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1 ARTICLE 70

1.1 Text of Article 70

Article 70

Protection of Existing Subject Matter

1. This Agreement does not give rise to obligations in respect of acts which occurred before the date of application of the Agreement for the Member in question.
2. Except as otherwise provided for in this Agreement, this Agreement gives rise to obligations in respect of all subject matter existing at the date of application of this Agreement for the Member in question, and which is protected in that Member on the said date, or which meets or comes subsequently to meet the criteria for protection under the terms of this Agreement. In respect of this paragraph and paragraphs 3 and 4, copyright obligations with respect to existing works shall be solely determined under Article 18 of the Berne Convention (1971), and obligations with respect to the rights of producers of phonograms and performers in existing phonograms shall be determined solely under Article 18 of the Berne Convention (1971) as made applicable under paragraph 6 of Article 14 of this Agreement.
3. There shall be no obligation to restore protection to subject matter which on the date of application of this Agreement for the Member in question has fallen into the public domain.
4. In respect of any acts in respect of specific objects embodying protected subject matter which become infringing under the terms of legislation in conformity with this Agreement, and which were commenced, or in respect of which a significant investment was made, before the date of acceptance of the WTO Agreement by that Member, any Member may provide for a limitation of the remedies available to the right holder as to the continued performance of such acts after the date of application of this Agreement for that Member. In such cases the Member shall, however, at least provide for the payment of equitable remuneration.

5. A Member is not obliged to apply the provisions of Article 11 and of paragraph 4 of Article 14 with respect to originals or copies purchased prior to the date of application of this Agreement for that Member.

6. Members shall not be required to apply Article 31, or the requirement in paragraph 1 of Article 27 that patent rights shall be enjoyable without discrimination as to the field of technology, to use without the authorization of the right holder where authorization for such use was granted by the government before the date this Agreement became known.

7. In the case of intellectual property rights for which protection is conditional upon registration, applications for protection which are pending on the date of application of this Agreement for the Member in question shall be permitted to be amended to claim any enhanced protection provided under the provisions of this Agreement. Such amendments shall not include new matter.

8. Where a Member does not make available as of the date of entry into force of the WTO Agreement patent protection for pharmaceutical and agricultural chemical products commensurate with its obligations under Article 27, that Member shall:

- (a) notwithstanding the provisions of Part VI, provide as from the date of entry into force of the WTO Agreement a means by which applications for patents for such inventions can be filed;
- (b) apply to these applications, as of the date of application of this Agreement, the criteria for patentability as laid down in this Agreement as if those criteria were being applied on the date of filing in that Member or, where priority is available and claimed, the priority date of the application; and
- (c) provide patent protection in accordance with this Agreement as from the grant of the patent and for the remainder of the patent term, counted from the filing date in accordance with Article 33 of this Agreement, for those of these applications that meet the criteria for protection referred to in subparagraph (b).

9. Where a product is the subject of a patent application in a Member in accordance with paragraph 8(a), exclusive marketing rights shall be granted, notwithstanding the provisions of Part VI, for a period of five years after obtaining marketing approval in that Member or until a product patent is granted or rejected in that Member, whichever period is shorter, provided that, subsequent to the entry into force of the WTO Agreement, a patent application has been filed and a patent granted for that product in another Member and marketing approval obtained in such other Member.

1.2 General

1.2.1 Relationship between Article 70.1 and 70.2

1. In *Canada – Patent Term*, Canada argued that the grant of a patent term is an integral part of the act granting the patent in question. As such, Canada considered that the length of the patent terms falls within the scope of the term "act" contained in Article 70.1. From this, Canada concluded that the grant of the patent term is part of an act which occurred before the entry into force of the TRIPS Agreement, with the result that Article 33 did not apply. With respect to the relationship between Article 70.1 and 70.2, Canada argued that the phrase "except as otherwise provided for in this Agreement" demonstrates that Article 70.2 does not apply in this instance and that Article 70.1 takes precedence over Article 70.2. The Appellate Body rejected this argument:

"Like the Panel, we see Articles 70.1 and 70.2 as dealing with two distinct and separate matters. The former deals with past 'acts', while the latter deals with 'subject-matter' existing on the applicable date of the TRIPS Agreement. Article 70.1 of the TRIPS Agreement operates only to exclude obligations in respect of 'acts which occurred' before the date of application of the TRIPS Agreement, but does not exclude rights and obligations in respect of continuing situations. On the contrary, 'subject matter existing ... which is protected' is clearly a continuing situation, whether

viewed as protected inventions, or as the patent rights attached to them. 'Subject matter existing ... which is protected' is not within the scope of Article 70.1, and, therefore, the '[e]xcept as otherwise provided for' clause in Article 70.2 can have no application to it. Thus, for the sake of argument, even if there is a relationship between Article 70.1 and the opening proviso in Article 70.2, Canada's argument with respect to Old Act patents fails nonetheless, as we have concluded that the continuing rights relating to Old Act patents do not fall within the scope of Article 70.1.

