financial constraints was one aim, the central objective of the LDCs [least developed countries] transition period under the TRIPS Agreement is different. Article 66.1 of TRIPS read together with the Preamble of the TRIPS Agreement and its objectives under Article 77 [sic] envisage the purpose and objectives of the LDCs transition period to be to respond and address: the special needs and requirements of these countries; and the need for maximum flexibility to help these countries create a sound and viable technological base.⁹⁹

Indeed, Jayashree Watal described these ambiguous words and phrases as ‘constructive ambiguities’.¹⁰⁰ These ambiguities are constructive, because they can be strategically interpreted and deployed to provide less developed countries with additional ‘wiggle room’ to implement their obligations under the TRIPS Agreement.¹⁰¹ These ‘constructive ambiguities’ therefore provide less developed countries with a bulwark against the continuous expansion of intellectual property rights.¹⁰² If strategically used, they will allow less developed countries to actively push for interpretations that meet their needs, interests, and goals. They will also preserve the much-needed policy space that has been appropriately reserved to them during the TRIPS negotiations. In Watal’s view, a constructive resolution of these ambiguities may even allow less developed countries to “‘claw[.]’ back much of what was lost in the negotiating battles in TRIPS’.¹⁰³

Politically, Articles 7 and 8 are also important, because they legitimize the TRIPS Agreement. They confirm that the Agreement was a bargain struck between developed and less developed countries over a multi-year negotiation process. Because the two provisions were directly taken from the less developed countries’ B text with limited modification and those provisions are the very few provisions taken from this text,¹⁰⁴ the taken language should be considered highly important. If such language is ignored, it would be very hard to make a good-faith argument that the TRIPS Agreement was a *legitimate* bargain between developed and less developed countries. As Abdulqawi Yusuf reminded us:

To the extent that the operative provisions of the TRIPS text principally reflected the positions of the developed countries and established higher standards of protection for IPRs, it would appear that the developing countries found comfort and consolation in the clear statement of the objectives they proposed in the preambular clauses as well as in Article 7, together with the recognition of some of the principles they suggested in Article 8.¹⁰⁵

⁹⁹ Musungu, Sisule (2007), ‘A conceptual framework for priority identification and delivery of IP technical assistance for LDCs during the extended transition period under the TRIPS agreement’, Quaker United Nations Office Issue Paper No. 7, p. 5.

¹⁰⁰ Watal, supra note 4, at 7.

¹⁰¹ Reichman, J.H., (1997), ‘From free riders to fair followers: Global competition under the TRIPS agreement’, *New York University Journal of International Law and Politics*, 29(1): 11–93, 28.

¹⁰² Watal, supra note 4, at 7.

¹⁰³ *Id.*

¹⁰⁴ Gervais, supra note 9, at 30.

¹⁰⁵ Yusuf, supra note 6, at 12.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

There is a tendency for policymakers in developed countries and the global intellectual property industries to demand concessions in exchange for proposals that further the development dimension of the TRIPS Agreement. However, these demanders tend to overlook the fact that the TRIPS Agreement is now in a deepening crisis. Its legitimacy has been called into question by the high standards of protection and enforcement that ignore the needs, interests, and goals of the less developed member states.¹⁰⁶ If the Agreement is to regain its legitimacy, the less developed countries' side of the bargain, including the objectives and principles set forth in Articles 7 and 8, ought to be kept.

Finally, Articles 7 and 8 are important, because WTO panels and the Appellate Body are often 'tempted to introduce their own policy views on IPRs'.¹⁰⁷ For example, in determining the normal exploitation of intellectual property rights, the panels have taken views that focus narrowly on the right holder's economic interests. As Professor Correa lamented in relation to *Canada—Patent Protection of Pharmaceutical Products*:

The panels' view, while emphasizing stimulation to innovation, fails to consider other equally essential objectives of the patent grants. Like other IPRs, patents are granted in the public interest, and not merely to allow the patent owners to obtain the 'economic returns anticipated from a patent's grant of market exclusivity'. The diffusion of knowledge and its continuous improvement are equally important objectives of that system.

If the commercial interests of the patent owner were the only ones to be considered, the interpretation of the Agreement would in practice defeat its intended objectives.¹⁰⁸

Likewise, Ruth Okediji expressed her disappointment over the decisions of the WTO panels and the Appellate Body:

A particularly revealing aspect of these disputes is the way each of the Panels and the Appellate Body have ducked the thorny question of how to apply the preambular statements and the broad themes of Article 7 and 8 to evaluate the substantive obligations of the TRIPS Agreement. While tribunals can use strict construction to constrict or expand the requirements of TRIPS, the vagueness of these general qualifications in Articles 7 and 8 will likely lead to a one-way ratchet of rights. In each of these cases, the dispute panels have invariably emphasized the market preserve of intellectual property owners as a dominant factor in determining whether a TRIPS violation had occurred. Further, the cases suggest that the panels, in focusing on the purpose and objective of the TRIPS agreement, and the context of the negotiations, have interpreted the provisions almost solely in light of the economic expectations of the private right holders.¹⁰⁹

As Graeme Dinwoodie reminded us, 'the incorporation of intellectual property agreements within trade mechanisms might (if trade concerns become paramount) deprive intellectual

¹⁰⁶ Sell, *supra* note 7, at 173.

¹⁰⁷ Correa, *supra* note 15, at 94.

