SETTLEMENT OF DISPUTES UNDER THE TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS (TRIPS) IN COMPARISON WITH SUDANESE LAWS

BY
BENJAMIN BAAK DENG
FACULTY OF LAW, UNIVERSITY OF KHARTOUM

SUPERVISED BY: PROFESSOR AKOLDA MAN TIER

A Thesis Submitted in Partial Fulfillment of the Requirement of LL.M. Degree of the University of Khartoum.

FEBRUARY, ٤٠٠٢
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table of Contents</td>
<td>i</td>
</tr>
<tr>
<td>Dedication</td>
<td>iv</td>
</tr>
<tr>
<td>Abbreviations</td>
<td>v</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>vi</td>
</tr>
<tr>
<td>Preface</td>
<td>vii</td>
</tr>
<tr>
<td>Abstract (in English)</td>
<td>viii</td>
</tr>
<tr>
<td>Abstract (in Arabic)</td>
<td>x</td>
</tr>
<tr>
<td>Tables of Cases</td>
<td>xii</td>
</tr>
<tr>
<td>Sudanese Cases</td>
<td>xii</td>
</tr>
<tr>
<td>Foreign Cases</td>
<td>xii</td>
</tr>
<tr>
<td>Cases decided by International Court of Justice and International Tribunals</td>
<td>xii</td>
</tr>
<tr>
<td>Table of Statutes and Agreements Cited</td>
<td>xiii</td>
</tr>
</tbody>
</table>

## CHAPTER ONE

**DIPLOMATIC AND LEGAL METHODS OF SETTLEMENT OF DISPUTE BETWEEN STATES**

1. Introduction  ........................................................................................................... 1
2. Diplomatic Means of Dispute Settlement .......................................................... 3
   (i) Negotiations or Consultation ........................................................................ 4
   (ii) Inquiry and Fact Finding ............................................................................. 6
   (iii) Mediation and Good Offices ........................................................................ 9
   (iv) Conciliation .................................................................................................... 11
3. Legal Means of Dispute Settlement ..................................................................... 14
   (i) Arbitration ...................................................................................................... 14
   (ii) Judicial Settlement of Disputes .................................................................. 17
4. Conclusion ............................................................................................................. 22

## CHAPTER TWO

**THE THREE STAGES OF RESOLVING CONFLICT IN ACCORDANCE WITH DSU**

1. Introduction  ........................................................................................................... 24
2. Consultation  ............................................................................................................ 26
3. Establishment of a Panel ....................................................................................... 28
   (i) Request for a Panel ......................................................................................... 33
   (ii) Composition of a Panel ................................................................................ 33
   (iii) Functions of a Panel .................................................................................... 30
   (iv) Panel Procedures .......................................................................................... 30
   (v) The Panel’s Interim Review ........................................................................... 37
4. Appellate Review by an Appellate Body ............................................................... 39
CHAPTER THREE
ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS
1. Introduction ........................................... 47
2. Criminal Remedies ................................. 48
3. Civil Remedies ........................................ 49
   (a) Damages ........................................... 50
   (b) Injunction .......................................... 63
   (c) Attachment ........................................ 64
   (d) Rendering of Accounts ....................... 65
   (e) Provisional Measures ......................... 66
4. Conclusion ............................................. 71

CHAPTER FOUR
CONCLUSION AND RECOMMENDATIONS .......... 73

Bibliography .............................................. 81

Appendix ................................................. 83
DEDICATION

To my wife and children, my beloved late mother and to my brother
Bol Deng
ABBREVIATIONS

GATT : General Agreement on Tariffs and Trade
EU : European Union
WTO : World Trade Organization
PCA : Permanent Court of Arbitration
PCIJ : Permanent Court of International Justice
ICJ : International Court of Justice
UN : United Nations
NATO : North Atlantic Treaty Organization
DSU : Dispute Settlement Understanding
TRIPS : Trade-Related Aspects of Intellectual Property Rights
DSB : Dispute Settlement Body
AB : Appellate Body
IP : Intellectual Property
US : United States of America
EC : European Community
IPRS : Intellectual Property Rights
UK : United Kingdom
IGAD : Inter-Governmental Authority on Development
ACKNOWLEDGEMENTS

I am very much indebted to my Supervisor, Professor Akolda Man Tier, without whose sincere advices and guidance this work would not have been accomplished.

My thanks are also due to all the staff of the Library of the Faculty of Law, University of Khartoum for their cooperation during my research.

I am grateful as well to the Staff and Librarians of the Federal Supreme Court Library, specially to Mr. Mohamed Breima El Nur.

Finally, my thanks are due to Mr. Abdalla Abbas of the Faculty of Economic and Social Studies of the University of Khartoum for typing this within a short time.

Benjamin Baak Deng
PREFACE

TRIPS Agreement is a relatively new convention about which no literature is available in Sudan at the moment. Thus lack of references posed great difficulties for me when I decided to write on this topic. Thanks to the good relations between the World Intellectual Property Organization (WIPO) and the Sudan in general and with the Sudan Judiciary in particular periodic seminars and workshops held in Sudan by WIPO through the encouragement of its Director General, Dr. Kamil Idris who happens to be a Sudanese, help me a great deal in this study.

Sudan is currently aspiring to join the WTO and the main objective of this thesis is to find out whether or not the Sudan legal regime is in conformity with the norms and standards of TRIPS Agreement. To this end the present researcher examines a number of Articles related to criminal and civil enforcement of IPRS in the TRIPS Agreement. These Articles are then analysed in comparison with the corresponding provisions in the Sudanese law of intellectual property.
ABSTRACT

Intellectual property rights are limited territorially because they exist and are exercised within the jurisdiction of the country or countries under whose laws they are granted. The extent of protection and enforcement of these rights varies a great deal around the world and as intellectual property is becoming more important in trade, this variation in the protection of intellectual property becomes a source of tension in international economic relations. The TRIPS Agreement tries to control the way these rights are protected around the world by bringing them under common international rules so much so that trade disputes over intellectual property rights are resolved under the WTO’s dispute settlement system.

The wise decision to join the World Trade Organization currently underway in Sudan has made it necessary to focus some attention to this branch of law in Sudan at this point in time.

This thesis attempts to find out whether or not Sudan law of intellectual property conforms with the international standards set out in the TRIPS Agreement. The thesis is divided into four chapters. Chapter One discusses diplomatic and judicial settlement procedures laid down by the United Nations Charter. The chapter explains how this methods have proved their practical usefulness to the extend that they have been adopted as the most suitable and ideal methods for resolving disputes not only between the member states of the United Nations but between member states parties to many other international organizations as well, including the WTO.

Chapter Two discusses the DSU’s three stages of resolving a trade dispute within the WTO’s framework, and how effective this system I as shown by the volume of cases submitted to it including cases which arise from the TRIPS Agreement.

Chapter Three deals with enforcement of intellectual property rights. It compares criminal and civil remedies laid down in the TRIPS Agreement with their corresponding remedies provided under the Sudanese laws.

Chapter Four summarises the thesis and reaches a conclusion that the Sudan legal regime is reasonably in compliance with the norms and standards of TRIPS Agreement and gives a few suggestions in form of recommendations which if adopted could fill the gaps that exist at present.
الخلاص

بلدًا من بلدًا. فقًا إقليمية الفكرية الملكية حقوق الحياة يتحقق الآخرون من هذه ويفند الحياة مدى وختلف العالم.

أهمية الحقوق هذه كانت وليمة طريق الاختلاف فالت دولية التجارة الماجل في الغة المصدر تشكل هذه الحياة ضبط إلى WTO. فننا الدول التجارية المنظمة إليها يسعى السودان لأن ويتحقق المفاوضة في مناطق الفكرية الملكية المتصلة (TRIPS).

