

## US – SECTION 211 APPROPRIATIONS ACT<sup>1</sup> (DS176)

PARTIES		AGREEMENTS	TIMELINE OF THE DISPUTE	
Complainant	European Communities	TRIPS Arts. 2, 3, 4, 15, 16 and 42 Paris Convention	Establishment of Panel	26 September 2000
			Circulation of Panel Report	6 August 2001
Respondent	United States		Circulation of AB Report	2 January 2002
			Adoption	1 February 2002

### 1. MEASURE AND INTELLECTUAL PROPERTY AT ISSUE

- **Measure at issue:** Section 211 of the US Omnibus Appropriations Act of 1998, prohibiting those having an interest in trademarks/trade names related to certain businesses or assets confiscated by the Cuban government from registering/renewing such trademarks/names without the original owner's consent.
- **IP at issue:** Trademarks or trade names related to such confiscated goods.

### 2. SUMMARY OF KEY PANEL/AB FINDINGS<sup>2</sup>

#### *Section 211(a)(1)*

- **TRIPS Art. 15 (trademarks – protectable subject matter) and Art. 2.1 (Paris Convention Art. 6quinquies A(1):** As Art. 15.1 embodies a definition of a trademark and sets forth only the eligibility criteria for registration as trademarks (but not an obligation to register “all” eligible trademarks), the Appellate Body found that Section 211(a)(1) was not inconsistent with Art. 15.1, as the regulation concerned “ownership” of a trademark. The Appellate Body also agreed with the Panel that Section 211(a)(1) was not inconsistent with Paris Convention Art. 6quinquies A(1), which addresses only the “form” of a trademark, not ownership.

#### *Sections 211(a)(2) and (b)*

- **TRIPS Arts. 16.1 (trademarks – exclusive rights of the owners and limited exceptions) and 42 (civil and administrative procedures and remedies):** As there are no rules determining the “owner” of a trademark (i.e. discretion left to individual countries), the Appellate Body found that Section 211(a)(2) and (b) were not inconsistent with Art. 16.1. The Appellate Body, reversing the Panel, found that Section 211(a)(2) on its face was not inconsistent with Art. 42, as it gave right holders access to civil judicial procedures, as required under Art. 42, which is a provision on procedural obligations, while Section 211 affects substantive rights.
- **Paris Convention Art. 2(1) (TRIPS Art. 3.1 (national treatment)):** As to the effect on “successors-in-interest”, the Appellate Body found that Section 211(a)(2) violated the national treatment obligation, because it imposed an extra procedural hurdle on Cuban nationals. As for the effect on original owners, the Appellate Body reversed the Panel and found that Section 211(a)(2) and (b) violate the national treatment obligations as they applied to original owners who were Cuban nationals, but not to “original owners” who were US nationals.
- **TRIPS Art. 4 (most-favoured-nation treatment):** Reversing the Panel, the Appellate Body found that Section 211(a)(2) and (b) violated the most-favoured-nation obligation, because only an “original owner” who was a Cuban national was subject to the measure at issue, whereas a non-Cuban “original owner” was not.

#### *Trade names*

- **Scope of the TRIPS Agreement:** Reversing the Panel, the Appellate Body concluded that trade names are covered under the TRIPS Agreement, because, *inter alia*, Paris Convention, Art. 8 covering trade names is explicitly incorporated into TRIPS Art. 2.1 (MFN treatment).
- **TRIPS Arts. 3.1, 4 and 42 and Paris Convention:** The Appellate Body completed the Panel's analysis on trade names and reached the same conclusions as in the context of trademarks above, because Sections 211(a)(2) and (b) operated in the same manner for both trademarks and trade names.

<sup>1</sup> United States – Section 211 Omnibus Appropriations Act of 1998

<sup>2</sup> Other issues addressed: TRIPS Art. 15.2; Paris Convention, Art. 8; scope of appellate review (question of fact or law, DSU Art. 17.6); characterization of the measure (ownership); information from WIPO.