Private lawyers won't handle hearings under GATT system for IP disputes

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GATT and All That: In April the agreements arising from the Uruguay Round of the Multilateral Trade Negotiations will be signed, no doubt with much hoopla and many photo opportunities.

Part of the package is an agreement dealing with intellectual property, the Agreement on Trade Related Aspects Of Intellectual Property Rights Including Trade in Counterfeit Goods, commonly known as TRIPS.

TRIPS is part of the trade deal mainly at the insistence of the United States. Much of it reads like a basic outline of intellectual property law. Think of the Bar Admission materials and you get the idea. The IP laws of the member countries (all 117 of them) must follow the basic principles set out in the agreement.

All this will not have much effect on Canada's IP laws because, for the most part, Canada has already made the changes necessary to harmonize our IP laws. Compulsory licensing of pharmaceutical patents, for example, was thought to be contrary to TRIPS and NAFTA, and was axed last year by Bill C-91 (although this issue may resurface - see below).

The standardization of IP laws through TRIPS is aimed not so much at relatively civilized first-world countries like Canada, but more at third world countries where IP rights have traditionally not been taken seriously.

If the banana republic of Ruritania, for example, has been manufacturing knock-off widgets, TRIPS may put a stop to it (assuming Ruritania is a party to the deal). Under TRIPS, Ruritanian laws concerning trade marks, patents and so on must follow the pattern set out in TRIPS. As well, Ruritania may have to spruce up its court system. As TRIPS says, "Procedures concerning the enforcement of intellectual property rights shall be fair and equitable. They shall not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays."

How does all this affect us lawyers in the real world?

Say your client is the Acme Widget Company, manufacturer of the patented ACME widget. Acme is being hurt by low-cost, infringing widgets made in Ruritania. Your client has tried to sue the culprits there, but cannot because of the backward Ruritanian IP laws and corrupt Ruritanian courts.

Once TRIPS is in force, if your client can convince the Canadian government to go to bat for it, Canada can make complaint under the dispute resolution mechanism in GATT, and ultimately go before a panel to argue that Ruritania is not in compliance with TRIPS. If the panel agrees, Ruritania will be ordered to shape up and, if it does not, will be hit with trade sanctions

However only "Members", meaning countries, can be a party to this process, so we private practitioners will not be appearing before the panels; that will be done by the Trade Law Division of the Department of Foreign Affairs and International Trade or the Department of Justice.

Could Compulsory Licensing Rise From the Dead? Part of the rationale for the controversial Bill 91, the bill that axed compulsory licensing of pharmaceutical patents, has always been that Canada must get rid of compulsory licenses because we are obliged under TRIPS and NAFTA to give all patent owners, including pharmaceutical companies, 20 years of patent protection.

However, this conventional wisdom has come under attack from Professor J.-G. Castel, professor of International Business Law at Osgoode Hall, who wrote an opinion in March, 1993 arguing that compulsory licensing does not infringe TRIPS or NAFTA. The opinion has been circulated in government circles by the lobbyists representing the generic drug companies. Since the opinion was written, of course, the Liberals have come to power, who may be inclined to view Bill C-91 as a bad idea left over from the Mulroney government. The opinion is based on the ambiguity of the following Article in the section of TRIPS dealing with patents:

> Members may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not unreasonably conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner, taking account of the legitimate interests of third parties.

It makes you wonder, who drafted *that*? What is a "limited" exception? What is an "unreasonable" as opposed to a reasonable conflict? What are the patent owner's "legitimate" as opposed to illegitimate interests?

NHL GETS A MISCONDUCT: Switching topics altogether, one of the more entertaining recent IP cases is *Centre Ice Limited v. National Hockey League* in which the NHL dropped its gloves to duke it out with a little store in Calgary, Alberta called Centre Ice. The brawl was over the name Centre Ice, which the store had been using since 1986.

In 1991, the NHL decided to apply for a trade mark registration for "CENTRE ICE" and started using the name on hockey clothes and equipment. The store tried to get the NHL to withdraw its application, and when this was unsuccessful, started an action in the Federal Court and sought an interlocutory injunction in Alberta. The NHL retained all-star enforcer Lorne Morphy of Tory, Tory Deslauriers & Binnington from Toronto to oppose the injunction.

In a decision released in December, 1993, Mr. Justice Muldoon granted an injunction in a portion of Alberta against all use of the name Centre Ice by the NHL, including by broadcasting. Mr. Justice Muldoon also took the NHL to task for its attitude towards the plaintiff, observing "Perhaps NHL should have taken a less lordly disdain toward the plaintiff since the NHL's solicitors seem utterly to have failed to have discovered the public registration of the name "Centre Ice", with Alberta Consumer & Corporate Affairs...". The court called the main affidavit filed by the NHL "argumentative, speculative and non-factual", and observed that "There is no proposition of law, known to this Court which requires the small local commercial concern to be sacrificed to the convenience or the commercial preponderance of a bigger transprovincial or international concern."