

**Before the World Trade Organization
Panel Proceedings**

CHINA – ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

(DS611)

AUSTRALIA'S RESPONSES TO THE PANEL'S QUESTIONS

20 November 2023

TABLE OF CASES

Short Title	Full Case Title and Citation
<i>US – Shrimp</i>	Appellate Body Report, <i>United States – Import Prohibition of Certain Shrimp and Shrimp Products</i> , WT/DS58/AB/R , adopted 6 November 1998, DSR 1998:VII, p. 2755

LIST OF ACRONYMS, ABBREVIATIONS AND SHORT FORMS

Abbreviation	Full Form or Description
ASI	Anti-suit injunction
IP	Intellectual property
TRIPS Agreement	Agreement on Trade-Related Aspects of Intellectual Property Rights
WTO	World Trade Organization

Q3 Australia: What is your understanding of the relationship between the obligation for Members to "give effect" to the provisions of this Agreement and all the substantive obligations, not only the ones the European Union has raised claims of in this dispute?

1. Article 1.1 sets the scene for how provisions of the TRIPS Agreement should be implemented. Australia's view is that Members are required to actively make the substantive provisions operational.¹ To make the TRIPS Agreement fully operational, the nature of the substantive provisions must be considered. This includes the fact that the substantive obligations provide for minimum standards of protection, i.e. "TRIPS is a floor, not a ceiling".² Further, application of the TRIPS provisions does not need to be "harmonised" between Members, with each Member enjoying flexibility in how it implements the provisions in its domestic system.³

2. However, when implementing the TRIPS provisions, the Article 1.1 requirement to "give effect" to, or "render operative",⁴ the provisions of the Agreement requires a Member not to merely consider its domestic system in isolation. For the TRIPS Agreement to be rendered operative, the provisions must also be effective between Members. In Australia's view, this does not mean that a Member needs to account for another Member's implementation of its obligations. Rather, for a Member's domestic system to comply with the TRIPS Agreement, it should not interfere with, or undermine, the ability of other Members to uphold their own TRIPS obligations.⁵

3. Australia agrees with Korea that not every ASI necessarily interferes with another Member's ability to comply with the TRIPS Agreement.⁶ In Australia's view, the circumstances in which one Member's implementation of TRIPS undermines another Member's ability to uphold its TRIPS obligations is likely to be limited. Any measure would need to be considered

¹ Australia's third party submission, para. 34.

² Australia's third party submission, para. 38.

³ Australia's third party submission, para. 39.

⁴ Australia's third party submission, para. 33.

⁵ Australia's third party submission, para. 40.

⁶ Korea's third party oral statement, para. 9-11.

on a case-by-case basis to determine whether it undermined another Member's ability to comply with the TRIPS Agreement, in breach of Article 1.1.

Q4 Australia: Is it your position that Article 1.1, first sentence embodies the notion of *abus de droit*?

4. Australia's submission provides an interpretative analysis of the first sentence of Article 1.1 based on its ordinary meaning, in context and in light of the TRIPS Agreement's object and purpose.⁷ Australia concludes that the obligation to "give effect" to TRIPS provisions includes both the obligation to implement TRIPS obligations in a Member's domestic system, and an obligation not to undermine the ability of other Members to uphold their obligations.

5. Australia's analysis draws on principles of good faith – found in parts of the Preamble and enshrined in Article 7 of the TRIPS Agreement,⁸ and indeed the principle of *pacta sunt servanda* which applies to all WTO Agreements as a matter of customary international law – to support this interpretation.⁹

6. The Appellate Body in *US – Shrimp* confirmed the doctrine of *abus de droit* to be a specific form "...of the principle of good faith."¹⁰ In international law, the doctrine of *abus de droit* prohibits "[a] country's exercise of a right either in a way that impedes the enjoyment by other countries of their own rights or for a purpose different from that for which the right was created (e.g. to harm another country)."¹¹ The Appellate Body in *US - Shrimp* observed that "...the doctrine of *abus de droit*, prohibits the abusive exercise of a state's rights and enjoins that whenever the assertion of a right "impinges on the field covered by [a] treaty obligation, it must be exercised bona fide, that is to say, reasonably."¹²

7. In *US – Shrimp*, the Appellate Body stated, with reference to the doctrine of *abus de droit*, that "[a]n abusive exercise by a Member of its own treaty right thus results in a breach

⁷ Australia's third party submission, Section III.A.

⁸ Australia's third party submission, para. 44-46.

⁹ Article 26 Vienna Convention. This Article establishes the concept of *pacta sunt servanda* stating "Every treaty in force is binding upon the parties to it and must be performed by them in good faith". See also, Part III of the Vienna Convention titled, "Observance, Application and Interpretation of Treaties."

¹⁰ Appellate Body Report, *US – Shrimp*, para. 158.

¹¹ *Black's Law Dictionary*, 7th edn, B. Garner (West Publishing Co, 1999), p. 31.

¹² Appellate Body Report, *US – Shrimp*, para. 158.

of the treaty rights of the other Members and, as well, a violation of the treaty obligation of the Member so acting."¹³ Australia's interpretation of Article 1.1, that Members must ensure their implementation of TRIPS provisions does not interfere with, or undermine, the ability of other Members to uphold their own TRIPS obligations, is consistent with the Appellate Body's application of *abus de droit*.¹⁴ Consequently the doctrine of *abus de droit* provides additional support, as a general principle of international law, to Australia's interpretation of the first sentence of Article 1.1.

