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## **1 ARTICLE 42**

### **1.1 Text of Article 42**

#### **Article 42**

##### *Fair and Equitable Procedures*

Members shall make available to right holders<sup>11</sup> civil judicial procedures concerning the enforcement of any intellectual property right covered by this Agreement. Defendants shall have the right to written notice which is timely and contains sufficient detail, including the basis of the claims. Parties shall be allowed to be represented by independent legal counsel, and procedures shall not impose overly burdensome requirements concerning mandatory personal appearances. All parties to such procedures shall be duly entitled to substantiate their claims and to present all relevant evidence. The procedure shall provide a means to identify and protect confidential information, unless this would be contrary to existing constitutional requirements.

*(footnote original)*<sup>11</sup> For the purpose of this Part, the term "right holder" includes federations and associations having legal standing to assert such rights.

### **1.2 "right holders"**

1. In *US – Section 211 Appropriations Act*, the Appellate Body considered that the term "right holders" included not only persons who had been established as owners of rights but also persons who claimed to have legal standing to assert rights:

"We agree with the Panel that the term 'right holders' as used in Article 42 is not limited to persons who have been established as owners of trademarks. Where the *TRIPS Agreement* confers rights exclusively on 'owners' of a right, it does so in express terms, such as in Article 16.1, which refers to the 'owner of a registered trademark'. By contrast, the term 'right holders' within the meaning of Article 42 also includes persons who claim to have legal standing to assert rights. This interpretation is also borne out by the fourth sentence of Article 42, which refers to 'parties'. Civil judicial procedures would not be fair and equitable if access to courts were not given to both complainants and defendants who purport to be owners of an intellectual property right."<sup>1</sup>

### **1.3 Rights covered by Article 42**

2. In *US – Section 211 Appropriations Act*, the Appellate Body considered the nature of the rights covered by Article 42:

"From all this, we understand that the rights which Article 42 obliges Members to make available to right holders are *procedural* in nature. These *procedural* rights guarantee an international minimum standard for nationals of other Members within the meaning of Article 1.3 of the *TRIPS Agreement*."<sup>2</sup>

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<sup>1</sup> Appellate Body Report, *US – Section 211 Appropriations Act*, para. 217.

<sup>2</sup> Appellate Body Report, *US – Section 211 Appropriations Act*, para. 221.

3. In *US – Section 211 Appropriations Act*, the Appellate Body considered the situation in which a requirement of substantive law made it impossible for a court to rule in favour of a claim to a trademark right and found:

"There is nothing in the *procedural* obligations of Article 42 that prevents a Member, in such a situation, from legislating whether or not its courts must examine *each and every* requirement of substantive law at issue before making a ruling."<sup>3</sup>

4. In *US – Section 211 Appropriations Act*, the Appellate Body applied its findings in respect of Article 42 of the TRIPS Agreement with regard to holders of rights in trademarks and holders of rights in trade names as well.<sup>4</sup>

5. The Panel in *Saudi Arabia – Intellectual Property Rights* began its analysis of the complainant's claim under Article 42 of the TRIPS Agreement by examining the text of Article 42. The Panel interpreted the terms "make available", "civil judicial procedures", and "right holder" to determine, *inter alia*, the ways in which a respondent could be said to have "ma[d]e available" "civil judicial procedures" to a particular "right holder":

"Article 42 is part of Section 2, which deals with civil and administrative procedures and remedies. Article 42 details specific requirements in respect of 'civil judicial procedures' concerning the enforcement of any IP rights to ensure that such procedures are 'fair and equitable'. The Appellate Body has noted that, '[l]ike Section 1 of Part III, Section 2 introduces an international minimum standard which Members are bound to implement in their domestic legislation'.

Footnote 11 to Article 42 clarifies that, for the purpose of Part III, the term 'right holder' includes federations and associations having legal standing to assert such rights. The Appellate Body has noted that the term 'right holders' within the meaning of Article 42 'includes persons who claim to have legal standing to assert rights'.