¹⁰⁸ *Id.*

¹⁰⁹ Okediji, *supra* note 13, at 914–15.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

property policymaking of the rich palette of human values that historically has influenced its formulation'.¹¹⁰

In sum, Articles 7 and 8 provide important tools to ensure that the WTO panels focus on the compromise struck between developed and less developed countries during the TRIPS negotiations.¹¹¹ Even if they were to ignore such a bargain, the two provisions provide the needed textual evidence for the Appellate Body to correct such misinterpretations.

Shield

Related to the first use, and partly as its outcome, is the second one—the use of Articles 7 and 8 as a shield to defend a member state's use of flexibilities that have been built into the TRIPS Agreement. The use of these provisions for defensive purposes is particularly important in light of the fact that developed countries have been the predominant users of the WTO dispute settlement process.¹¹² Such use is even more important, considering the fact that WTO panel decisions may ultimately affect the tone and direction of future negotiations between developed and less developed countries—whether the negotiations are at the bilateral, regional, or multilateral levels. As Gregory Shaffer explained in the WTO context:

Participation in WTO political and judicial processes are complementary. The shadow of WTO judicial processes shape bilateral negotiations, just as political processes and contexts inform judicial decisions. If developing countries can clarify their public goods priorities and coordinate their strategies, then they will more effectively advance their interests in bargaining conducted in WTO law's shadow, and in WTO legal complaints heard in the shadow of bargaining. They, in turn, will be better prepared to exploit the 'flexibilities' of the TRIPS Agreement, tailoring their intellectual property laws accordingly, and will gain confidence in their ability to ward off US and EC threats against their policy choices.¹¹³

The previous section discusses the use of Articles 7 and 8 to clarify the ambiguous provisions of the TRIPS Agreement. While it is important to seek clarifications in a member state's efforts to implement the Agreement, there are situations in which the provisions are open to many different interpretations. As Professor Frankel pointed out:

Using [Articles 7 and 8] to help interpret the object and purpose is only a starting point. There are inherent difficulties in that the articles seek to capture competing objectives and purposes, and they represent a compromise between the disparate views of those entering the agreement. What amounts to 'promotion of technological innovation and to the transfer and dissemination of technology' is, by its nature, open to some debate and the viewpoint of any WTO member is likely to relate to its economic position.¹¹⁴

¹¹⁰ Dinwoodie, Graeme B. (2002), 'The architecture of the international intellectual property system', *Chicago-Kent Law Review*, **77**(3): 993–1014, 1004.

¹¹¹ Yu, Peter K. (2006), 'TRIPS and its discontents', *Marquette Intellectual Property Law Review*, **10**(2): 369–410, 371–73.

¹¹² Davey, *supra* note 14, at 17.

¹¹³ Shaffer, Gregory (2004), 'Recognizing public goods in WTO dispute settlement: Who participates? Who decides? The case of TRIPS and pharmaceutical patent protection', *Journal of International Economic Law*, **7**(2):459–82, 470, 476–77.

¹¹⁴ Frankel, *supra* note 18, at 393.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

As a result, it is important for less developed countries to interpret the provisions in a way that would highlight the social aspect, development dimension, and public policy goals of the TRIPS Agreement.

Unfortunately, such interpretation has been made difficult by a lack of institutional capacity and a growing orientation toward treaty compliance, not to mention a misplaced and misleadingly simplistic hope that greater compliance with the treaty will result in an increase in foreign direct investment, technology transfer, inward trade flows, and human capital.¹¹⁵ To help restore the balance of the international intellectual property system, the TRIPS Agreement therefore needs to be interpreted through a pro-development lens,¹¹⁶ with an emphasis on the objectives and principles set forth in Articles 7 and 8 of the TRIPS Agreement and the flexibilities expressly recognized in those provisions.

If such interpretations are to be developed, a better understanding of the development implications of the TRIPS Agreement is in order. It is also essential to develop model laws, policies, and best practices that are ‘development friendly’ and that take account of the needs, interests, and goals of less developed countries. Because these models can serve as good starting points for international negotiations, they are particularly useful as a response to the growing use of TRIPS-plus bilateral and regional trade agreements. The models can also help less developed countries build the much-needed experience and human capital to tailor their laws and policies to their specific local conditions.

To help develop these models, Articles 7 and 8 can be used in three ways. First, as Jerome Reichman pointed out in the context of promoting access to essential medicines, the safeguards implicit in Articles 7 and 8 can be used to ‘convince the Council for TRIPS . . . to recommend narrowly described waivers to meet specified circumstances for a limited period of time’.¹¹⁷ In the alternative, less developed countries can use those provisions in the WTO dispute settlement process to provide defense for their needed public health measures. As Professor Reichman explained:

[D]eveloping country defendants responding to complaints of nullification and impairment under Article 64 might invoke the application of Articles 7 and 8(1) to meet unforeseen conditions of hardship. This defense, if properly grounded and supported by factual evidence, could persuade the Appellate Body either to admit the existence of a tacit doctrine of frustration built into the aforementioned articles or to buttress those articles by reaching out to the general doctrine of frustration recognized in the Vienna Convention on the Law of Treaties.

