

INDIA – PATENTS (US)¹ (DS50)

PARTIES		AGREEMENT	TIMELINE OF THE DISPUTE	
Complainant	<i>United States</i>	<i>TRIPS Art. 70.8 and 70.9</i>	Establishment of Panel	<i>20 November 1996</i>
			Circulation of Panel Report	<i>5 September 1997</i>
Respondent	<i>India</i>		Circulation of AB Report	<i>19 December 1997</i>
			Adoption	<i>16 January 1998</i>

1. MEASURE AND INTELLECTUAL PROPERTY AT ISSUE

- Measure at issue: (i) India's "mailbox rule" – under which patent applications for pharmaceutical and agricultural chemical products could be filed; and (ii) the mechanism for granting exclusive marketing rights to such products.
- Intellectual property at issue: Patent protection for pharmaceutical and agricultural chemical products, as provided under TRIPS Art. 27.

2. SUMMARY OF KEY PANEL/AB FINDINGS

- TRIPS Art. 70.8: The Appellate Body upheld the Panel's finding that India's filing system based on "administrative practice" for patent applications for pharmaceutical and agricultural chemical products was inconsistent with Art. 70.8. The Appellate Body found that the system did not provide the "means" by which applications for patents for such inventions could be securely filed within the meaning of Art. 70.8(a), because, in theory, a patent application filed under the administrative instructions could be rejected by the court under the contradictory mandatory provisions of the existing Indian laws: the Patents Act of 1970.
- TRIPS Art. 70.9: The Appellate Body agreed with the Panel that there was no mechanism in place in India for the grant of exclusive marketing rights for the products covered by Art. 70.8(a) and thus Art. 70.9 was violated.

3. OTHER ISSUES²

- Interpretation of the TRIPS Agreement: The Appellate Body rejected the Panel's use of a "legitimate expectations" (of Members and private right holders) standard, which derives from the non-violation concept, as a principle of interpretation for the TRIPS Agreement. The Appellate Body based its conclusion on the following: (i) the protection of "legitimate expectations" is not something that was used in GATT practice as a principle of interpretation; and (ii) the Panel's reliance on the VCLT Art. 31 for its "legitimate expectations" interpretation was not correct because the "legitimate expectations of the parties to a treaty are reflected in the language of the treaty itself." Pointing to DSU Arts. 3.2 and 19.2³, the Appellate Body clarified that the process of treaty interpretation should not include the "imputation into a treaty of words that are not there or the importation into a treaty of concepts that were not intended."

¹ *India – Patent Protection for Pharmaceutical and Agricultural Chemical Products* (Complaint by the United States)

² Other issues addressed: terms of reference (DSU Art. 6.2 in relation to US claim on TRIPS Art. 63); burden of proof.

³ DSU Arts. 3.2 and 19.2 make clear that panels and the Appellate Body "cannot add to or diminish the rights and obligations provided in the covered agreements".