الدبلوماسيين طريق الباب الأول الابواب أربعة إلى الواقع تقبل السولاوية المشتركة في علية المجلة المنازعات عليه السودان المقابلة دون أن نعتققل اتفاقية في عليه TRIPS.

الباب يقوم حيث الأعضاء الدول بين الاتهامات الحلة والقضائية.

الإجراءات الثلاثية الأصلية يتصلون اتفاقية حسب الدبلوماسية الملكية المعنية TRIPS.

في هذه الأطراف تساعد أنه الوكالة الثالثة ونافية الأداء خلال سولاوية الائتمانية والتقنية TRIPS.
للمراجعة، نظرًا للاختلافات في الأسلوب واللغة العربية العربية، سأحتاج إلى مساعدة منك لتحديد النص الذي تريده.
TABLES OF CASES

SUDANESE CASES
Cristos V. Yousif Gangi (١٦٩١) SLJR ٦٦٣.

FOREIGN CASES
Cartes-en-Ciel Inc. V. Boutique Elfe Inc. (١٩٩١)٣٣ C.P.R. (٣٢٦٦ (Canada: Court Quebec).
Snow V. Eaton Centre Ltd., (١٩٨١)٩٧ C.P.R. (٧٩) ٦١ (Canada: Ontario High Court).

CASES DECIDED BY THE INTERNATIONAL COURT OF JUSTICE AND THE INTERNATIONAL TRIBUNALS
British Guiana-Venezuela Boundary Case, (١٨٩٣)٢٩ BFSP ٦٩٦.
Chaco Case, (Bolivia/Paraguay, ١٩٧٩).
Dogger Bank Incident Case, The Hague Court Reports, (١٩٦٦) at ٦٩٦ - ٦٩٦.
Franco-Siamese Border Case, (١٨٨١)٦٩ ILM ٦٩٦.
Hostages Cases, Tex of Algiers Accords, ILM (١٨٨١) ٦٩٦.
Railways Traffic between Lithuania and Poland Case, PCIJ, Ser. A/B No. ٦٩, at ٦٩ (١٩٦٦).
TABLE OF STATUTES AND AGREEMENTS CITED

1. Table of Sudanese Statutes cited. The Copyright and Neighbouring Rights Protection Act ١٩٩٦.

The Trade Marks Act ١٩٦٩، ٨ Laws of the Sudan، ١٤٦٢-١٦٠ (١٩٦٢-١٩٧٠).

The Patents Act ١٩٧١، ٧ Laws of the Sudan، ٩٢-١١٧ (١٩٧١-١٩٧١).

The Industrial Designs Act ١٩٧٣، ٨ Laws of the Sudan، ٤٧-٦٠ (١٩٧٣).

The Civil Procedure Act ١٩٨٣.

2. Table of the Main Agreements Cited.


The Statute of the International Court of Justice (١٩٤٥).

Agreement on Trade-Related Aspects of Intellectual Property Rights (١٩٩٤).

Understanding on Rules and Procedures Covering the Settlement of Disputes.

Berne Convention for the Protection of Literary and Artistic Works ١٨٨٦.
CHAPTER ONE

DIPLOMATIC AND LEGAL METHODS OF SETTLEMENT OF DISPUTES BETWEEN STATES

I. Introduction.

Disputes are bound to arise between states over disagreements, claims and counter-claims made by one state against another. Once a dispute has arisen there are usually two ways of solving it: force and reason. These two solutions have been used from time to time in disputes between states. In most cases stronger states have been quick to resort to force against the weak states.

Disputes which lead to violent confrontations between states occur for many reasons. History is littered with many examples of trade disputes turning into war such as the trade war of the 1930s, when countries competed to raise trade barriers in order to protect domestic producers and retaliate against each other’s barriers. This worsened the Great Depression and eventually played a part in the outbreak of World War II. After the Second World War, two developments helped avoid a repeat of the pre-war trade tensions. International Cooperation developed in coal, iron and steel in Europe. Globally, the General Agreement on Tariffs and Trade (GATT) was created. These two development proved successful so much so that they are now considerably expanded. The

---

former has become the European Union (EU) ad the latter has become the World Trade Organization (WTO).\footnote{Id.}

As an alternative solution to the use of force the main function of international courts and tribunals has been and is to resolve disputes between states. Thus when the ٤٤٨ Hague Convention established the Permanent Court of Arbitration (PCA), it did so with a clear desire to avoid force as far as possible between states.\footnote{Id.} The convention urged member states in Article ٤٤٨ to use their best efforts to ensure the pacific settlement of international disputes. Traditional inter-state dispute settlement in contentions cases had been therefore the main preoccupation of both the Permanent Court of International Justice (PCIJ) and as it is now for International Court of Justice (ICJ).\footnote{Id.} It is also the primary function of the established international bodies such as the International Tribunal for the Law of the Sea and the World Trade Organization (WTO) Dispute Settlement Body.\footnote{Id.}

After the Second World War the United Nations Charter finally outlawed the use of force as a means of settling disputes under Article ٤٩٤. It provides that all members of the Untied Nations shall settle their international disputes by peaceful means in such a way that international peace, security and justice are not endangered.\footnote{Id.} The obligation of peaceful settlement of disputes, as this is what it came to be under the UN Charter, applies to disputes rather than to all disagreement between states. And a dispute according to PCIJ, is “a disagreement on a point of law or interests between two persons”. This definition was made in ٤٩٤ in the

\begin{footnotes}
\footnotetext{Id.}{Id.}
\footnotetext{Sands and Klein, Bowett’s Law of International Institutions, ٤٤٨ (٢٠٠٢ ed. ٤٨٨).}
\footnotetext{Id.}{Id.}
\footnotetext{Id.}{Id.}
\footnotetext{Id.}{Henkin, supra note ٤٨, at ٤٩٤.}
\end{footnotes}
Mavrommatis Palestine Concession Case in which the jurisdiction of the PCIJ was challenged.

In the Peace Treaties Case, complaints were made by the United Kingdom and United States of America that Bulgaria, Hungary and Rumania were failing to comply with certain human rights obligations imposed upon them by the Peace Treaties concluded at the end of World War II. But when it was claimed that these complaints evidenced the existence of a dispute which, under the terms of the Peace Treaties could be referred to arbitration, Bulgaria, Hungary and Rumania argued that there was no dispute in existence. In its Advisory Opinion, the PICJ, noting that the two sides held clearly opposite views concerning the question of performance or non-performance of ceria treaty obligations, concluded that international disputes have arisen and asserted that whether or not an international dispute exist is a matter for objective determination by the court. This much is what the meaning of a dispute is under international law. Further elaboration on this point is beyond the scope of this brief examination.

After having outlawed the use of force as stated earlier, the UN Charter then lays down dispute settlement procedures under Article 33(1). Those procedures include, among others, negotiation, inquiry, mediation, conciliation, arbitration and judicial settlement. These procedures are categorized into diplomatic and legal or judicial means of settlement.

In this chapter we will discuss briefly the applications of the dispute settlement procedures with view to finding out how effectively they facilitate the settlement of disputes between states.

---

‘Collir and Lowe, The Settlement of Disputes in International Law, 111-111 (\textsuperscript{1991}).

\` Henkin, supra note 7, at 777.

\" Sands and Klein, supra note 9, at 777.

\" Id.
Diplomatic Means of Dispute Settlement.