The basic obligation in the first sentence of Article 42 is that Members shall 'make available' to 'right holders' 'civil judicial procedures' concerning the enforcement of any IP right covered by the TRIPS Agreement. The Appellate Body has elaborated that '[m]aking something *available* means making it 'obtainable', putting it 'within one's reach' and 'at one's disposal' in a way that has sufficient force or efficacy'; therefore, 'the ordinary meaning of the term 'make available' suggests that 'right holders' are entitled under Article 42 to have *access* to civil judicial procedures that are effective in bringing about the enforcement of their rights covered by the Agreement'.

The Appellate Body has further noted that:

Article 42, first sentence, does not define what the term 'civil judicial procedures' in that sentence encompasses. The *TRIPS Agreement* thus reserves, subject to the procedural minimum standards set out in that Agreement, a degree of discretion to Members on this, taking into account 'differences in national legal systems'.<sup>5</sup> Indeed, no Member's national system of civil judicial procedures will be identical to that of another Member.<sup>6</sup>

Section 2 of Part III of the TRIPS Agreement also contains Article 49, entitled 'Administrative Procedures'. Article 49 provides that, to the extent that any civil remedy can be ordered as a result of 'administrative procedures' on the merits of a case, such procedures shall conform to the principles equivalent in substance to those set forth in Section 2."<sup>7</sup>

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<sup>3</sup> Appellate Body Report, *US – Section 211 Appropriations Act*, paras. 221 and 226.

<sup>4</sup> Appellate Body Report, *US – Section 211 Appropriations Act*, paras. 222-231 and 358.

<sup>5</sup> (footnote original) Recital 2(c) of the Preamble to the *TRIPS Agreement*.

<sup>6</sup> (footnote original) Appellate Body Report, *US – Section 211 Appropriations Act*, para. 216.

<sup>7</sup> Panel Report, *Saudi Arabia – Intellectual Property Rights*, paras. 7.185-7.189.

6. After having set out its interpretation of the text of Article 42, the Panel addressed the complainant's claim under Article 42. The Panel examined whether the evidence and argumentation submitted by the complainant established that a "right holder" of particular "works" was prevented from obtaining legal counsel in the respondent's territory to enforce its IP rights through civil enforcement procedures before courts and tribunals in the respondent's territory.

7. First, the Panel concluded that a particular foreign television operator based in the territory of the complainant whose rights were at issue, was undoubtedly a "right holder" for purposes of Articles 41.1 and 42 of the TRIPS Agreement. The Panel recalled that beIN had made substantial investments in acquiring licenses to broadcast content produced by major international right holders, and had obtained the exclusive rights to broadcast, and to authorize others to broadcast, prime sporting competitions in the relevant region, including in the respondent's territory.<sup>8</sup>

8. Second, the Panel turned to the term "works", considering it clear that sports broadcasts of the type that the foreign television operator had been licensed to distribute constitute protected "works" under the provisions of the Berne Convention (1971) as incorporated into the TRIPS Agreement, and are covered by the definition of "Audio-Visual Work" under Article 1 of the respondent's copyright law, or otherwise protected under that law. The Panel noted that there was no disagreement between the parties on this issue.<sup>9</sup>

9. The Panel also noted further evidence that the foreign television operator was the "right holder" of particular "works":

"In addition, beIN generally owns the copyright in any match/event commentary produced by beIN, as well as studio programming such as interviews, beIN logos and musical works. beIN also owns the related rights conferred on broadcasting organizations, including the right to prohibit unauthorized fixations, reproductions of fixations and rebroadcasting by wireless means of broadcasts, as well as communications to the public of television broadcasts of the same. In some instances, beIN had the right to take action under the Saudi Copyright Law in respect of an infringed copyright work or related right where beIN is not the owner of that right."<sup>10</sup>

10. Third, having found that the foreign television operator was a "right holder" with respect to particular "works", the Panel found that the respondent had acted inconsistently with the obligation in the third sentence of Article 42 requiring that parties "be allowed to be represented by independent legal counsel". Specifically, the Panel stated:

"The Panel has found that Saudi Arabia has taken measures that, directly or indirectly, have had the result of preventing beIN from obtaining Saudi legal counsel to enforce its IP rights through civil enforcement procedures before Saudi courts and tribunals. Given that beIN is a right holder for purposes of Article 42 of the TRIPS Agreement, it follows that Saudi Arabia has acted inconsistently with the specific requirement, in the third sentence of Article 42, that parties 'shall be allowed to be represented by independent legal counsel'.<sup>11</sup>

