

Original: English

UNITED STATES – US PATENTS CODE

Request for Consultations by Brazil

The following communication, dated 31 January 2001, from the Permanent Mission of Brazil to the Permanent Mission of the United States and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.4 of the DSU.

My authorities have instructed me to request consultations with the Government of the United States pursuant to Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), Article XXII of the General Agreement on Tariffs and Trade 1994 (GATT 1994), Article 64 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) and Article 8 of the Agreement on Trade-Related Investment Measures (TRIMs Agreement), concerning the provisions of the United States Patent Code (United States Code – Title 35 – Patents), in particular those of Chapter 18 [38] – "Patent Rights in Inventions Made with Federal Assistance".

Brazil detected several discriminatory elements in the US Patents Code, as illustrated by, but not limited to, the examples below.

The United States Patents Code stipulates that no small business firm or non-profit organization which receives title to any subject invention and no assignee of any such small business firm or non-profit organization shall grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. In addition, each funding agreement with a small business firm or non-profit organization shall contain appropriate provisions to effectuate the above-mentioned requirement.

The Patents Code also imposes statutory restrictions which limit the right to use or sell any federally owned invention in the United States only to a licensee that agrees that any products embodying the invention or produced through the use of the invention will be manufactured substantially in the United States.

Brazil would be interested to examine these and other provisions of the US Patents Code in consultations with the United States, with a view to understand how the United States justifies the consistency of such requirements with its obligations under the TRIPS Agreement, especially Articles 27 and 28, the TRIMs Agreement, Article 2 in particular, and Articles III and XI of GATT 1994.

We look forward to receiving your reply to the present request and to fixing a mutually convenient date for these consultations in Geneva.
