

UNITED STATES – SECTION 211 OMNIBUS APPROPRIATIONS ACT OF 1998

Request for the Establishment of a Panel by the European Communities
and their member States

The following communication, dated 30 June 2000, from the Permanent Delegation of the European Commission to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 6.2 of the DSU.

On behalf of the European Communities and their member States, we hereby submit the following request for consideration at the next meeting of the Dispute Settlement Body. Section 211 United States Omnibus Appropriations Act of 1998 was signed into law on 21 October 1998 (Pub. Law. 105-277(1998); hereafter "Section 211"). The main substantive provisions of Section 211 are contained in its paragraphs (a)(1), (a)(2) and (b). Section 211, paragraph (a)(1), was implemented in the Cuban Assets Control Regulations (31 CFR 515) effective as of 10 May 1999 (64 FR 25808).

1. Section 211, paragraph (a)(1) United States Omnibus Appropriations Act of 1998

Section 211, paragraph (a)(1), concerns transactions or payments pursuant to section 515.527 of title 31 of the U.S. Code of Federal Regulations, i.e. the registration or renewal in the United States Patent and Trademark Office of a trademark, trade-name or commercial name. Section 211, paragraph (a)(1), limits the right to register or renew in the United States Patent and Trademark Office a trademark, trade-name or commercial name that is the same as or substantially similar to a trademark, trade-name or commercial name that was used in connection with a business or assets that were confiscated as defined in section 515.336 of title 31 of the U.S. Code of Federal Regulations (see Section 211, paragraph (d)(2)) in so far as the registration or renewal requires the express consent of the original owner or his bona fide successor-in-interest of the trademark, trade-name or commercial name.

The European Communities and their member States consider that Section 211, paragraph (a)(1) is in contradiction with several provisions of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (hereafter "TRIPs Agreement"), and notably its Article 2, paragraph 1, in conjunction with Article 6 *quinquies*, paragraph A(1) of the Paris Convention for the Protection of Industrial Property (1967), and Article 15, paragraph 1.

2. Section 211, paragraph (a)(2) United States Omnibus Appropriations Act of 1998

Section 211, paragraph (a)(2), concerns the assertion before U.S. courts of rights based on common law rights or on a registration obtained under section 515.527 of title 31 of the U.S. Code of Federal Regulations of such a confiscated trademark, trade-name or commercial name. It follows that Section 211, paragraph (a)(2), refers to trademarks, trade-names or commercial names as defined in Section 211, paragraph (a)(1), i.e. that are the same

as or substantially similar to trademarks, trade-names or commercial names that were used in connection with a business or assets that were confiscated. Under Section 211, paragraph (a)(2), U.S. courts shall not recognize, enforce or otherwise validate the assertion of such rights by a designated national. Designated nationals are defined in section 515.305 of title 31 of the U.S. Code of Federal Regulations and include nationals of any foreign country who are successors-in-interest to a designated national (see Section 211, paragraph (d)(1)).

The European Communities and their member States are of the view that Section 211, paragraph (a)(2) violates several provisions of the TRIPs Agreement, and notably its Article 2, paragraph 1, in conjunction with Articles 6 *bis*, paragraph (1), and 8 of the Paris Convention for the Protection of Industrial Property (1967), and Article 16, paragraph 1, which oblige WTO Members to provide protection for trademarks, trade-names or commercial names. In addition, this provision violates the enforcement provisions under the TRIPs Agreement, and notably its Article 42. Furthermore, Section 211, paragraph (a)(2) is in breach of Article 3, paragraph 1, and Article 2, paragraph 1, of the TRIPs Agreement, in conjunction with Article 2, paragraph (1), of the Paris Convention for the Protection of Industrial Property (1967), which provide that each WTO Member shall accord to the nationals of other WTO Members treatment no less favourable than it accords to its own nationals. Lastly, Section 211, paragraph (a)(2) violates Article 4 of the TRIPs Agreement which provides that any advantage granted by a WTO Member to the nationals of any other country shall be accorded immediately and unconditionally to the nationals of all other WTO Members.

3. Section 211, paragraph (b) United States Omnibus Appropriations Act of 1998

Section 211, paragraph (b), concerns the assertion before U.S. courts of treaty rights under sections 44(b) or (e) of the Trademark Act of 1946 (15 U.S.C. 1126(b) or (e)) for trademarks, trade-names or commercial names that are the same as or substantially similar to trademarks, trade-names or commercial names that were used in connection with a business or assets that were confiscated. Under Section 211, paragraph (b), U.S. courts shall not recognize, enforce or otherwise validate the assertion of such rights by a designated national. Furthermore, under Section 211, paragraph (b), U.S. courts shall not recognize, enforce or otherwise validate the assertion of such rights unless the original owner or his bona fide successor-in-interest of the trademark, trade-name or commercial name has expressly consented.

The European Communities and their member States consider that Section 211, paragraph (b), is in contradiction with Article 2, paragraph 1, of the TRIPs Agreement in conjunction with Articles 2, paragraph 1, 6 *bis*, paragraph (1), and 8 of the Paris Convention for the Protection of Industrial Property (1967), and Articles 3, paragraph 1, 4, 16, paragraph 1, and 42 of the TRIPs Agreement.

In a communication dated 7 July 1999 (WT/DS176/1-IP/D/20), the European Communities and their member States requested consultations with the United States of America pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes contained in Annex 2 of the WTO Agreement (hereafter "the DSU") and Article 64.1 of the TRIPs Agreement. Such consultations, which were held on 13 September and 13 December 1999, have led to a better understanding of the respective positions, but not to a satisfactory resolution of the dispute.

Accordingly, the European Communities and their member States request the establishment of a panel pursuant to Article 6 of the DSU and Article 64.1 of the TRIPs Agreement to examine the matter in the light of the relevant provisions of the TRIPs Agreement and to find that the United States of America fails to conform to the obligations contained in the provisions of the TRIPs

Agreement hereabove mentioned and thereby nullifies or impairs the benefits accruing directly or indirectly to the European Communities and their member States under the TRIPs Agreement.

The European Communities and their member States request that the panel be established with the standard terms of reference as provided for in Article 7 of the DSU.