Diplomatic or non-adjudicatory means of dispute settlement according to some authors such as Henkin, are preferred by most states because they enable the parties to retain control over the dispute depending on whether they may accept or reject a proposed settlement. The diplomatic means are: negotiation or consultation; inquiry and fact, finding, mediation and good offices and conciliation. We shall discuss them in that order.

(i) Negotiation or Consultation.

Negotiation or consultation is a process by which two parties to a dispute confer to exchange views on the subject-matter of the dispute between them with the view to reaching a solution. Such parties could be individual persons or a group of people or states. States have from time immemorial resorted to this means. As stated earlier the method allows the parties to have control over the results of the disputes which divide them. The vast majority of disputes between states are therefore resolved by direct diplomatic negotiation. In fact, this method is not confined to international law. Most disputes in many legal systems are settled by negotiation or consultations.

States are under implied duty to enter into negotiations from the general obligation of states to settle their disputes peacefully in compliance with Article ²(³) of the United Nations Charter. Some treaties which refer to negotiations or consultations in some cases, such as the North Atlantic Treaty Organization (NATO) Agreement, make prior

---

² Henkin, supra note ⁷, at ⁸⁷⁸.
³ Sands and Klein, supra note ⁸, at ⁸³³.
⁴ Henkin, supra note ⁷, at ⁸⁷⁸.
⁵ Peter Malanczuk, Akehurst’s Modern Introduction to International Law, ⁸⁷⁰ (⁷th ed. ⁹⁹).
consultation or negotiation obligatory before action is taken. The Agreement Governing the Activities of states on the Moon and other Celestial Bodies makes the carrying out of negotiations, consultations or exchange of views obligatory.

Where the parties are under an obligation to negotiate, as they were in the case of Railways Traffic between Lithuania and Poland, the Permanent Court of International Justice decided that they are under an obligation not only to enter into negotiations but to pursue negotiations as far as possible with a view to concluding agreement.

In the case of Mavrommatis, cited above, the court stated that negotiations is the chief method by which states settle their disputes, whether this arises out of their state interests or in respect of claims by their nationals. The court further said that before a dispute can be made the subject of an action at law, its subject-matter should have been defined by diplomatic negotiations. All these precautionary measures of prior consultation or negotiations before action is taken under NATO Agreement, the making of negotiations or consultations obligatory under the Agreement Governing Activities on the Moon and other Celestial Bodies and the requirement of prior definition of the subject-matter of a dispute through diplomatic negotiation laid down by the PCIJ in Mavrommatis case, are ways and means of avoiding war between states.

Negotiations may be bilateral or multilateral depending on the number of the parties involved, multilateral negotiations have of late developed into forms such as collective negotiations. In modern times states have frequently pursued their claims through this method. Under it, a state seeks assistance of a third party which brings about a negotiated solution.

\begin{itemize}
  \item \textsuperscript{\textdegree} Collier and Lowe, supra note \textsuperscript{\textdegree}, at \textsuperscript{\textdegree}.
  \item \textsuperscript{\textdegree\textdegree} Id.
  \item \textsuperscript{\textdegree\textdegree\textdegree} Id., at \textsuperscript{\textdegree\textdegree}.
\end{itemize}
through a process known as “the Lumpsum Settlement Agreement”. A state negotiates a settlement of claims that it presents on behalf of a large number of individuals and corporations who have it nationality. The state first gathers evidence that enables it to estimate the total value of the claims in question. This is done through public announcements requiring the registration of claims against the foreign state within set time limits. It then proceeds to negotiate with the state against which the claims are made. Agreement is reached on a whole sum payable in full settlement of all the claims. That sum is then available for distribution between the claimants. At this stage there is a further process in which claimants must provide full proof of their losses to a claims commission established in the state which has negotiated the settlement on their behalf. It is this commission which determines the amount of each claim which is eligible for compensation. Once the total of eligible claim is known the lumpsum is distributed equally between the claimants.

One point which is worth noting about collective negotiations is the use of third party. This development marks a departure from negotiation practice which involves only the two parties to the dispute exchanging views on the subject matter of their dispute. Third party intervention is a practice used in the dispute settlement procedures which we are going to discuss fate this procedure.

In the United Kingdom the function of collective negotiation is discharged by the Foreign Compensation Commission. In United States of America it is done by the Foreign Claims Settlement Commission.

To conclude, it could be said that negotiation is moving away from being a mere exchange of view between disputing state parties to a mechanism whereby the assistance of a third party is sought and relied on. The fact is, it is indeed a useful dispute settlement procedure.

---

¹ Id., at ɣ.
(ii) Inquiry and Fact Finding.

Fact finding and inquiry are two terms used interchangeably as methods for establishing facts in international laws. Most international disputes raise questions of fact and instead of engaging in direct diplomatic negotiations the parties may wish the facts to be known first before they think for the solution. Finding of facts is carried out by an impartial body who in doing so helps reduce, in most cases, the tension in the area of disagreement between the disputing parties. The parties agree to appoint a body to conduct an inquiry with view to producing an impartial finding of disputed facts. This helps prepare the way for a negotiated settlement. The parties are not obliged to accept the findings of an inquiry but in most cases they always accept them.

Sometimes the task of establishing facts is combined with legal evaluation and making recommendations for the settlement of the dispute. The Dogger Bank incident provides one such a case. The facts in brief were that in 1904, the Russian Baltic fleet, on its way to the Pacific to engaged in the war with Japan fired upon British fishing vessels operating around the Dogger Bank in the North Sea, alleging that it had been provoked by the Japanese Submarines. The parties appointed a commission of inquiry composed of senior naval officers from Great Britain, Russia, the Untied States, France and Austria with the task of not only to establish what had actually happened, that is facts, but also to make findings on the responsibility and the degree of fault of those involved from both parties. When the Commission presented its report on the findings both parties were satisfied. Britain withdrew its insistence on the punishment of the Russian Admiral and Russia agreed to pay £10,000.

" Malanczuk, supra note 61, at 777.

" Id.
in compensation. In this way the intervention of United Kingdom in the war against Russia was avoided.

Commissions of inquiry could be ad hoc, temporary, for specific purpose which once accomplished the commission ceases to exist. They could also be permanent bodies established in advance by agreement for certain kinds of disputes. Both conventions of 1899 and 1907 of Hague provide for International Commission of Inquiry. Several Commissions of inquiry were setup under the Hague Conventions including the one which investigated the Dogger Bank incident just cited above.

The General Assembly and the Security Council are empowered to establish International Inquiry Commissions, to help resolve disputes between states. In its efforts to prevent and/or reduce disputes and situations which threaten international peace and security, the General Assembly established a special committee on the charter and on the strengthening of the role of the organization in 1986. The report of that Committee lead to a resolution and a Declaration on fact-finding by the United Nations on December 1991. The Declaration defined fact-finding as “any activity designed to obtain detailed knowledge of the relevant facts of any dispute or situation which the Competent United Nations Organs need in order to exercise effectively their functions in relation to the maintenance of international peace and security”. This definition is appropriate in our opinion because it satisfied the purpose envisaged or contemplated by any parties to any dispute who would want to know the fact about the subject of their disagreement, before thinking about its solution. As we have said earlier, an impartial which produces an impartial fact-finding report helps reduce tension between parties to

\[ ^{77} \text{Collier and Lowe, supra note 9, at 18.} \]
\[ ^{78} \text{Green, supra note 1, at 372.} \]
\[ ^{79} \text{Id.} \]
\[ ^{80} \text{Collier and Lowe, supra note 9, at 72.} \]
the dispute besides preparing the way for negotiated solutions. Thus obtaining detailed knowledge of relevant facts of a given dispute is the bottom line of any solution not only of international disputes but indeed of any dispute as well.