In an earlier article, Professor Reichman also suggests that, under the appropriate circumstances, the safeguard provisions implicit in the objectives set out in Article 7 of the TRIPS Agreement and the public interest exceptions expressly recognized in Article 8 ‘may legitimize ad hoc

¹¹⁵ Deere, *supra* note 52, at 242; Maskus, Keith E. and Jerome H. Reichman (2005), ‘The globalization of private knowledge goods and the privatization of global public goods’, in Keith E. Maskus and Jerome H. Reichman (eds), *International Public Goods and Transfer of Technology Under a Globalized Intellectual Property Regime*, Cambridge and New York: Cambridge University Press, pp. 3–45, 18.

¹¹⁶ Yu, *supra* note 111, at 387–89.

¹¹⁷ Reichman, J.H. (2000), ‘The TRIPS agreement comes of age: conflict or cooperation with the developing countries’, *Case Western Reserve Journal of International Law*, 32(3): 441–70, 461.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

exceptions and limitations required by overriding national development needs or for reasons of national health, welfare or security'.¹¹⁸

Second, as Professor Gervais pointed out, 'the reference to social and economic welfare and to a balance of rights and obligations could serve to justify exceptions to exclusive rights where the right holder has failed to participate in social and economic development or, in other words, has used his rights without performing his obligations'.¹¹⁹ Although exceptions and limitations in the copyright and patent systems are generally examined through the three-step test laid out in Articles 13 and 30 of the TRIPS Agreement, it is important to keep in mind the Appellate Body's reminder in *Canada—Patent Protection of Pharmaceutical Products*. As it stated, the Vienna Convention requires those interpreting and implementing the TRIPS Agreement to bear in mind the goals and limitations stated in Articles 7 and 8(1) when they examined the limiting conditions outlined in the three-step test.¹²⁰

To date, commentators have generally focused on the use of Articles 7 and 8 to promote access to essential medicines in less developed countries. However, the two provisions can be used in many other areas. For example, Professor Okediji described how the provisions can be used to justify the validity of the fair use privilege in U.S. Copyright law under the TRIPS Agreement.¹²¹ Srividhya Ragavan also explored the use of the provisions to determine whether a member state has provided an effective *sui generis* system to protect plant varieties.¹²² Utilizing Article 7 of the TRIPS Agreement, Professor Ricolfi further pointed out that

efforts currently under way to make the patent system mutually supportive with the objective of preserving and fostering biodiversity can be better visualized under the heading of 'social welfare,' because this notion implies a respect for the autonomy of the (also non-IP) values of indigenous communities that may well defy the flatness of the *calculus felicificus* at which economists are so adept.¹²³

Third, the two provisions are likely to be of increasing importance when countries began to file nonviolation complaints—complaints of nullification or impairment of benefits despite a lack of substantive violations. During the Sixth WTO Ministerial Conference in Hong Kong, WTO members agreed to extend the moratorium on these complaints until the next ministerial conference. Although nonviolation complaints are unlikely to present problems for less developed countries in the near future, problems may arise if the moratorium is finally lifted.

Thus far, the WTO panels and the Appellate Body has expressed their preference for a narrow definition of a right holder's normal exploitation of intellectual property rights. Based on this logic, a member state's normal expectations concerning the protection and enforcement of those rights will also be narrowly interpreted, with a strong emphasis on economic interests. Because '[t]he peculiarity of the notion of non-violation is that it does not, like many other

¹¹⁸ Reichman, *supra* note 101, at 35.

¹¹⁹ Gervais, *supra* note 10, at 116.

¹²⁰ World Trade Organization (2000), *Canada—Patent Protection of Pharmaceutical Products*, WT/DS114/R, para. 7.26.

¹²¹ Okediji, Ruth (2000), 'Toward an international fair use doctrine', *Columbia Journal of Transnational Law*, 39(1): 75–175, 167–68.

¹²² Ragavan, Srividhya and Jamie Mayer O'Shields (2007), 'Has India addressed its farmers' woes? A story of plant protection issues', *Georgetown International Environmental Law Review*, 20(1): 97–127.

¹²³ Marco Ricolfi, 'Is there an antitrust antidote against IP overprotection within TRIPS?', *Marquette Intellectual Property Law Review*, 10(2): 305–67, 325–26 (2006).

THE OBJECTIVES AND PRINCIPLES OF TRIPS

international treaties, focus on the *legality* of an action, but rather on the *protection of expectations* arising from reciprocal tariff and market access concessions (in the GATT context) or from a Member's specific commitments (in the GATS context),¹²⁴ Articles 7 and 8 are needed to ensure that the WTO panels and the Appellate Body properly divine these expectations.

As Professor Gervais pointed out, based on Article 7, 'any country wishing to establish a violation of TRIPS or a nullification or impairment would be well advised to carefully provide in its submissions the data to deal with' the argument that the right holder has failed to participate in social and economic development or has used its rights without performing the accompanying obligations.¹²⁵ Likewise, Professor Correa noted:

Article 8.1 is likely to be important in limiting the potential range of non-violation nullification or impairment causes, if allowed in the context of the TRIPS Agreement, as it makes clear that a wide range of public policy measure eventually changing the balance of concessions should be reasonably expected. Given the broad powers recognized to Members under Article 8.1, a Member challenging a measure adopted by another Member in pursuance of public policy objectives should have the initial burden of proof of inconsistency with the provisions of the TRIPS Agreement.¹²⁶

Sword

While the provisions can be used as a shield to protect less developed countries, it remains questionable whether these provisions can also be used as a sword to challenge the existing provisions in developed countries or to enlarge the countries' policy space in the intellectual property area. Within the WTO dispute settlement process, the use of Articles 7 and 8 as the legal basis for any *affirmative* challenge is likely to be remote. Because Article 7 is only a 'should' provision, it does not provide the usual strength of a 'shall' provision.¹²⁷ Moreover, given the strong views taken by the European Communities and the United States during the negotiation process, WTO panels and the Appellate Body are likely to distinguish those two provisions from the operative or substantive provisions. Compared to Article 7, Article 8 is even weaker. Both Articles 8(1) and 8(2) use the word 'may' and are heavily constrained by the TRIPS-consistency requirement. Article 8(1) is further weakened by an additional necessity requirement.