We wish to point out that our interpretation of Article 70 does not lead to a 'retroactive' application of the TRIPS Agreement. Article 70.1 alone addresses 'retroactive' circumstances, and it excludes them generally from the scope of the Agreement. The application of Article 33 to inventions protected under Old Act patents is justified under Article 70.2, not Article 70.1. A treaty applies to existing rights, even when those rights result from 'acts which occurred' before the treaty entered into force."¹

1.3 Article 70.1

1.3.1 "acts which occurred before the date of application of the Agreement"

2. In *Canada – Patent Term*, in the context of juxtaposing the term "acts" under Article 70.1 and the term "subject-matter" under Article 70.2, the Appellate Body held with respect to the former:

"Our main task is to give meaning to the phrase 'acts which occurred before the date of application' and to interpret Article 70.1 harmoniously with the rest of the provisions of Article 70. We are of the view that the term 'acts' has been used in Article 70.1 in its normal or ordinary sense of 'things done', 'deeds', 'actions' or 'operations'. In the context of 'acts' falling within the domain of intellectual property rights, the term 'acts' in Article 70.1 may, therefore, encompass the 'acts' of public authorities (that is, governments as well as their regulatory and administrative authorities) as well as the 'acts' of private or third parties. Examples of the 'acts' of public authorities may include, in the field of patents, the examination of patent applications, the grant or rejection of a patent, the revocation or forfeiture of a patent, the grant of a compulsory licence, the impounding by customs authorities of goods alleged to infringe the intellectual property rights of a holder, and the like. Examples of 'acts' of private or third parties may include 'acts' such as the filing of a patent application, infringement or other unauthorized use of a patent, unfair competition, or abuse of patent rights."²

3. The Appellate Body then reached a conclusion on the scope of application of Article 70.1:

"We conclude, therefore, that Article 70.1 of the TRIPS Agreement cannot be interpreted to exclude existing rights, such as patent rights, even if such rights arose through acts which occurred before the date of application of the TRIPS Agreement for a Member. We, therefore, confirm the finding of the Panel that Article 70.1 does not exclude from the scope of the TRIPS Agreement Old Act patents [i.e. Canadian patents granted on the basis of patent applications filed before 1 October 1989] that existed on the date of application of the TRIPS Agreement for Canada."³

4. In reaching the previous conclusion, the Appellate Body relied both on the wording of Article 70.1. as well as on the object and purpose of the TRIPS Agreement:

"The ordinary meaning of the term 'acts' suggests that the answer to this question must be no. An 'act' is something that is 'done', and the use of the phrase 'acts which occurred' suggests that what was done is now complete or ended. This excludes situations, including existing rights and obligations, that have *not* ended. Indeed, the title of Article 70, 'Protection of Existing Subject Matter', confirms contextually that

¹ Appellate Body Report, *Canada – Patent Term*, paras. 69-70.

² Appellate Body Report, *Canada – Patent Term*, para. 54.

³ Appellate Body Report, *Canada – Patent Term*, para. 60.

the focus of Article 70 is on bringing within the scope of the *TRIPS Agreement* 'subject matter' which, on the date of the application of the Agreement for a Member, is existing and which meets the relevant criteria for protection under the Agreement.

A contrary interpretation would seriously erode the scope of the other provisions of Article 70, especially the explicit provisions of Article 70.2. Almost any existing situation or right can be said to have arisen from one or more past 'acts'. For example, virtually all contractual and property rights could be said to arise from 'acts which occurred' in the past. If the phrase 'acts which occurred' were interpreted to cover all *continuing* situations involving patents which were granted before the date of application of the *TRIPS Agreement* for a Member, including such rights as those under Old Act patents, then Article 70.1 would preclude the application of virtually the whole of the *TRIPS Agreement* to rights conferred by the patents arising from such 'acts'. This is not consistent with the object and purpose of the *TRIPS Agreement*, as reflected in the Preamble of the Agreement."⁴

1.4 Article 70.2

1.4.1 "subject matter existing at the date of application of this Agreement"

5. In *Canada – Patent Term*, the Appellate Body distinguished clearly between the term "acts" within Article 70.1. and the term "subject-matter" under Article 70.2. With respect to the latter term, the Appellate Body relied, *inter alia*, on the use of the term in other provisions of the TRIPS Agreement:

