

**Council for Trade-Related Aspects of Intellectual Property Rights**

NOTIFICATION POSSIBILITIES PROVIDED IN ARTICLES 1.3 AND 3.1  
OF THE TRIPS AGREEMENT

Background Note by the Secretariat

1. Articles 1.3 and 3.1 of the TRIPS Agreement allow Members to avail themselves of certain options in regard to the definition of beneficiary persons and national treatment, provided that notifications are made to the TRIPS Council. In response to requests from delegations, the Secretariat has prepared this note in order to attempt to explain the nature of the options available to delegations and of the notifications required.

**I. Article 1.3 of the TRIPS Agreement**

2. Article 1.3 defines the persons of other Members that each Member must accord the treatment in regard to the protection of intellectual property provided for under the Agreement. These persons are referred to as "nationals" but include persons, natural or legal, who have a close attachment to other Members without necessarily being nationals. The criteria for determining which persons must thus benefit from the treatment provided for under the Agreement are those laid down for this purpose in the main pre-existing intellectual property conventions, applied of course with respect to all WTO Members, whether or not they are party to those conventions.

3. In relation to performers, producers of phonograms and broadcasting organizations, Article 1.3 of the TRIPS Agreement requires each Member of the WTO to apply the same criteria for determining eligible beneficiaries as provided in the relevant provisions of the Rome Convention. Articles 4, 5 and 6 of the Rome Convention lay down the criteria for this purpose. However, according to Articles 5(3) and 6(2) of the Rome Convention, certain criteria applicable to producers of phonograms and broadcasting organizations may be excluded by means of a notification. Article 1.3 of the TRIPS Agreement requires any TRIPS Member availing itself of these possibilities to make such a notification to the Council for TRIPS.

(a) Producers of phonograms

4. In accordance with the criteria specified in Article 5(1) of the Rome Convention as incorporated into the TRIPS Agreement, each Member of the WTO has to protect producers of phonograms if any one of the following conditions is met:

(a) the producer of the phonogram is a national of another WTO Member (criterion of nationality);

(b) the first fixation of the sound was made in another WTO Member (criterion of fixation);

(c) the phonogram was first published in another WTO Member (criterion of publication).

It is sufficient if one of these conditions is satisfied.<sup>1</sup>

5. The criterion of nationality may not be excluded. However, in accordance with the provisions of Article 5(3) of the Rome Convention, a WTO Member may declare by means of a notification that it does not apply either the criterion of fixation or that of publication. No Member may exclude both at the same time. If a Member does not make any notification, it will have to protect each phonogram producer which meets any one of the three criteria.

(b) Broadcasting organizations

6. In accordance with the criteria specified in Article 6(1) of the Rome Convention, each WTO Member has to protect broadcasting organizations if either of the following conditions is met:

(a) the headquarters of the broadcasting organization is situated in another WTO Member;

(b) the broadcast was transmitted from a transmitter situated in another WTO Member.

7. In accordance with the provisions of Article 6(2) of the Rome Convention as incorporated into the TRIPS Agreement, a WTO Member may declare by means of a notification that it will protect broadcasts only if both conditions are met, i.e. that the headquarters of the broadcasting organization is situated in another WTO Member and the broadcast was transmitted from a transmitter situated in the same WTO Member. Once more, if no notification is made, a WTO Member will have to protect broadcasting organizations which meet either of the criteria.

## II. Article 3.1 of the TRIPS Agreement

8. Article 3.1 lays down the basic national treatment obligation. Each Member is obliged to accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection of intellectual property. This obligation is subject to the exceptions already provided in the Paris, Berne and Rome Conventions and the Treaty on Intellectual Property in Respect of Integrated Circuits. Furthermore, in respect of performers, producers of phonograms and broadcasting organizations, this obligation only applies in respect of the rights provided under the TRIPS Agreement.

9. Two of the exceptions to national treatment under the provisions of the pre-existing international conventions referred to are conditional on notification obligations; these are the exceptions provided in Article 6 of the Berne Convention 1971 and Article 16(1)(b) of the Rome Convention. Article 3.1 of the TRIPS Agreement requires that any Member availing itself of these possibilities in respect of its TRIPS national treatment obligations shall make the notifications in question to the TRIPS Council.