In conclusion, inquiry and fact-finding are again two useful methods just as negotiations and consultation, as we have seen how successfully the report of the fact finding Mission resolved the Dogger Bank incident between United Kingdom and Russia in ٤٠٩١.

(iii) Mediation and Good Offices.

When the degree of animosity between two parties to a dispute is so great that direct negotiation becomes unlikely, a third party who assumes the task of reconciling the opposing claims and appearing their feelings intervenes. Such a third party could be an eminent individual who offers his or her services on his or her own behalf or on behalf of his or her country to help the disputing states to reach a settlement. He tries to settle the quarrel by opening negotiations with each of the parties to the dispute separately with view to inducing both of them to agree to his final proposal based on his findings.

The intervention is either in form of good offices or mediation. The difference between the two terms is that whereas a mediator takes active steps of his own, good offices involves action taken by a third party to being about negotiation without the third party actively participating in the discussion of the dispute. Yet, the terms are so similar that they are frequently used interchangeably instead of two different labels of dispute settlement. Both give advices which have no binding force on the parties to the dispute. Once the terms of the proposed settlement by a mediator are rejected by one or all the parties, or the mediator himself discovers


\[\text{id.}\]
\[\text{id., at \text{Id.}}\]
that his terms are not acceptable. His function is terminated. This is one of the reasons why it is necessary that a mediator or third party offering his good offices has to enjoy the confidence of both parties although it is usually not easy to find a mediator who fulfills this requirement. In the Beagle Channel dispute over the ownership of certain islands in the entrance to the channel between Chile and Argentina, an arbitral award was issued in favor of Chile by a tribunal of five judges of the ICJ in \textsuperscript{1978}, The award was highly sensitive and totally unacceptable to Argentina. It refused to abide by it: Eventually the Pope proposed Cardinal Antonio Samore\textsuperscript{1} for a mediator. Both parties accepted him and the dispute was successfully resolved in \textsuperscript{1981} through the good offices of Pope which was not based on any law.\textsuperscript{2}

As we have stated above good offices and mediation combine together to help very effectively in cases where the parties are not in talking terms. For instance, in the Hostages case in Tehran between Iran and the United States the two countries were not in talking terms but with the intervention of Algerian Government the Algiers Accord which led to the establishment of Iran United States Claims tribunal was conducted in \textsuperscript{1981},\textsuperscript{3} and eventually the matter was resolved.

The General Assembly and the Security Council of the United Nations are competent to recommend the use of good offices of mediation either by a member state or by an agency or by directly offering their own services. The United Nations did so in the Indonesian and Palestinian Crisis in \textsuperscript{1947} and \textsuperscript{1967} respectively. The Secretary General does offer his good offices from time to time such as he did in Cyprus and Kampuchea in \textsuperscript{1984} and \textsuperscript{1989}. He did the same during the Falklands War

\textsuperscript{1} Green, supra note 1, at \textsuperscript{177}.
\textsuperscript{2} Malanczuk, supra note 17, at \textsuperscript{677}.
\textsuperscript{3} Id.
Recent examples of mediation include the rule played by European Community and UN in the Yugoslav Conflict between 1991-1995 and the current, on-going role of IGAD in the Sudan Civil War.

Unfortunately, mediation is not without problems. It is referred to as a “go-between”, and as the old Chinese proverb goes, “the go-between wears out a thousand sandals”, and we gave stated earlier that a mediator has to be preferably acceptable to both parties to the dispute. Yet, even a person who is acceptable to them does not in all cases have it smooth. For taking active role endangers relations of the mediator with one or all the disputants. This is a fact which can be hardly ruled out in view of the fact that a truly neutral stance is sometimes not possible without favouring one side or the other, particularly in armed conflicts. Furthermore, lack of sufficient influence on the part of mediator or third party, according to one author, Malanczuck, has been behind failure of the settlement of some international disputes. Small states do not have sufficient leverage to persuade the parties to disputes to reach a compromise, and great powers who may have more chances of success because of their huge resources and weight tend to pursue their own interests right at the very same time the mediation is in process. Chances of settlement tend to be possible in only small local conflicts.

Like negotiation, inquiry and fact finding, mediation and good offices require the consent and cooperation of the parties to the dispute. Again to conclude, mediation and good offices are useful methods of dispute settlement.

(iv) Conciliation.
Conciliation as a dispute settlement method combines the characteristics of inquiry and mediation. It is described as “intervention in the settlement of an international dispute by a body having no political authority of its own, but enjoying the confidence of the parties to the dispute, with the task of investigating every aspect of the dispute and of proposing a solution which is not binding on the parties”. The term has also been defined as: the process of settling a dispute by referring it to a commission of persons whose task is to elucidate the facts and to make a report containing proposals for a settlement but not having the binding character of an award or judgment. Furthermore, and according to the Institut de droit international conciliation is “a method for the settlement of international disputes of any nature according to which a commission set up by the parties, either on a permanent basis or on an ad hoc basis to deal with a dispute, proceeds to the impartial examination of the dispute and attempts to define the terms of settlement susceptible of being accepted by them or of affording the parties, such as they may have requested.”

The purpose of quoting all the three definitions is to be able to identify and compare the differences and similarities between conciliation and the rest of the diplomatic procedures. As stated above, conciliation combines some characteristics of inquiry and mediation. Elements of similarity appear in the task of gathering facts about the dispute. In all the three procedures, collection of facts about a dispute ranks equally high proposals put forward by third of intervening body in all the three methods are not binding on the parties to the dispute. But while the intervention of a third party with view to settling the dispute in the case of

---

Collier and Lowe, supra note 9, at 94.

Id.

Henkin, supra note 7, at 187.

Malanczuk, supra note 61, at 872.
inquiry and mediation may not necessarily come about as a result of appointment, it has to be through appointment in the case of conciliation. This is clear in the last of the three definitions stated above. The general practice is that the parties to a dispute nominate one or two of their own nationals and agree on a certain number of impartial and independent nationals of other states in order to provide a neutral majority." This is the main difference between conciliation and the rest of the diplomatic methods, that is, inquiry, mediation and negotiation.

Multilateral treaties provide for conciliation and a number of treaties made after the First World War provide for conciliation commissions such as the France-Switzerland Agreement of 6 April 1929. A number of disputes dealt with by commissions include Chaco Case (1929), the Franco Siamese Border Case 1943 and others.

In 1940, the General Assembly of the UN which has power to appoint commissions to effect conciliation circulated draft rules for conciliation of disputes between states. The rules dealt with, inter alia, initiation of conciliation proceedings, the number of conciliators whether sole or commission of three or five members and their appointment.

These efforts underline the importance which the General Assembly places on conciliation as dispute settlement mechanism.

In conclusion, it is clear from the foregoing discussion that diplomatic means of dispute settlement and preferred by disputing states because they are not bound to accept the proposals which emerge from them. But they do accept the proposals which ultimately emerge from the deliberations of these procedures in most cases. States have resorted to negotiations from time immemorial and continue to do so until today.

---

1 Id.
1 Collier and Lowe, supra note 9, at 29.
1 Id., at 29.
Member states of the United Nations are under duty to enter into negotiations as a matter a compliance with the Charter Inquiry and fact finding help reduce tensions between disputing states. The procedure by doing thus prepares conducive atmosphere for a peaceful settlement. The General Assembly, the Security Council and the Secretary General of the United Nations use diplomatic means frequently in their efforts to maintain international peace and security.

\textit{v}. Legal Means of Dispute Settlement.