In one of the leading treatises on the TRIPS Agreement, Professor Gervais suggests that Article 7 'could be invoked to limit an obligation to protect or enforce a given intellectual property right where no promotion of intellectual innovation and/or transfer or dissemination of technology can be proven'.¹²⁸ Although a textual analysis of the provision supports his suggestion, it is rather difficult for a complainant to provide such a proof in reality. One may still remember the famous remark of economist Fritz Machlup in his critical examination of the U.S. patent system:

¹²⁴ UNCTAD-ICTSD, *supra* note 19, at 655.

¹²⁵ Gervais, *supra* note 10, at 116–17.

¹²⁶ Correa, *supra* note 15, at 108.

¹²⁷ Gervais, *supra* note 10, at 116.

¹²⁸ *Id.*

THE OBJECTIVES AND PRINCIPLES OF TRIPS

If we did not have a patent system, it would be irresponsible, on the basis of our present knowledge of its economic consequences to recommend instituting one. But since we have had a patent system for a long time, it would be irresponsible, on the basis of our present knowledge, to recommend abolishing it.¹²⁹

Moreover, the WTO panels and the Appellate Body have adopted a strict textual approach and have practiced judicial restraint.¹³⁰ As the Appellate Body made clear in *India—Patent Protection for Pharmaceutical and Agricultural Chemical Products*, the principles of interpretation set out in Article 31 of the Vienna Convention ‘neither require nor condone the imputation into a treaty of words that are not there or the importation into a treaty of words that are not there’.¹³¹ Thus far, WTO panels and the Appellate Body have been interpreting the TRIPS Agreement narrowly, showing great deference to the Vienna Convention, the plain meaning of the text, and the context of the TRIPS negotiations, and subsequent developments in the intellectual property field.

Notwithstanding these limitations, Articles 7 and 8 can be used as offensive tools in six different ways. First, although the provisions may not provide the legal basis for challenging intellectual property laws and policies in developed countries in the WTO dispute settlement process, both provisions can be used to strengthen other operative provisions that promote social and economic welfare or that help preserve the balance of the intellectual property system.

Articles 66 and 67 of the TRIPS Agreement, for example, require developed countries to provide technical cooperation to least developed countries. Although less developed countries were concerned that Article 66 is ‘couched in “best endeavour” terms’,¹³² Paragraph 11.2 of the Doha Ministerial Decision of 14 November 2001, which covers implementation-related issues and concerns, reaffirmed the mandatory nature of the provision. The decision further required the TRIPS Council to ‘put in place a mechanism for ensuring the monitoring and full implementation of the obligations in question’. With fortifications from Articles 7 and 8, Articles 66 and 67 are likely to become even more robust and effective.

In the patent area, Articles 7 and 8 can help strengthen the limitations and exceptions in Articles 27 and 31. Articles 27(2) and 27(3), for example, stipulate the standards for excluding inventions from patentability. Article 27(3) also preserves the flexibility for member states to design protection for plant varieties. Article 31 lays down the various conditions under which member states can use patented products without the right holders’ authorization. The two provisions can also help clarify the limiting conditions in Article 30, which provides a three-step test for evaluating limitations and exceptions in the patent field. As shown in *Canada—Patent*

¹²⁹ Machlup, Fritz (1958), *An Economic Review of the Patent System*, Study No. 15 of the Subcommittee on Patents Trademark and Copyright of the Senate Committee on the Judiciary, Washington, DC: Government Printing Office, p. 80.

¹³⁰ Barbosa, Chon and von Hase, supra note 13, at 99; Okediji, supra note 13, at 889; Reichman, J.H. (1998), ‘Securing compliance with the TRIPS agreement after *U.S. v. India*’, *Journal of International Economic Law*, 1(4): 585–601, 594–96; Weiler, Joseph H.H. (2001), ‘The rule of lawyers and the ethos of diplomats: Reflections on the internal and external legitimacy of WTO dispute settlement’, *Journal of World Trade*, 35(2): 191–207, 206.

¹³¹ World Trade Organization (1997), *India—Patent Protection for Pharmaceutical and Agricultural Chemical Products*, Appellate Body Report, WT/DS50/AB/R.

¹³² Correa, supra note 15, at 98.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

Protection of Pharmaceutical Products, the WTO panel has used Articles 7 and 8 to clarify the limiting conditions stated in the three-step test.¹³³

Second, Articles 7 and 8 may be used to promote the development of maximum standards as well as exceptions and limitations at the TRIPS Council meetings. Paragraph 19 of the Ministerial Declaration instructed the TRIPS Council to take into account ‘the objectives and principles set out in Articles 7 and 8 of the TRIPS Agreement and . . . the development dimension’. While the legal effect of this declaration remains suspect in future challenges before the WTO Dispute Settlement Body, Articles 7 and 8 are likely to receive more attention in the TRIPS Council, which was specifically instructed to take account of those provisions. There is difference between judicial adjudication and political persuasion or diplomatic negotiation. More importantly, the two provisions provide the needed principles and rhetoric that often prevail in international negotiations.¹³⁴ Echoing loudly the demands of less developed countries, they also provide a strategic reminder of the bargain these countries have struck during the TRIPS negotiations.