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<sup>1</sup>If a phonogram was first published in a non-WTO Member but it was also published, within thirty days of its first publication, in a WTO Member (simultaneous publication), it shall be considered, in accordance with the provisions of Article 5(2) of the Rome Convention, as first published in the WTO Member.

(a) Possibility of restricting protection of works made by nationals of non-WTO Members

10. In accordance with the criteria contained in Article 3(1) of the Berne Convention, as incorporated into the TRIPS Agreement by its Articles 1.3 and 9.1, WTO Members are obliged to grant protection, including national treatment, to authors who are not nationals<sup>2</sup> of a WTO Member for their works first published in a WTO Member (criterion of publication).<sup>3</sup> This rule could give rise to the situation whereby a national of a non-WTO country which does not protect in an adequate manner the works of authors of WTO Members would nonetheless be eligible to benefit from TRIPS protection by first publishing his or her work in a WTO Member.

This is the situation that is addressed, in relation to the Berne Convention, by Article 6(1) of the Berne Convention, which allows the protection of such persons to be restricted, including in respect of national treatment.<sup>4</sup> The restrictions permissible under Article 6(1) of the Berne Convention in respect of Berne member states are also permissible under the TRIPS Agreement in respect of WTO Members by virtue of the incorporation of this provision by reference in Article 9.1 of the TRIPS Agreement and its recognition, in relation to national treatment, in Article 3.1.

11. The permissible restrictions of the protection of such authors who are not nationals of WTO Members are of two types. First, where a national of a non-WTO Member who is not habitually resident in a WTO Member first publishes a work in a WTO Member, the WTO Member of first publication may restrict the protection given to that work if the country of which the author in question is a national fails to protect in an adequate manner the works of its authors. The second type of restriction of protection, including in relation to national treatment, is that, if the Member of first publication restricts protection in the way described above, other Members may also do so; they are not required to grant to the work in question a wider protection than that granted to it in the Member of first publication.

12. In accordance with the provisions of Article 6(3) of the Berne Convention as incorporated into the TRIPS Agreement and as reaffirmed in Article 3.1 of the TRIPS Agreement, a WTO Member which restricts protection in these ways is obliged to make a notification to the Council for TRIPS.

13. These possible restrictions on the protection of works created by nationals of non-Member states appear to have been very little used under the Berne Convention. According to the information provided by the International Bureau of the WIPO (depository of the 1967 and 1971 Acts of the Berne Convention) and the Swiss Government (depository of previous Acts of the Berne Convention), no use of Article 6 has been notified under the Berne Convention itself. One notification was made earlier, when this provision formed part of the 1914 protocol to the Berne Convention, but this notification is no longer applicable.

(b) Communication to the public of television broadcasts

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<sup>2</sup>Authors who are not nationals of one of the WTO Members but who have their habitual residence in one of them, are assimilated to nationals of that Member in accordance with Article 3(2) of the Berne Convention.

<sup>3</sup>Works first published in a non-WTO Member which were also published, within thirty days of their first publication, in a WTO Member (simultaneous publication) also benefit from the protection in accordance with paragraphs (1)(b) and (4) of Article 3 of the Berne Convention.

<sup>4</sup>In accordance with Article 6(2) of the Berne Convention, no such restrictions shall affect the rights which an author may have acquired in respect of a work published in a WTO Member before such restrictions were put into force.

14. According to Article 14.3 of the TRIPS Agreement, broadcasting organizations shall have the right to prohibit the communication to the public of their television broadcasts when undertaken without their authorization. On the basis of Article 14.6, any WTO Member may limit this right to the extent permitted by the Rome Convention.

15. According to Article 13(d) of the Rome Convention, broadcasting organizations shall enjoy the right to authorize or prohibit the communication to the public of their television broadcasts if such communication is made in places accessible to the public against payment of an entrance fee; it shall be a matter for the domestic law of the State where protection of this right is claimed to determine the conditions under which it may be exercised. However, a State may, according to Article 16(1)(b), in a notification deposited with the Secretary-General of the United Nations, declare that it will not apply Article 13(d). Such a notification also affects the scope of the national treatment obligation of other Contracting States: they are not obliged to provide similar protection to broadcasting organizations whose headquarters are in the State that has made the notification.