If the parties feel that diplomatic or non-binding methods would not be appropriate they make provisions in a treaty for arbitration and/or judicial settlement as means of settling disputes which might arise between member states to such a treaty. Both methods or means result in the third party decision legally binding upon the parties.\footnote{\textsuperscript{11}} We will discuss the legal means of arbitration and judicial settlement of disputes.

**(i) Arbitration.**

Arbitration is the determination of a difference between states or between a state and a non-state entity through a legal decision of one or more arbitrators and an umpire, or of a tribunal other than the International Court of Justice or other permanent tribunal.\footnote{\textsuperscript{11}} But the International Law Commission defines arbitration as “the procedure for the settlement disputes between states by a binding award on the basis of law and as the result of an undertaking voluntarily accepted”.\footnote{\textsuperscript{11}} We do not see the need for further explanation since the full meaning of this term will unfold as we proceed with its discussion.

Arbitrations are formed by each of the two parties to the dispute appointing an arbitrator. The two arbitrators thus appointed then agree on

\begin{footnotes}
\item[\textsuperscript{11}] Malanczuk, \textit{supra} note \textsuperscript{11}, at \textsuperscript{11}.
\item[\textsuperscript{11}] Collier and Lowe, \textit{supra} note \textsuperscript{9}, at \textsuperscript{9}.
\item[\textsuperscript{11}] Sands and Klein, \textit{supra} note \textsuperscript{5}, at \textsuperscript{5}.
\end{footnotes}
the choice of the third arbitrator or umpire. The arbitral tribunal therefore consists of three or more persons who decide by majority vote.\footnote{Malanczuk, supra note 17, at \textsuperscript{797}.}

The parties which request arbitration agree on procedure and the law to be applied in the arbitration agreement known as “compromise”. Unless arbitration provides otherwise, the tribunal applies what it has been directed to apply in the compromise.\footnote{Id.}

Members of a tribunal are required to perform a judicial regardless of the means chosen to arrive at their award. This implies application of the rules of natural justice such as giving both parties to the dispute adequate and equal opportunity to present their case. This requirement further dictate that persons composing the tribunal possess particular qualifications. These include competence in questions of international law, high moral reputation, and they have to be disposed to accept the duties of an arbitrator.\footnote{Green, supra note 1, at \textsuperscript{572}-\textsuperscript{672}.} Thus arbitral bodies in most cases are composed of judges and lawyers appointed by the parties. Such arbitral bodies could be \textit{ad hoc}, temporary, or continuing bodies set up to handle certain categories of disputes.\footnote{Id.}

International arbitration goes back to ancient Greece when its use as a means of peaceful settlement was frequent even during the Middle Ages. It then declined until its revival in the nineteenth century by a series of arbitrations between United States and the United Kingdom arising out of the Jay Treaty \textsuperscript{1791} and the Treaty of Ghent \textsuperscript{1814}.\footnote{Henkin, supra note 7, at \textsuperscript{878}.} One of those series of treaties between the same two countries, US and UK, is the Washington Treaty \textsuperscript{1871} which established arbitration tribunal to arbitrate \textit{Alabama Claims} \textsuperscript{1872}. In that case United States sought
compensation for the losses inflicted upon the union side during the American Civil War by the Warship Alabama supplied to the confederacy by British Shipbuilders in breach of Britain’s international legal duty of neutrality.\textsuperscript{13} The experience of Alabama tribunal was followed in subsequent similar disputes including Behring Sea Fur Seal Case, \textsuperscript{14} and the British Guiana-Venezuela Boundary dispute \textsuperscript{16}.

In an attempt to find ways of reducing the risks of armed conflict in Europe in \textsuperscript{19}, the Tsar of Russia, Nicholas II,\textsuperscript{15} initiated the Hague Peace Conference with view to adopting a convention on peaceful settlement of disputes. This convention which came to be known as the Hague Convention No. I and its revised version, Hague \textsuperscript{19}, which was initiated by President Theodore Roosevelt of United States, described the law of arbitration in three important aspects. First, it stated that objective of international arbitration is the settlement of disputes between states by judges of their own choice, and on the basis of respect for law. Secondly, it stated that recourse to arbitration implies the legal undertaking to submit in good faith to the award as well. Finally, it was agreed that the permanent Court of Arbitration (PCA) be set up. This court marked a very important period as the first standing international adjudicatory body.\textsuperscript{25} It was to be competent with respect to all cases of arbitration not submitted by compromise between the parties to any judicial body.\textsuperscript{35} These three aspects jointly enhanced the effectiveness of arbitration as a dispute settlement procedure. Now, judging from the bulk of cases and the variety of types of disputes which states settled through it during its heydays before the First World War, it could be said that arbitration was

\begin{itemize}
  \item \textsuperscript{13} Id.
  \item \textsuperscript{14} Collier and Lowe, supra note \textsuperscript{9}, at \textsuperscript{23}-\textsuperscript{33}.
  \item \textsuperscript{15} Malanczuk, supra note \textsuperscript{1}, at \textsuperscript{47}.
  \item \textsuperscript{16} Sands and Klein, supra note \textsuperscript{2}, at \textsuperscript{346}.
  \item \textsuperscript{25} Green, supra note \textsuperscript{1}, at \textsuperscript{772}-\textsuperscript{872}.
\end{itemize}
frequently resorted to. For instance, ٦٣٥ arbitral awards were issued between ١٧٩٣ and ١٨٠٥.٥٣ When the Permanent Court of International Justice (PCIJ) and its successor, the International Court of Justice (ICJ), emerged, resort to arbitration was overshadowed. Yet it has not been totally abandoned.

In conclusion on arbitration we can say that arbitration is a useful procedure which enables the parties to have their dispute settled by judges of their own choice. It was frequently used in the early times of the Middle Ages and continue to be used until today. The emergence of the PCIJ and the ICJ has somehow weakened the resort to it but states still do resort to it along with other dispute settlement methods.

(ii) Judicial Settlement of Disputes.

The establishment of the Permanent Court of Arbitration (PCA) did not end the search for a permanent judicial tribunal. After the Second World War the International Court of Justice (ICJ) was established. Judicial settlement under international law is performed by the ICJ which was preceded by the Permanent Court of International Justice (PCIJ) that used to do the same function. Both are referred to as judicial institutions of global competence or the “World Court”.٥٥ Each is governed by its constituent treaty known as :the statute”. The statue of PCIJ was signed in ١٩٢٦ and came into force in ١٩٢٩.٥٦ Although both the PCIJ and the League of Nations which established it were dissolved in ١٩٤٥, following their replacement by the International Court of Justice and the United Nations respectively, relations between the two courts continue. Cases which could be brought before the PCIJ under treaties still in force between parties to the ICJ statute are now referred to the ICJ.

---

٥٣ Malanczuk, supra note ١٧, at ٢٩٣-٢٩٤.
٥٥ Id., at ٢٨١,
٥٦ Id., at ٢٨٤.
The ICJ is seated at the Peace Palace in the Hague and although it is one of the six principal organs of the United Nations, it has not been integrated into the hierarchical structure of the other five organs. This preserves its special position as an independent court. Its governing statute which resembles the statute of the PCIJ is annexed to the Charter of the United Nations so that all members of the United Nations are automatically parties to the statute. But states which are not members of the UN may also become parties to the statute on conductions to be determined in each case by the General Assembly upon the recommendation of the Security Council under Article ٣٩(٢) of the Charter.