"We agree with the Panel's reasoning that 'subject matter' in Article 70.2 refers, in the case of patents, to inventions. The ordinary meaning of the term 'subject-matter' is a 'topic dealt with or the subject represented in a debate, exposition, or work of art'. Useful context is provided by the qualification of the term 'subject matter', in the same sentence of Article 70.2, by the word 'protected', as well as by the phrase 'meet the criteria for protection under the terms of this Agreement' appearing later in the same sentence. As noted earlier, the title to Article 70 also uses the words 'Protection of Existing Subject Matter'. We can deduce, therefore, that the 'subject matter', for purposes of Article 70.2, is that which is 'protected', or 'meets the criteria for protection', under the terms of the TRIPS Agreement. As, in the present case, patents are the means of protection, then whatever patents protect must be the 'subject matter' to which Article 70.2 refers.

Articles 27, 28, 31 and 34 of the *TRIPS Agreement* also use the words 'subject-matter' with respect to patents and provide an equally useful context for interpretation. Article 27, entitled 'Patentable Subject-matter', states: 'patents shall be available for any *inventions*' ... This Article identifies the criteria that an invention must fulfill in order to be eligible to receive a patent, and it also identifies the types of inventions that may be excluded from patentability even if they meet those criteria. On the other hand, in Articles 28, 31 and 34, the words 'subject-matter' relate to patents that are granted pursuant to the criteria in Article 27; that is to say, these Articles relate to inventions that are protected by patents granted, as distinguished from the 'patentable' inventions to which Article 27 refers. These Articles confirm the conclusion that *inventions* are the relevant 'subject-matter' in the case of patents, and that the 'subject-matter' in Article 70.2 means, in the case of patents, patentable or patented inventions. Article 70.2 thus gives rise to obligations in respect of all such inventions existing on the date of application of the *TRIPS Agreement* for a Member. In the appeal before us, where the measure in dispute is Section 45 of Canada's *Patent Act*, which applies to Old Act patents, the word 'subject-matter' means the inventions that were protected by those patents. We, therefore, confirm the conclusion of the Panel in this regard."⁵

⁴ Appellate Body Report, *Canada – Patent Term*, paras. 58-59.

⁵ Appellate Body Report, *Canada – Patent Term*, paras. 65-66.

1.5 Article 70.8

1.5.1 "a means by which applications for patents for such inventions can be filed"

6. In *India – Patents (US)*, in reviewing the Panel's finding that the patent law of India was inconsistent with Article 70.8, the Appellate Body considered the meaning of the term "means" within the phrase "a means by which applications for patents for such inventions can be filed":

"Article 70.8(a) imposes an obligation on Members to provide 'a means' by which mailbox applications can be filed 'from the date of entry into force of the WTO Agreement'. Thus, this obligation has been in force since 1 January 1995. The issue before us in this appeal is not whether this obligation exists or whether this obligation is now in force. Clearly, it exists, and, equally clearly, it is in force now. The issue before us in this appeal is: what precisely is the 'means' for filing mailbox applications that is contemplated and required by Article 70.8(a)?

...

We believe the Panel was correct in finding that the 'means' that the Member concerned is obliged to provide under Article 70.8(a) must allow for 'the entitlement to file mailbox applications and the allocation of filing and priority dates to them'. Furthermore, the Panel was correct in finding that the 'means' established under Article 70.8(a) must also provide 'a sound legal basis to preserve novelty and priority as of those dates'. These findings flow inescapably from the necessary operation of paragraphs (b) and (c) of Article 70.8."⁶

7. While the term "means" was held to include the notion of a "sound legal basis", the Appellate Body also found that such a "sound legal basis" did not have to provide for complete legal certainty with respect to the future grant of the relevant patent:

"However, we do not agree with the Panel that Article 70.8(a) requires a Member to establish a means 'so as to eliminate any reasonable doubts regarding whether mailbox applications and eventual patents based on them could be rejected or invalidated because, at the filing or priority date, the matter for which protection was sought was unpatentable in the country in question'. India is entitled, by the 'transitional arrangements' in paragraphs 1, 2 and 4 of Article 65, to delay application of Article 27 for patents for pharmaceutical and agricultural chemical products until 1 January 2005. In our view, India is obliged, by Article 70.8(a), to provide a legal mechanism for the filing of mailbox applications that provides a sound legal basis to preserve both the novelty of the inventions and the priority of the applications as of the relevant filing and priority dates. No more."⁷

1.6 Article 70.9

1.6.1 "exclusive marketing rights"

8. In *India – Patents (US)*, reviewing the Panel's finding that the patent law of India was inconsistent with Article 70.9, the Appellate Body addressed the relationship between Article 70.8(a) and 70.9:

"By its terms, Article 70.9 applies only in situations where a product patent application is filed under Article 70.8(a). Like Article 70.8(a), Article 70.9 applies 'notwithstanding the provisions of Part VI'. Article 70.9 specifically refers to Article 70.8(a), and they operate in tandem to provide a package of rights and obligations that apply during the transitional periods contemplated in Article 65. It is obvious, therefore, that both

⁶ Appellate Body Report, *India – Patents (US)*, paras. 54 and 57.