In addition, Articles 7 and 8 may feature prominently in the review processes established by the TRIPS Council, WTO bodies, and other international organizations. For example, ‘[a] number of developing countries have [already] indicated that the implementation of Article 7 should be examined in the Council for TRIPS in the context of determining whether TRIPS is fulfilling the objective of contributing to the dissemination and transfer of technology’.¹³⁵ Outside the WTO, Articles 7 and 8 will also make clear the intended objectives of the TRIPS Agreement. In doing so, they promote coherency within the international treaty system while at the same time providing a yardstick for international organizations to determine for themselves whether the Agreement has been properly implemented.

Third, Articles 7 and 8 can be used as a *sword* in non-violation complaints just as they can be used as a *shield*. Although less developed countries have been rather concerned that they might be on the receiving end of these complaints once the moratorium is lifted, they can also use these complaints to challenge measures in developed countries that alter the balance of the TRIPS regime. In such challenges, Articles 7 and 8 will provide the helpful textual basis to show how the measures have upset the balance of the international intellectual property system, the reasonable expectations these countries had when the TRIPS negotiations entered into effect, and whether their reliance on such expectations are justified.

Fourth, Articles 7 and 8 may help identify the right holders’ obligations stipulated explicitly or implicitly in the TRIPS Agreement. These obligations are essential to maintaining the balance of the international intellectual property system—a key objectives of the TRIPS Agreement. While the Agreement clearly delineates the substantive rights of intellectual property holders in each member state, it fails to outline clearly the right holders’ obligations. As the High Commissioner for Human Rights declared in her report:

¹³³ World Trade Organization (2000), *Canada—Patent Protection of Pharmaceutical Products*, Panel Report, WT/DS114/R, para. 7.26.

¹³⁴ Gervais, *supra* note 9, at 508.

¹³⁵ UNCTAD-ICTSD, *supra* note 19, at 133.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

[W]hile the Agreement identifies the need to balance rights with obligations, it gives no guidance on how to achieve this balance. On the one hand, the Agreement sets out in considerable detail the content of intellectual property *rights*—the requirements for the grant of rights, the duration of protection, the modes of enforcement. On the other hand, the Agreement only alludes to the *responsibilities* of IP holders that should balance those rights in accordance with its own objectives. The prevention of anti-competitive practices and the abuse of rights, the promotion of technology transfer, special and differential treatment for least developed countries are merely referred to—but unlike the rights it sets out, the Agreement does not establish the content of these responsibilities, or how they should be implemented.¹³⁶

It is therefore no surprise that the United Nations Sub-Commission on the Protection and Promotion of Human Rights reminded governments ‘of the primacy of human rights obligations over economic policies and agreements’.¹³⁷ Meanwhile, a new authoritative interpretation of the Covenant also states clearly that ‘intellectual property is a social product . . . [with] a social function’ and that ‘the private interests of authors should not be unduly favoured and the public interest in enjoying broad access to their productions should be given due consideration’.¹³⁸

These emphases on and reminders of international human rights obligations are important, because the WTO member states all have international obligations outside the intellectual property area. As noted in the *TRIPS Resource Book*:

Human rights instruments, such as the International Covenant on Economic, Social and Cultural Rights, support a number of the same objectives and principles as Articles 7 and 8. The various agreements of the International Labour Organization, and the charter of the World Health Organization, support the development-oriented objectives and principles of TRIPS. In the implementation of TRIPS and in any dispute settlement proceedings it will be useful to establish the supportive links between the objectives and principles stated in Articles 7 and 8, and the objectives and principles of other international instruments.¹³⁹

In fact, the use of the word ‘should’ and the references to the ‘social and economic welfare’ and ‘a balance of rights and obligations’ in Article 7 provide a strong reminder of the many obligations imposed by the International Covenant on Economic, Social and Cultural Rights, such as the right to life, the right to food, the right to health, the right to education, the right to self-determination, the right to freedom of expression, the right to cultural participation and development, and the right to the benefits of scientific progress. Those references also pave the way for the development of substantive obligations with the TRIPS regime.

In recent years, commentators have widely discussed the need to build obligations, responsibilities, maximum standards, and affirmative rights into the intellectual property system. For example, Jacqueline Lipton pointed out that, when laws borrowed from traditional property

¹³⁶ United Nations Economic and Social Council, Sub-Commission on the Promotion and Protection of Human Rights (2001), *The Impact of the Agreement on Trade-Related Aspects of Intellectual Property Rights on Human Rights: Report of the High Commissioner*, E/CN.4/Sub.2/2001/13, para. 23.

¹³⁷ Sub-Commission on Human Rights (2000), *Intellectual Property Rights and Human Rights*, Res. 2000/7, E/CN.4/Sub.2/RES/2000/7, para. 3.

¹³⁸ Committee on Economic, Social and Cultural Rights (2006), *General Comment No. 17: The Right of Everyone to Benefit from the Protection of the Moral and Material Interests Resulting from Any Scientific, Literary or Artistic Production of Which He Is the Author (Article 15, paragraph 1 (c), of the Covenant)*, E/C.12/GC/17, para. 35.