The ICJ consists of fifteen judges elected by the Security Council and the General Assembly voting separately each. Nominations are made by national groups under Article ٤ of the Statute, not by governments and they may not include more than one national of any state. The composition of the bench should reflect the main forms of civilization and the principal legal systems of the world. As regards their qualifications each judge is required to possess the qualifications required in their home countries for appointment to the highest judicial office, or must be jurists of recognized competence in international law.

The ICJ has two types of jurisdiction, contentions and advisory. Under the former, Article ٨٤(١) of the statute of the ICJ provides that only states may be parties in cases before the Court. Thus the states which are entitled to appear are form one of three categories. The first includes all the members who, under Article ٤١١١٤ of the UN Charter are ipso

---

٧٥ Id., at ٧٨٤.
٧٦ Chatterjee and Davies, Cracknell’s Statues: Public International Law, ١-٣٥ (١٩٩١).
٧١ Id., at ٧٥-٧٣.
٧٣ Malanszuk, supra note ١٧, at ٧٨٤.
٧٥ Id.
facto parties to the statute of the court. The second includes non-UN members who desire a permanent association with the court, and under Article ٣٩(٢) become parties to the statute on conditions to be determined in each case by the General Assembly on the recommendation of the Security Council. The third and last category includes non-UN members wish to appear before the Court as parties in a particular dispute or class of disputes but without becoming a party to the statute. The court has power to decide disputes between states under Article ٦٣(١) of the statute. It disposes of cases which the parties refer to it and all matters specially provided for in treaties and conventions in force. This include treaties that conferred jurisdiction upon PCIJ as we mentioned above under the latter, it gives advisory opinions on any legal question, and the bodies authorize to request advisory opinion are the Security Council and the General Assembly at any time and on any legal question under Article ٦٩(١) of the Charter. Other organs of the UN and the specialized agencies when authorized by the General Assembly may also seek advisory opinion in relation to legal questions arising within the scope of their activities under Article ٦٩(٢) of the Charter.

There is a third jurisdiction by which states parties to the statute may decline their recognition of the compulsory jurisdiction of the Court through optional clause. But this applies only to any their state accepting the same obligation and may also be subjected to reservations such as the tie within which it may last.

The dispute submitted to the Court by the states are decided in accordance with international law, that is to say, the sources of international law which, inter alia, include international conventions,

٣٧ Article ٥٥(٢) of the Statute of ICJ.
٣٨ Article ٥٥(٣) of the Statute.
whether general or particular, establishing rules recognized by the contesting states.\footnote{Article \textsuperscript{34} of the statute.}

Judgments of the court are final and without appeal and are binding on the parties to litigation before it and with respect to that particular case.\footnote{Article \textsuperscript{38} of the statute.} The Security Council is authorized to make recommendations or decide upon measures to be taken to give effect to judgments.\footnote{Article \textsuperscript{44} of the Charter.}

A detailed discussion of ICJ is outside the scope of this brief examination. But perhaps it is important to mention at this stage that defendant states often plead many sort of excuses by way of preliminary objection in a bid to oust its jurisdiction. One of the common objections is political dispute. For instance, in the hostages case cited above, between Untied States of America and Iran, Iran pleaded that the ICJ had no jurisdiction on the grounds that it could not examine the complaint of US separately from overall problem involving more than twenty-five years of continual interference by the United States in the internal affairs of Iran. The court rejected this argument. It said: “Legal dispute between sovereign states by their very nature are likely to occur in political contexts, and often form only one element in a wider and longstanding political dispute between the states concerned. Yet never has the view been put forward before that, where the matter submitted to the Court by the parties to a dispute, is a mixture of political and legal issues, the court should decline to resolve the legal questions at issue between them. Nor can any basis for such a view of the court’s function or jurisdiction be found in the charter or the statute of the court. If the court were, contrary to its settled jurisprudence, to adopt such a view, it would impose a far-reaching and unwarranted restriction upon the role of the court in the
peaceful solution of international disputes”. We fully agree with the argument of the court because neither the charter nor the statute has precluded political disputes from matters which member states of United Nations could submit to the ICJ determination. In fact such a view would render the ICJ impotent in the fact of increasing international disputes. The plea was rightly rejected the court proceeded to determine the matter and tranabided by the decision of the ICJ and released the hostages in January 1981, seven months after the court’s judgment. United States agreed to withdraw all claims pending against Iran before the ICJ. This is one example out of several international disputes which have been successfully resolved by the International Court of Justice.

But inspite of this success recourse to the ICJ has not been up to the expectations of international law lawyers. During the period from 1945 to July 31, 1991, the Court had 81 cases presented to it. It rendered 25 judgments and 11 advisory opinions. It issued 26 orders, mostly of procedural character including some connected with provisional measures. This caseload is less than the average of two cases per a year over the period of 50 years, 1945-1991. It shows that either the world was peaceful that there were no disputes or lack of desire to refer disputes to the ICJ. The latter is the case. For the General Assembly urged member states to make greater use of the court but there is much reluctance on the part of states to have their disputes adjudicated upon by the ICJ. And they give many reasons for this attitude. Among them, that litigation is uncertain, time consuming and troublesome. Policies do not want to lose control of cases which they might resolve by negotiations or political

---

\(^{76}\) Henkin, note 7, at \(^{327}\).

\(^{86}\) Id., at \(^{383}\).

\(^{96}\) Id., at \(^{808}\).
pressures. Diplomats prefer diplomacy. Political leaders prefer persuasion, manoeuvre and flexibility.\textsuperscript{v}

Inspite of all this, to conclude the discussion about the ICJ, it remains to be the best and appropriate World Court charged with judicial settlement of international disputes. It is indeed the court of global competence.

\textbf{4. Conclusion.}

The conclusion on this chapter is that disputes between states have always been there and although stranger states have always been quick to resort to force rather than peaceful solution, times have changed and the latter is gradually gaining ground beginning from the Hague Conventions of 1907 and 1920, the League of Nations down to our present day United Nations. Peaceful Settlement of disputes has gained ground. Force has been outlawed by the United Nations Charter Methods of dispute settlement have been developed and passed into law. The main methods of peaceful settlement of disputes provided under Article 33(1) of the Charter are, negotiations, inquiry, mediation, conciliation, arbitration and judicial settlement. These procedures are categorized into diplomatic and legal means of settlement. Diplomatic means are, negotiation, inquiry, mediation and conciliation. Legal means are, arbitration and judicial settlement. Diplomatic means or methods attempted to resolve disputes between disputing states either by the contending parties themselves conferring and exchanging views on the subject. Matter of their dispute with the view to finding a solution or with the assistance of third parties by the use of discussion and fact finding mediation methods. The third party’s proposed solution under diplomatic means is not binding on the parties to the dispute. They can reject or accept it. Once a solution is rejected the whole process is terminated.

\textsuperscript{v} Id., at 19-20.
Under the legal methods, a disinterested party determines the legal and factual issues involved in the dispute through arbitration and the decision of the judicial organ, namely, the PCIJ under the League of Nations and new under the ICJ of the United Nations.

From the foregoing discussion in this chapter it is clear that the dispute settlement procedures laid down under Article 33(1) of the United Nations Charter do not only facilitate the settlement of disputes between states, but are so effective that they have been and are being continuously adopted by most organizations as the ideal and appropriate methods of solving conflicts between states. As the efforts towards peaceful resolution of disputes increase all over the globe, recently established organizations such as the World Trade Organization (WTO), have placed much attention on developing their own dispute settlement mechanism which covers the settlement of disputes between member state parties to a broad range of multilateral trade agreements including the agreements regulating trade in intangible properties, which are protected by the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement 1994) whose dispute settlement system is the focal point of this study.
CHAPTER TWO

THE THREE STAGES OF RESOLVING A CONFLICT IN ACCORDANCE WITH THE DSU

I. Introduction.

The final Act of Uruguay Round and the Marrakesh Agreement Establishing the World Trade Organization (WTO) were concluded in 1994. The WTO agreements took effect on 1 January 1995. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, being one of the WTO’s agreements was also concluded at that same time. It deals with protection of Intellectual Property Rights internationally. The Agreement divides the WTO member states into three categories. Each category is assigned a transitional period of time after which it has to comply with its obligations under TRIPS Agreement. Developed Country member governments were to observe their obligations as from 1 January 1996, developing member governments were to do so as from 1 January 1997 and least developed countries were to comply with their obligations as from 1 January 1998, but this last period has now been extended to 2011.