11. The Panel declined to rule on the aspect of the complainant's claim under Article 42 concerning the respondent's travel restrictions on the entrance of the complainant's nationals into the respondent's territory. The complainant argued that such travel restrictions prevented its nationals from initiating, conducting, or testifying in proceedings for the enforcement of IP rights in the respondent's courts and tribunals. The Panel considered that addressing the complainant's argument would require it to engage in speculation, declining to do so:

"Qatar has also argued that, because of the travel restrictions at issue, Qatari nationals are generally not permitted to enter the territory of Saudi Arabia, including to initiate, conduct, or testify in proceedings for the enforcement of IP rights. According to Qatar, the inability to personally attend legal proceedings in Saudi Arabia, particularly when considered together with the inability to hire legal counsel,

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<sup>8</sup> Panel Report, *Saudi Arabia – Intellectual Property Rights*, para. 7.190.

<sup>9</sup> Panel Report, *Saudi Arabia – Intellectual Property Rights*, para. 7.191.

<sup>10</sup> Panel Report, *Saudi Arabia – Intellectual Property Rights*, para. 7.192. See also *ibid.* para. 7.193.

<sup>11</sup> Panel Report, *Saudi Arabia – Intellectual Property Rights*, para. 7.194.

'precludes Qatari nationals from presenting evidence in civil judicial proceedings concerning the enforcement of intellectual property rights'. According to Qatar, this violates the specific requirement, in the fourth sentence of Article 42, that litigants 'shall be duly entitled to substantiate their claims and to present all relevant evidence'. As elaborated earlier, the Panel considers that whether or not the travel restrictions would operate to prevent beIN from accessing civil enforcement procedures, if beIN were able to secure legal representation to initiate civil proceedings, is a matter of speculation. In the Panel's view, it is unnecessary to rule on Qatar's argument concerning the fourth sentence of Article 42 in the light of its earlier finding regarding the travel restrictions."<sup>12</sup>

12. The Panel also declined to rule on the aspect of the complainant's claim under Article 42 concerning a requirement that any ruling by a copyright committee must be approved by the relevant government minister (Ministerial approval requirement). The complainant considered that this requirement was a political element that any proceedings resulting in such a ruling are not "civil judicial procedures" in the sense of Article 42. Having found that the Panel would have been required to engage in speculation to determine the manner in which the Ministerial approval requirement operated, the Panel declined to interpret the provision "civil judicial procedures", and thus, to rule on this aspect of the complainant's claim:

"The Panel has also considered Qatar's argument, made in the context of challenging the Ministerial approval requirement as applied to beIN, that the effect of such a 'political' element is that Copyright Committee proceedings are not 'civil judicial procedures' within the meaning of Article 42, first sentence, of the TRIPS Agreement. The Panel considers it unnecessary to express any view on the interpretation of the term 'civil judicial procedures' in the context of the first sentence of Article 42, in the light of its earlier finding regarding the Ministerial approval requirement. As elaborated earlier, Qatar did not make any 'as such' claim in respect of this aspect of Saudi law, and the Panel has concluded that the question of whether—and, if so, how—the Ministerial approval requirement (or replacement measures establishing a different layer of approval) would be applied to beIN, if beIN was able to retain legal counsel in Saudi Arabia and bring a case before the Copyright Committee, would be an exercise in speculation."<sup>13</sup>

13. For these reasons, the Panel concluded that the respondent had acted in a manner inconsistent with Article 42 of the TRIPS Agreement by taking measures that, directly or indirectly, have had the result of preventing beIN from obtaining legal counsel in the respondent's territory to enforce its IP rights through civil enforcement procedures before courts and tribunals in the respondent's territory.<sup>14</sup>

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<sup>12</sup> Panel Report, *Saudi Arabia – Intellectual Property Rights*, para. 7.195.

<sup>13</sup> Panel Report, *Saudi Arabia – Intellectual Property Rights*, para. 7.196.

<sup>14</sup> Panel Report, *Saudi Arabia – Intellectual Property Rights*, para. 7.197.