¹³⁹ UNCTAD-ICTSD, *supra* note 19, at 130.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

theory are applied in the information property context, there is a tendency to overlook the fact that ‘traditional Property rights entail significant concurrent obligations or responsibilities imposed on the proprietary owner as an incident of their Property ownership’.¹⁴⁰ Scholars have also advanced proposals to develop affirmative user rights to facilitate public access to protected materials.¹⁴¹ Many of those proposals seek to benefit user groups that are acknowledged implicitly in Article 7, including ‘libraries, educational institutions, research institutes, or non-governmental organizations[, all of whom] were noticeably absent during TRIPS negotiations’.¹⁴²

Fifth, the identification in Article 7 of promoting ‘social and economic welfare’ and ‘a balance of rights and obligations’ as the key objectives of the TRIPS Agreement provides a strong textual basis for less developed countries and intergovernmental organizations to demand the establishment of impact studies on development, which have been widely endorsed in the areas of human rights, public health, and biological diversity.¹⁴³ After all, welfare and balance cannot be determined *in vacuo*. The recently adopted WIPO Development Agenda also includes a number of recommendations concerning assessment, evaluation, and impact studies. These studies are particularly important as intellectual property protection expands to create spillover effects in other policy areas. In fact, it would be good policy to conduct impact studies to undertake a holistic evaluation of the ramifications of all new intellectual property standards before their adoption.¹⁴⁴

Finally, Articles 7 and 8 can be used to help reframe the existing intellectual property debate. Although legal scholars have widely ignored the importance of such framing and reframing, their importance has been recently picked up by commentators outside the legal discipline or by those having interdisciplinary research interests. If carefully developed, a constructive frame can effectively convince the WTO member states, the TRIPS Council, WTO panels, and the Appellate Body to become more receptive to the demands, or perhaps pleas, of less developed countries.¹⁴⁵ As John Braithwaite and Peter Drahos noted in the public health context: ‘Had TRIPS been framed as a public health issue, the anxiety of mass publics in the US and other Western states might have become a factor in destabilizing the consensus that US business elites had built around TRIPS.’¹⁴⁶ Likewise, Susan Sell reminded us that ‘grants talk’ is preferable to ‘rights talk’ from the standpoint of international development, because it ‘highlights the fact that what may be granted may be taken away when such grants conflict with other important goals’ and is likely to discourage policymakers from focusing on the entitlement of the rights holders.¹⁴⁷

¹⁴⁰ Lipton, Jacqueline, ‘Information property: Rights and responsibilities’, *Florida Law Review*, 56(1): 135–94, 148 (2004).

¹⁴¹ Yu, supra note 111, at 396–401.

¹⁴² Okediji, supra note 13, at 858.

¹⁴³ Yu, supra note 1, at 901.

¹⁴⁴ Yu, supra note 51.

¹⁴⁵ Yu, supra note 7, at 377–78.

¹⁴⁶ Braithwaite, John and Peter Drahos (2000), *Global Business Regulation*, Cambridge and New York: Cambridge University Press, p. 576.

¹⁴⁷ Sell, supra note 7, at 146.

Bridge

Articles 7 and 8 can serve as a useful bridge that connects the TRIPS regime with those other regimes that may be implicated by the protection and enforcement of intellectual property rights. Paragraph 19 of the Ministerial Declaration, for example, stated explicitly that the TRIPS Council should be guided by Articles 7 and 8 in its examination of ‘the relationship between the TRIPS Agreement and the Convention on Biological Diversity [and] the protection of traditional knowledge and folklore’. Such protection, after all, can be covered in many different regimes—most notably, the biodiversity regime and the food and agriculture regime.

Likewise, the language of Article 7 has recently been incorporated into a recommendation adopted as part of the WIPO Development Agenda. As Recommendation No. 45 states specifically:

To approach intellectual property enforcement in the context of broader societal interests and especially development-oriented concerns, with a view that ‘the protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations’, in accordance with Article 7 of the TRIPS Agreement.

Articles 7 and 8 of the TRIPS Agreement, therefore, are important for maintaining the balance in not just the TRIPS regime, but also in the global innovation system.

Today, international law has become highly fragmented,¹⁴⁸ and the continuous proliferation of international fora and the widespread use of regime-shifting maneuvers have led to the development of intellectual property-related norms in many different international fora.¹⁴⁹ This development has resulted in the creation of what I have described as the ‘international intellectual property regime complex’—a larger conglomerate regime that includes not only the traditional area of intellectual property laws and policies, but also the overlapping areas in related regimes or fora.¹⁵⁰

Thus, while it remains important to strengthen safeguards in the international intellectual property system, or develop the so-called ceilings of or maximum standards for intellectual property protection and enforcement, it is equally important to develop support in other international instruments that can be used to enhance the impact of Articles 7 and 8 within the TRIPS Agreement. With the support of these additional standards, Articles 7 and 8 may more effectively ‘persuade the [WTO panels and the Appellate Body] to recognize and give effect to developmental priorities’.¹⁵¹ In fact, it may be ‘useful in the context of dispute settlement to cross-reference developmental objectives and principles of the appropriate agreements’.¹⁵² After

¹⁴⁸ Benvenisti, Eyal and George W. Downs (2007), ‘The empire’s new clothes: Political economy and the fragmentation of international law’, *Stanford Law Review* 60(2): 595–631.