Compliance with TRIPS Agreement means that WTO member governments need to ensure that their national legal systems and practice be in conformity with the norms, standards and procedures stipulated in the Agreement. What this means in practice is that member governments

---


do not only need to check whether the Agreement entails additions to their national intellectual property regimes, but also whether the existing law and practice is fully in conformity with the standards, norms and procedures laid down in the Agreement.\textsuperscript{v\textdagger} Any legislation which remains unchanged after the transitional period, that is, not in conformity with TRIPS Agreement, can be challenged by other governments in the WTO framework.

The Dispute Settlement Mechanism of the WTO is the same for all its covered agreements and it is contained in the Dispute Settlement Understanding (DSU), the provisions of which are contained in Annex \textsuperscript{v\textdagger} of the Marrakesh Agreement.\textsuperscript{v\textdagger}\textdagger

The DSU consists of twenty-seven Articles which are accompanied by four Appendices. It replaces the arrangements which had emerged in the context of GATT \textsuperscript{v\textdagger}\textdagger\textdagger. That system was principally a system of panels with the power to make non-binding recommendations. Under it, the adoption of panel recommendations could be blocked by any single contracting party. This state of affairs was viewed as a setback by the world trade community. It had to be changed. They went through a number of negotiation rounds which were finally concluded by the Uruguay Round which brought about the present Dispute settlement system, the DSU.

A dispute submitted for a settlement in accordance with the rules of DSU goes through three stages: consultation, establishment of a panel and a review by an Appellate Body. In this chapter we will briefly examine these three stages with view to finding out what impact, if any, they make in helping the WTO member states to resolve their disputes peacefully.

\textsuperscript{v\textdagger} Id., at \textsuperscript{v}.
\textsuperscript{v\textdagger}\textdagger World Trade Organization, supra note \textsuperscript{1}, at 304-319.
V. Consultation.

The WTO Dispute Settlement Mechanism has placed much emphasis on consultations\textsuperscript{\textsuperscript{\textdagger}} with the aim of securing a positive solution to a dispute.\textsuperscript{\textdaggerdbl} Paragraph 1 of Article 46 of the TRIPS Agreement provides that Articles XXII and XXIII of GATT as elaborated and applied by the Dispute Settlement Understanding shall apply to consultations and the settlement of disputes under TRIPS Agreement except as otherwise specifically provided therein, that is, in TRIPS.\textsuperscript{\textdaggerdbl} This means that both the DSU and TRIPS lay emphasis on the use of consultations in the settlement of disputes. Since consultation is a diplomatic procedure the emphasis further shows that diplomatic approach is the starting point in the WTO dispute settlement system.

Under the former system of GATT, consultation was also used as a means of reaching peaceful settlement of disputes.\textsuperscript{\textdagger} The DSU has now strengthened diplomatic consultations further by making it a prerequisite for establishing a panel and by adopting time framework for consultations.\textsuperscript{\textdaggerdbl} To that end the DSU provides that the WTO members affirm their resolve to strengthen and improve the effectiveness of the consultation procedures.\textsuperscript{\textdaggerddagger} Member states are to accord sympathetic consideration to each other’s presentations and afford adequate opportunity to consultations in order to resolve disputes.

If a request for consultations is made pursuant to a covered agreement, the member to which the request is made shall unless

\textsuperscript{\textdagger} Abdul Moniem Osman M. Taha, GATT/WTO Dispute Settlement System: A third World Perspective, A thesis submitted for the Degree of Doctor of Philosophy to the Jawaharlal Nehru University, New Delhi, (\textsuperscript{\textdaggerddagger})

\textsuperscript{\textdaggerdbl} Art. 7.3, DSU.

\textsuperscript{\textdaggerdbl} World Trade Organization, supra note 1, at 707.

\textsuperscript{\textdagger} Taha, supra note 2, at 79.

\textsuperscript{\textdaggerddagger} Id.

\textsuperscript{\textdaggerddagger} Id., at 93.\textsuperscript{\textdaggerddagger}
otherwise mutually agreed, reply to the request within \(1\) · days after the date of its receipt and shall enter into consultations in good faith within a period of no more than \(3\) · days after the day of receipt of the request with a view to reaching a mutually satisfactory solution.\(^a\) In other words prompt respond to a request for consultations is made a duty on the part of a respondent state. In a case\(^b\) between Brazil and Philippine, Brazil refused consultations and so Philippine asked the panel to give a ruling on this point. The panel said: “The Philippine’s request for a ruling on Brazil’s refusal to consult concerns a matter which this panel views with the utmost seriousness. Compliance with the fundamental obligation of WTO members to enter into consultations where a request is made under the DSU is vital to the operation of the dispute settlement system. Article \(2.4\) and \(6.4\) of the DSU make clear that members duty to consult is absolute and not susceptible to the prior imposition of any terms and conditions by a member”.

The point to note here is that the panel has used a very strong language in its ruling just to underline how much importance is given to consultations process. First, the panel describes consultations as a fundamental obligation of all the members of the WTO. Secondly, it states that consultation is vital to the operation of the dispute settlement system. Finally, paragraphs \(4\) and \(6\) of Article \(2\) of DSU have been interpreted to mean that the WTO’s duty to consult is absolute and not susceptible to any member’s prior conditions. In other words a respondent member cannot refuse to respond to a consultation request because of a condition made by it which the complaining member might have failed to meet.

\(^a\) Art. \(2.4\), DSU.

\(^b\) WT/DSX7/R, \(17\) (October \(1\), \(1991\)) cited in Footnote \(^c\) by Gallal Wafaa Mohammedeen in his work in Arabic entitled, Settlement WTO’s Disputes through GATT Agreements, (\(2\) \(\times\) \(7\)) at \(17\).
All requests for consultation have to be notified to the Dispute Settlement Body (DSB) by the member which requests consultations and all requests must be submitted in writing, and must give reasons for it; including identification of measures at issue and an indication of the legal basis for the complaint. The importance of stating the facts in a complaint has been emphasized by the Appellate Body in the case of India-Patent Protection for Pharmaceutical and Agricultural Chemical Products, also known as the India Mail-Box Case. In that case, the Appellate Body (AB) said: “All parties engaged in a dispute settlement under the DSU must be fully forthcoming from the very beginning both as to the claims involved in a dispute and as to the facts relating to those claims. Claims must be stated clearly. Facts must be disclosed freely. This must be so in consultations as well as in the more formal setting of panel proceedings. In fact, the demand of due process that are implicit in the DSU make this especially necessary during consultations. For the claims that are made and the facts that are established during consultations do much to shape the substance and the scope of subsequent panel proceedings. If, in the aftermath of consultations, any party believes that all the pertinent facts relating to a claim are, for any reason, not before the panel, then that party should ask the panel in that case to engage in additional fact finding”.