8. In sum, Australia's interpretation of the first sentence of Article 1.1 may reflect elements of the *abus de droit* doctrine, but it is not essential for that doctrine to be explicitly recognised as enshrined in that sentence for its proper interpretation.

Q10 Article 63.1 of the TRIPS Agreement refers, in part, to "[l]aws and regulations, and final judicial decisions and administrative rulings of general application". The United Kingdom argues in paragraph 45 of its third-party submission that "interpreting this term in its context, object and purpose and in light of the principle of treaty effectiveness, leads to the conclusion that the term 'final judicial decisions' is not qualified by the term 'of general application'."

- a. Is the implication of the United Kingdom's interpretation that all final judicial decisions made effective by a Member pertaining to the subject matter of the TRIPS Agreement must be published and may be subject to a request for information under Article 63.3, first sentence?**

9. As noted in paragraph 52 of Australia's submission, Australia's view is the phrase 'final judicial decisions' is qualified by the phrase "of general application". In Australia's view, the placement of commas around the clause ", and final judicial decisions and administrative rulings of general application,"¹⁵ supports the view that the phrase "of general application" applies equally to both subjects "judicial decisions" and "administrative rulings".

10. In terms of judicial decisions, this obligation covers any judicial decision which has no further rights for appeal or review and pertains to the subject matter of the TRIPS Agreement.

¹³ Appellate Body Report, *US – Shrimp*, para. 158.

¹⁴ Appellate Body Report, *US – Shrimp*, para. 158.

¹⁵ Article 63.1 TRIPS Agreement.

Such judicial decisions will be of general application where they establish or revise principles or criteria applicable in future cases and have a degree of authoritativeness – they do not need to be legally binding.¹⁶

b. Is the burden on Members of carrying out their transparency obligations (see e.g. Article 63.2) relevant to the interpretation of the scope of the publication obligation in Article 63.1?

11. No, it is not relevant. Article 63.2 refers to "minimiz[ing] the burden" on WTO Members with respect to the notification of laws and regulations. That article recognises that the submission of material to the WTO or WIPO places extra requirements on WTO Members, which may be considered a "burden". Publication of laws under Article 63.1 is a separate and distinct obligation. TRIPS does not refer to this as a "burden". Nor should it be viewed as such. The scope of Article 63.1 requires WTO Members to publish enough primary source information for governments and IP holders to comprehend IP law (the availability, scope, acquisition, enforcement and prevention of the abuse of IP) in that WTO Member's jurisdiction. The scope of the obligation is commensurate with the aims of the obligation overall – to ensure transparency and predictability of IP laws globally.

Q11 What does the relationship between Articles 63.1 and 63.3 of the TRIPS Agreement reveal about the meaning of the phrase "judicial decision" in Article 63.3, second sentence?

12. Article 63.1 is a general obligation for WTO Members to publish their IP laws, including judicial decisions of an authoritative nature. Article 63.3 requires WTO Members to supply information to other WTO Members on request. The first is a general obligation to the WTO membership which must be met, the second is a specific obligation to a particular WTO Member which only arises in certain circumstances.

13. Both obligations refer to judicial decisions, however the scope of judicial decisions covered by the obligations is different. Article 63.1 applies to "final judicial decisions...of general application...pertaining to the subject matter of [TRIPS]". Article 63.3's first sentence mirrors the same scope of judicial decisions because it applies to the supply of information "of

¹⁶ Australia's third party submission, para. 53.

the sort referred to in [Article 63.1]". However, the scope of the second sentence of Article 63.3's is different. It refers to the ability for a WTO Member to request "a *specific* judicial decision ... in the area of intellectual property rights" that it has reason to believe "affects its rights" under TRIPS. This is different in two ways – the nature of the judicial decision (because it is "specific" not "final" or "of general application"); and its subject matter (because the judicial decisions must be "in the area of IP" and "affects [the Member's] rights under TRIPS" as opposed to "pertaining to the subject matter of [TRIPS]").

14. The word "specific" means "having a special determining quality".¹⁷ In Australia's view this means the WTO Member may request any particular judicial decision identified by it, as long as it is in the area of IP and affects the Member's rights under TRIPS. While there may be some overlap, the scope of judicial decisions captured differs as between Articles 63.1 and 63.3.

Q12 What is the relationship between the first and second sentences of Article 63.3? In particular, what is the relevance of the word "also" in the second sentence of Article 63.3?

15. Article 63.3 contains two obligations – the first sentence relates to the supply of information covered by Article 63.1, the second sentence relates to the supply of specific information that meets certain criteria. The obligation in the second sentence builds on the obligation in the first. This is confirmed by the word "also" in the second sentence which in this context means "in addition".¹⁸ This is an additional type of request that can be made by a WTO Member. That is, it is something further to what is requested under the first sentence of Article 63.3, which relates to information published by WTO Members under Article 63.1.

¹⁷ Oxford Dictionaries online, definition of 'specific'
https://www.oed.com/dictionary/specific_adj?tab=meaning_and_use#21654587 (accessed 14 November 2023).

¹⁸ Oxford Dictionaries online, definition of 'also'
https://www.oed.com/dictionary/also_adv?tab=meaning_and_use#6223815 (accessed 14 November 2023).