¹⁴⁹ Braithwaite and Drahos, *supra* note 146, at 564–71; May, *supra* note 72, at 66; Helfer, Laurence R. (2004), ‘Regime shifting: The TRIPs agreement and new dynamics of international intellectual property lawmaking’, *Yale Journal of International Law*, 29(1): 1–83.

¹⁵⁰ Yu, *supra* note 62, at 13–21.

¹⁵¹ UNCTAD-ICTSD, *supra* note 19, at 130.

¹⁵² *Id.*

THE OBJECTIVES AND PRINCIPLES OF TRIPS

all, the Preamble of the TRIPS Agreement states the drafters' intention to '[r]ecogniz[e] the underlying public policy objectives of national systems for the protection of intellectual property, including developmental and technological objectives'.

This approach makes a lot of sense. As Professor Correa pointed out, '[i]ntellectual property cannot be regarded in isolation from broader national policies, such as competition and development policies. In order to contribute to national objectives, the intellectual property system must be integrated into such policies'.¹⁵³ Likewise, Graeme Austin noted:

To the extent that intellectual property policies and values can be identified, it might be more helpful to regard them as aspects of much broader issues of public policy. Policies that help ensure that populations get fed, enjoy the benefits of literacy, are healthy, have viable agricultural bases, and can participate in technological and cultural development—these seem to be the kinds of policies that should have priority in any analysis of the values that intellectual property laws are meant to serve.¹⁵⁴

Most recently, Henning Ruse-Khan also suggested the use of 'the WTO-overarching objective of sustainable development as a principle for reconciling economic, social and environment interests which applies to all WTO Agreements', including the TRIPS Agreement.¹⁵⁵

Like these commentators, the WTO dispute settlement body has acknowledged the overlap between intellectual property protection and protection under other international regimes. In its first dispute, *United States—Standards for Reformulated and Conventional Gasoline*, the Appellate Body declared that 'the General Agreement [which consists of agreements in many different areas] is not to be read in clinical isolation from public international law'.¹⁵⁶ In *India—Patent Protection for Pharmaceutical and Agricultural Chemical Products*, the WTO panel also recognized that the TRIPS Agreement 'is an integral part of the WTO system, which itself builds upon the experience of over nearly half a century' under the GATT.¹⁵⁷ Moreover, in *United States—Import Prohibition on Certain Shrimp and Shrimp Turtle Products*, the Appellate Body stated further that it 'has moved firmly away from the notion of the WTO as a "self-contained" legal regime'.¹⁵⁸

Seed

Articles 7 and 8 can be used as a seed for the development of new norms both *within* and *without* the international intellectual property regime.¹⁵⁹ They can supply the needed language or

¹⁵³ Correa, *supra* note 15, at 12.

¹⁵⁴ Austin, Graeme W. (2002), 'The role of national courts: Valuing "domestic self-determination" in international intellectual property jurisprudence', *Chicago-Kent Law Review*, 77(3): 1155–211.

¹⁵⁵ Ruse-Khan, Henning Grosse (2008), 'A comparative analysis of policy space in WTO law', Max Planck Institute for Intellectual Property Competition and Tax Law, Research Paper No. 08–02.

¹⁵⁶ World Trade Organization (1996), *United States—Standards for Reformulated and Conventional Gasoline*, Appellate Body Report, WT/DS2/AB/R, part III.B.

¹⁵⁷ World Trade Organization (1997), *India—Patent Protection for Pharmaceutical and Agricultural Chemical Products*, Panel Report, WT/DS50/R, para. 7.19.

¹⁵⁸ World Trade Organization (1998), *United States—Import Prohibition on Certain Shrimp and Shrimp Turtle Products*, Appellate Body Report, WT/DS58/AB/R.

¹⁵⁹ These norms may take the form of substantive rules or standards, procedural safeguards, or even equitable remedies.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

provide direction for the development of these new norms. They also help remind the treaty drafters of the nature, scope, and objectives of intellectual property norms.

In designing the *internal* norms, Articles 7 and 8 can be used in two ways. First, by stating the objectives and principles of the TRIPS agreement, the two provisions highlight the concerns of less developed countries as well as those areas that need greater balancing. For example, Article 8 mentions public health and restraint on trade. Those provisions therefore underscore the important interfaces between intellectual property protection and the protection of public health or between intellectual property protection and regulation of anticompetitive and restrictive business practices.¹⁶⁰

Second, Articles 7 and 8 provide objective evidence for determining whether an international political consensus exists. The provisions therefore outline the boundaries of the TRIPS regime. Delineating these boundaries clearly is particularly important, as countries increasingly induce others to transplant laws through bilateral, regional, and multilateral efforts. As Abdulqawi Yusuf aptly suggests, the objectives set forth in Article 7 of the TRIPS Agreement also ‘provide the overall criteria against which the adequacy and effectiveness of national legislation for the protection and enforcement of IPRs should be measured’.¹⁶¹

Although countries that comply with their TRIPS obligations can be hardly described as offering ineffective or inadequate protection—at least according to the TRIPS Agreement¹⁶²—the United States Trade Representative can take Section 301 actions on countries that fail to provide ‘adequate and effective protection of intellectual property rights *notwithstanding the fact that [they] may be in compliance with the specific obligations of the Agreement on Trade-Related Aspects of Intellectual Property Rights*’. It is, therefore, no surprise that Canada has been put on the Section 301 watch list perennially, along with countries that are, from the U.S. perspective, more likely to have laws in violation of the TRIPS Agreement, such as Brazil, China, India, Russia, and Ukraine.