16. The incorporation of Article 16(1)(b) into the TRIPS Agreement by reference means that, if a Member of the WTO does not wish to grant this right to the broadcasting organizations of other WTO Members, it may make a notification to that effect. The notification has to be made, according to Article 3.1, to the TRIPS Council. In such a case, other Members are not obliged to grant this right to broadcasting organizations whose headquarters are in that Member, thus being authorized to derogate from the normal national treatment rule.

### **III. Timing and relationship between various notifications**

#### **(a) Timing of notifications**

17. Notifications under Articles 5(3), 6(2) and 16(1)(b) of the Rome Convention may be deposited at the time of ratification, acceptance or accession, or any time thereafter; in the last case, they shall become effective six months after they have been deposited. A Member of the WTO wishing to avail itself of these possibilities under the TRIPS Agreement may similarly make such notifications to the TRIPS Council at the time of ratification, acceptance or accession, or any time later. In the first case, the notification comes effective from the beginning of the membership, in the last case six months after the notification has been deposited.

18. The notifications in question are relevant to a Member's national treatment and most-favoured-nation treatment obligations, either directly so or because they affect the persons of other Members eligible for national and m.f.n. treatment. The TRIPS obligations relating to national and most-favoured-nation treatment (Articles 3, 4 and 5) become effective for all WTO Members as of 1 January 1996. If a Member wishes to have such notifications effective by this time, it should make the necessary notifications to the TRIPS Council before 1 July 1995. However, it may make notifications even at a later stage. In that case they become effective six months later. A country may also choose to make notifications at the time of ratification, acceptance or accession.

19. Whereas most WTO Members already provide some protection for phonogram producers and are therefore subject to the national and m.f.n. treatment obligations in this respect as of 1 January 1996, some Members may not yet have any particular form of protection for broadcasting organizations. The question of granting national and m.f.n. treatment, and therefore the issue of whether to make a notification in respect of rules

stemming from Article 6(2) and Article 16(1)(b) of the Rome Convention as incorporated into the TRIPS Agreement, would not arise until any such time as substantive protection of broadcasting organizations is introduced.

20. A Member of the WTO wishing to avail itself of the possibility stemming from the incorporation of the provisions of Article 6(3) of the Berne Convention into the TRIPS Agreement may make a notification to the TRIPS Council at any time.

(b) Relationship between various notifications

21. Notifications already made under Articles 5(3), 6(2) and 16(1)(b) of the Rome Convention apply between its Contracting States in relation to their obligations under that Convention. Such notifications have no automatic status under the TRIPS Agreement, which is part of a separate international treaty - the WTO Agreement. On the other hand, possible notifications to be made under Articles 1.3 and 3.1 of the TRIPS Agreement relating to phonogram producers or broadcasting organizations will apply between the Members of the WTO in relation to their obligations under the TRIPS Agreement and will not affect the existing obligations between the Contracting States of the Rome Convention. The same principles apply to any notifications relating to Article 6 of the Berne Convention.

22. The texts of the relevant provisions of the TRIPS Agreement, Berne Convention and Rome Convention are reproduced in the Annex.

ANNEX

Agreement on Trade-Related Aspects of Intellectual Property Rights

*Article 1*

*Nature and Scope of Obligations*

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3. Members shall accord the treatment provided for in this Agreement to the nationals of other Members.<sup>5</sup> In respect of the relevant intellectual property right, the nationals of other Members shall be understood as those natural or legal persons that would meet the criteria for eligibility for protection provided for in the Paris Convention (1967), the Berne Convention (1971), the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits, were all Members of the WTO members of those conventions.<sup>6</sup> Any Member availing itself of the possibilities provided in paragraph 3 of Article 5 or paragraph 2 of Article 6 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for Trade-Related Aspects of Intellectual Property Rights (the "Council for TRIPS").

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<sup>5</sup>When "nationals" are referred to in this Agreement, they shall be deemed, in the case of a separate customs territory Member of the WTO, to mean persons, natural or legal, who are domiciled or who have a real and effective industrial or commercial establishment in that customs territory.

<sup>6</sup>In this Agreement, "Paris Convention" refers to the Paris Convention for the Protection of Industrial Property; "Paris Convention (1967)" refers to the Stockholm Act of this Convention of 14 July 1967. "Berne Convention" refers to the Berne Convention for the Protection of Literary and Artistic Works; "Berne Convention (1971)" refers to the Paris Act of this Convention of 24 July 1971. "Rome Convention" refers to the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations, adopted at Rome on 26 October 1961. "Treaty on Intellectual Property in Respect of Integrated Circuits" (IPIC Treaty) refers to the Treaty on Intellectual Property in Respect of Integrated Circuits, adopted at Washington on 26 May 1989. "WTO Agreement" refers to the Agreement Establishing the WTO.