⁷ Appellate Body Report, *India – Patents (US)*, para. 58.

Article 70.8(a) and Article 70.9 are intended to apply as from the date of entry into force of the WTO Agreement."⁸

9. In *India – Patents (EC)*, examining the EC claim under Article 70.9, the Panel addressed the argument by India that Article 70.9, by referring only to the grant of "exclusive marketing rights" should be distinguished from e.g. the phrase "patents shall be available" under Article 27:

"India essentially repeats its arguments in the previous case that the obligations under Article 70.9 should be distinguished from those under other provisions of the TRIPS Agreement because it uses the term 'exclusive marketing rights shall be granted ...'. According to India, there is a material difference between this expression and such other expressions as 'patents shall be available ...' in Article 27. We disagree. The Panel report in dispute WT/DS50 [*India – Patents (US)*] points out that the term 'right' connotes an entitlement to which a person has a just claim and that, as such, it implies general, non-discretionary availability in the case of those eligible to exercise it. It was held that an exclusive marketing right could not be 'granted' in a specific case unless it was 'available' in the first place. The Panel's view was upheld by the Appellate Body, and we do not see any reason to adopt a different position in the present case. In this connection, we would also note that India considers that exclusive marketing rights are to be granted in response to requests from those who are eligible. In our view, a request-based system of rights cannot operate effectively unless there is a mechanism in place that establishes general availability and enables such requests to be made."⁹

1.7 Relationship with other provisions of the TRIPS Agreement

1.7.1 Relationship between Section 5 of Part II and Article 70.2

10. In *Canada – Patent Term*, the Appellate Body addressed the relationship between Section 5 and Article 70.2:

"Article 70.2 applies the obligations of the TRIPS Agreement to 'all subject matter existing ... and which is protected' on the date of application of the TRIPS Agreement for a Member. A Member is required, as from that date, to implement all obligations under the TRIPS Agreement in respect of such existing subject matter. This includes the obligation in Article 33. We see no basis in the text for isolating or insulating the obligation in Article 33 relating to the duration of a patent term from the other obligations relating to patents that are also found in Section 5 of the TRIPS Agreement. There is nothing whatsoever in Section 5 to indicate that the obligation relating to patent term in Article 33 differs in application in any respect from the other obligations in Section 5. An obligation that relates to duration must necessarily have a beginning and an end date. On that ground alone, it cannot be argued that the obligation is attached to, and arises uniquely from, certain 'acts'. Although Canada has not done so, it could just as easily be argued that the exclusive rights under Article 28 are also an 'integral part' of the 'act' of granting a patent, as those rights also can arise only from the grant and consequent existence of a patent."¹⁰

1.7.2 Relationships between Articles 65 and 66 and Articles 70.8 and 70.9

11. The Panel in *India – Patents (US)* made clear that Article 70.8 is also one of the provisions of the TRIPS Agreement to which the transition period of Article 65 does not apply:

"However, these transitional provisions [in Article 65] are not applicable to Article 70.8, which ensures that, if product patent protection is not already available for pharmaceutical and agricultural chemical product inventions, a means must be in place as of 1 January 1995 which allows for the entitlement to file patent applications for such inventions and the allocation of filing and priority dates to them so that the

⁸ Appellate Body Report, *India – Patents (US)*, para. 82.

⁹ Panel Report, *India – Patents (EC)*, para. 7.65.

¹⁰ Appellate Body Report, *Canada – Patent Term*, para. 77.

novelty of the inventions in question and the priority of the applications claiming their protection can be preserved for the purposes of determining their eligibility for protection by a patent at the time that product patent protection will be available for these inventions, i.e. at the latest after the expiry of the transitional period."¹¹

12. Certain provisions of the TRIPS Agreement contain obligations contingent upon the applicability of Article 65 (and 66). The Panel in *India – Patents (US)* held with respect to Article 70.9:

"As is the case with Article 70.8(a), the granting of exclusive marketing rights is a special obligation linked with the enjoyment by Members of the transitional arrangements under Articles 65 and 66 of the Agreement."¹²

Current as of: June 2020

¹¹ Panel Report, *India – Patents (US)*, para. 7.27.

¹² Panel Report, *India – Patents (US)*, para. 7.59.