While the previous three sections focus primarily on developments within the TRIPS regime, that regime is only part of the larger international intellectual property system. In fact, shortly after the Agreement entered into force, WIPO quickly adopted the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty. The organization also developed soft-law recommendations on the protection of well-known marks and marks on the Internet. As Professor Dinwoodie observed:

the sudden emergence of the WTO as part of the international intellectual property lawmaking process seemed to energize WIPO, resulting in the conclusion of several new treaties in copyright, patent and trademark law, as well as the reorganization . . . designed to make WIPO fit for the twenty-first century.¹⁶³

¹⁶⁰ Ricolfi, *supra* note 123, at 326.

¹⁶¹ Yusuf, *supra* note 6, at 13.

¹⁶² Correa, *supra* note 15, at 1–2.

¹⁶³ Dinwoodie, *supra* note 110, at 1005.

THE OBJECTIVES AND PRINCIPLES OF TRIPS

In the past few years, WIPO has explored the development of a Substantive Patent Law Treaty and the WIPO Treaty on the Protection of Broadcasting Organisations. Nevertheless, it has faced significant opposition in both areas.

Articles 7 and 8 are equally helpful in developing *external* norms. While some of these norms may be complementary to or compatible with existing internal norms, others may be what commentators have called ‘counterregime norms’.¹⁶⁴ As Laurence Helfer defined, counterregime norms are ‘binding treaty rules and nonbinding soft law standards that seek to alter the prevailing legal landscape’.¹⁶⁵ Once developed, these norms can help set up maximum standards for intellectual property protection. They may also be further internalized within the intellectual property regime as ‘revisionist norms’.¹⁶⁶ As the impact of intellectual property protection continues to spill over into other areas, such as agriculture, health, the environment, education, culture, competition, free speech, democracy, and the rule of law, these revisionist norms will only become more important.¹⁶⁷

Although many commentators still perceive international organizations, such as WIPO and the WTO, as self-interested players,¹⁶⁸ these organizations are beginning to cooperate with each other more—regardless of whether they do it willingly or reluctantly. Article 68 of the TRIPS Agreement states specifically that the Council for TRIPS ‘may consult with and seek information from any source it deems appropriate’ in carrying out its functions and ‘shall seek to establish, within one year of its first meeting, appropriate arrangements for cooperation with bodies of [WIPO]’. The Agreement Between the World Intellectual Property Organization and the World Trade Organization also called for cooperation between the WTO and WIPO in the notification of, provision of access to, and translation of national legislation; the communication of national emblems and transmittal of objections pursuant to Article 6*ter* of the Paris Convention; and legal-technical assistance and technical cooperation.

Indeed, as intellectual property protection expands and as issue areas and international regimes continue to overlap with each other, there will be an increasing and more active flow of language, concepts, standards, measures, and safeguards from one regime to another. While the WTO panels and the Appellate Body remain faithful to the application of the Vienna Convention, they have increasingly looked to treaties in the WIPO or other fora to resolve ambiguities in the TRIPS Agreement. The converse can also be true. It would be, indeed, no surprise if drafters in other fora or interpreters of non-intellectual property treaties look to Articles 7 and 8 to help resolve ambiguities in existing treaties, alleviate tension between and among the various treaties, or even to provide a starting point for new treaties and initiatives.

¹⁶⁴ Helfer, *supra* note 149, at 58–59.

¹⁶⁵ *Id.* at 14.

¹⁶⁶ Helfer, Laurence R. (2004), ‘Mediating interactions in an expanding international intellectual property regime’, *Case Western Reserve Journal of International Law*, 36(1): 123–36, 127.

¹⁶⁷ Abbott, Frederick M. (2003), ‘Non-violation nullification or impairment causes of action under the TRIPS agreement and the fifth ministerial conference: A warning and reminder’, Quaker United Nations Office Occasional Paper No. 11, p. 2.

¹⁶⁸ May, *supra* note 72, at 59; Abbott, Frederick M. (2000), ‘Distributed governance at the WTO-WIPO: An evolving model for open-architecture integrated governance’, *Journal of International Economic Law*, 3(1): 63–81, 72; Dinwoodie, *supra* note 110, at 1001.

Conclusion

Since their creation and limited application in the early days of the WTO, Articles 7 and 8 have attracted growing attention from policymakers, commentators, intergovernmental organizations, and nongovernmental organizations. Legally, the two provisions play important roles in interpreting and implementing the TRIPS Agreement. Economically, they facilitate innovation, technology transfer, and knowledge production while at the same time promoting social and economic welfare and development goals. Politically, they provide the much-needed balance to make the Agreement a legitimate bargain between developed and less developed countries. Structurally, the two provisions bridge the gap between the TRIPS regime with other international regimes. Globally, they have sowed the seeds for the development of new international norms both within and without the TRIPS regime. Although most of the draft language proposed by less developed countries did not make its way to the TRIPS Agreement, the choice of such language for Articles 7 and 8 is more than consolation. In fact, it may be a blessing in disguise! Whether the two provisions can become a true blessing will depend on whether the WTO member states can use them effectively, to their advantage, and to the fullest possible extent.