*Article 3*

*National Treatment*

1. Each Member shall accord to the nationals of other Members treatment no less favourable than that it accords to its own nationals with regard to the protection<sup>7</sup> of intellectual property, subject to the exceptions already provided in, respectively, the Paris Convention (1967), the Berne Convention (1971), the Rome Convention or the Treaty on Intellectual Property in Respect of Integrated Circuits. In respect of performers, producers of phonograms and broadcasting organizations, this obligation only applies in respect of the rights provided under this Agreement. Any Member availing itself of the possibilities provided in Article 6 of the Berne Convention (1971) or paragraph 1(b) of Article 16 of the Rome Convention shall make a notification as foreseen in those provisions to the Council for TRIPS.

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Berne Convention

Article 6

(1) Where any country outside the Union fails to protect in an adequate manner the works of authors who are nationals of one of the countries of the Union, the latter country may restrict the protection given to the works of authors who are, at the date of the first publication thereof, nationals of the other country and are not habitually resident in one of the countries of the Union. If the country of first publication avails itself of this right, the other countries of the Union shall not be required to grant to works thus subjected to special treatment a wider protection than that granted to them in the country of first publication.

(2) No restrictions introduced by virtue of the preceding paragraph shall affect the rights which an author may have acquired in respect of a work published in a country of the Union before such restrictions were put into force.

(3) The countries of the Union which restrict the grant of copyright in accordance with this Article shall give notice thereof to the Director General of the World Intellectual Property Organization (hereinafter designated as "the Director General") by a written declaration specifying the countries in regard to which protection is restricted, and the restrictions to which rights of authors who are nationals of those countries are subjected. The Director General shall immediately communicate this declaration to all the countries of the Union.

Rome Convention

Article 5

1. Each Contracting State shall grant national treatment to producers of phonograms if any of the following conditions is met:

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<sup>7</sup>For the purposes of Articles 3 and 4, "protection" shall include matters affecting the availability, acquisition, scope, maintenance and enforcement of intellectual property rights as well as those matters affecting the use of intellectual property rights specifically addressed in this Agreement.

(a) the producer of the phonogram is a national of another Contracting State (criterion of nationality);

(b) the first fixation of the sound was made in another Contracting State (criterion of fixation);

(c) the phonogram was first published in another Contracting State (criterion of publication).

2. If a phonogram was first published in a non-contracting State but if it was also published, within thirty days of its first publication, in a Contracting State (simultaneous publication), it shall be considered as first published in the Contracting State.

3. By means of a notification deposited with the Secretary-General of the United Nations, any Contracting State may declare that it will not apply the criterion of publication or, alternatively, the criterion of fixation. Such notification may be deposited at the time of ratification, acceptance or accession, or at any time thereafter; in the last case, it shall become effective six months after it has been deposited.

#### Article 6

1. Each Contracting State shall grant national treatment to broadcasting organisations if either of the following conditions is met:

(a) the headquarters of the broadcasting organisation is situated in another Contracting State;

(b) the broadcast was transmitted from a transmitter situated in another Contracting State.

2. By means of a notification deposited with the Secretary-General of the United Nations, any Contracting State may declare that it will protect broadcasts only if the headquarters of the broadcasting organisation is situated in another Contracting State and the broadcast was transmitted from a transmitter situated in the same Contracting State. Such notification may be deposited at the time of ratification, acceptance or accession, or at any time thereafter; in the last case, it shall become effective six months after it has been deposited.

#### Article 16(1)(b) and (2)

1. Any State, upon becoming party to this Convention, shall be bound by all the obligations and shall enjoy all the benefits thereof. However, a State may at any time, in a notification deposited with the Secretary-General of the United Nations, declare that:

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(b) as regards Article 13, it will not apply item (d) of that Article; if a Contracting State makes such a declaration, the other Contracting States shall not be obliged to grant the right referred to in Article 13, item (d), to broadcasting organisations whose headquarters are in that State.



2. If the notification referred to in paragraph 1 of this Article is made after the date of the deposit of the instrument of ratification, acceptance or accession, the declaration will become effective six months after it has been deposited.