This report talks of the demands of due process which it says are implicit in the DSU, and that because of this reason it is necessary that claims be stated clearly and facts be disclosed freely at the consultation stage. This is because the success of the subsequent panel proceedings including the Appellate review, in case of an appeal, depend on what has

---

Art. 5.4, DSU.

WT/DS 05/AB/R4 (December 1991) cited by Mohammedeen at Id 1-7, supra note 1, at 41-42.
been done at the consultation stage. This is in terms of clarity of the claim and the firmness of the facts supporting such a claim. The word “due process” referred to in this report can be none other than the due process of law. It is true that TRIPS Agreement is based on the jurisprudence of legal systems including the civil and the common law systems. The due process of law that comes to our mind is the common law one about which Lord Denning, a British distinguished career judge, talked more than two decades ago in his work known by the same little, “The Due Process of Law”. Talking about what he means by due process of law he said, “I mean the measures authorized by the law so as to keep the streams of justice pure: to see that trials and inquiries are fairly conducted; that arrests and searches are properly made; that lawful remedies are readily available; and that unnecessary delays are eliminate”.

In our opinion, what the demands of due process implicit in the DSU require of the parties at the consultation stage are not different from Lord Denning’s definition as stated above. The report says that if, in the aftermath of consultations any party believes that all the pertinent facts relating to a claim are inadequate such a party will be entitled to ask the panel to conduct additional fact-finding. This report is not in any way less than a judicial decision of a court of law. The slight difference is in that instead of asking the panel to engage in additional fact-finding as is the case in the DSU, a fresh retrial by the trial court is the remedy that a higher court resorts to in cases of judicial decisions. In other words, the AB should have been authorized to remand cases to the panel in cases of inadequate facts in a WTO dispute. This has not been done apparently because of time frames and fears of delays in matters related to international trade.

---

^a The RT Hon Lord Denning MR, The due Process of Law, Page (v) (\textsuperscript{1991}).
The two cases between Brazil and Philippine on one hand and US and India on the other, which we have just cited no doubt represent a good support for the preposition that consultation stage is an extremely important stage of the peaceful settlement of the WTO disputes.

If a member to which a request for consultation is made does not respond within \( \text{\textbullet} \) days after the date of receipt of the request or does not enter into consultations within a period of no more than \( \text{\textbullet} \) days, or a period otherwise mutually agreed, after the date of receipt of request, the complaining party may proceed to request the establishment of a panel.\(^{\text{\textbullet}}\)

In cases of urgency including cases involving perishable goods, members must enter consultations within \( \text{\textbullet} \) days after the date of receipt of request. If after \( \text{\textbullet} \) days consultations fail, complaining party may request establishment of a panel.\(^{\text{\textbullet}}\) During consultations members are to give special attention to particular problems and interests of developing country members.\(^{\text{\textbullet}}\) It is not clear how much attention is this particular attention that is to be given to the developing countries. There is clearly room for unfavourable interpretation of this provision by developed country members which is unlikely to serve the problems and interests of the developing country.

Where the consultations fails to settle a dispute within \( \text{\textbullet} \) days after the date of receipt of the request for consultations the complaining party may request the establishment of a panel. But if both parties jointly consider that consultations have failed to settle the dispute, the complaining party may request the establishment of a panel during the \( \text{\textbullet} \)-day period of consultations.\(^{\text{\textbullet}}\)

\(^{\text{\textbullet}}\) Art. 4, 7, DSU.
\(^{\text{\textbullet}}\) Art. 4, 8, DSU.
\(^{\text{\textbullet}}\) Art. 4, 14, DSU.
\(^{\text{\textbullet}}\) Art. 4, 1, DSU.
While the consultations between one WTO member and another are underway, another third party or parties which consider that they have a substantial trade interest in consultations being held pursuant to rights accruing from covered agreement or agreements may notify the consulting members and the Dispute Settlement Body within \( \theta \) days after the date of circulation of the request for consultation of its desire to be joined in the consultations. If the country which requested consultation agrees that the claim of substantial interest is well-founded, such a member shall be joined in the consultations. If the request to be joined is not accepted the applicant will be free to request consultation in its own right.\(^4\)

Although the DSU has dwelled very much on consultation as a dispute settlement technique, it has not abandoned the other techniques. It provides that any parties to a dispute could voluntarily undertake the procedures of good offices, conciliation and mediation, if they so agree. They may be requested at any time and terminated at any time, but once terminated, the provision says, the complaining party may then proceed with a request for establishment of a panel.\(^5\)

Where good offices, conciliation or mediation are entered into within \( \theta \) days after the date of receipt of a request for consultations, the complaining party must allow a period of \( \theta \) days after the date of receipt of the request for consultations before requesting the establishment of panel. However, if the parties jointly consider that good offices, conciliation or mediation have failed to settle the dispute the complaining party may request a panel during the \( \theta \)-day period.\(^6\)

\(^4\) Art. \( \text{i, i} \), DSU.
\(^5\) Art. \( \text{i, i} \) and \( \text{i, i} \), DSU.
\(^6\) Art. \( \text{i, i} \), DSU.
Furthermore, the DSU uses the arbitration technique in two different ways. First, to determine the reasonable period of time within which a losing party shall implement the panel or Appellate Body recommendations or rulings. Secondly, as an alternative means of dispute settlement within the WTO for the settlement of disputes which are clearly defined by the parties. The parties undertake arbitration by mutual agreement and when they do so, they agree to abide by the arbitration award as well.

To go back to our item of discussion, it seems that the DSU’s reliance on consultation is not in vain. According to some authors such as William J. Dave and Amlia Porges, available statistics so far show that per cent of the requests for consultation presented over the period between and led to a settlement between the disputing parties in one way or another before reaching panel stage.

This is the process under which a WTO dispute undergoes at its first stage of consultation and we now move to the second stage of the dispute settlement.

3. Establishment of a Panel.

The second stage through which a dispute undergoes if the parties failed to reach a solution in the first stage of consultation is panel adjudication. The DSU has vested the power of establishing panels in the Dispute Settlement Body (DSB) under Article 2 (1). In fact, this is the body charged with the administration of all the rules and procedures laid down under the DSU. So if the consultations do not lead to satisfactory adjustment then the aggrieved party may ask for the establishment of panel so that the matter can be adjudicated upon.

Footnotes:

We will discuss this stage under five brief subheadings: request for a panel; composition of a panel; functions; procedures; and the panel’s interim review.

(i) Request for a Panel.

The request for the establishment of a panel has to be made in writing in the same manner a consultation request is made. It has to indicate whether or not consultations were held, identify the specific measures at issue and provide a brief summary of the legal basis of the complaint sufficient to present the problem clearly. Unless the DSB in its first meeting, and by a consensus, decides not to establish a panel, it should be established at the request of the complaining party at the latest, at the DSB meeting following that at which the request first appears as an item on the DSB’s agenda.

(ii) Composition of a Panel.

A panel is to be composed of well-qualified governmental and/or non-governmental individuals, persons who have served in a representative capacity in the WTO system or its secretariat and individuals who have taught or published on international trade law. What is meant by “well-qualified” is not clear but one author on International Economic Law, Asif Qureshi, says that the majority of panelists have been former trade officials. From their present composition, it is however, clear that panelists need no legal background in order to be eligible.

When serving as panelists the members are to do so in their individual capacity and not as representatives of their governments or organizations. Where a dispute is between a developing country member

---

Art. 2,3,4, DSU.

Art. 3,4, DSU.

Art. 1,1, DSU.

and a developed country member the panel shall, if the developing
country member so requests, include at least one panelist from a
developing country member.\(^{8}\) The impartiality of the panelists is ensured
through the disclosure of relevant information by the panelists and
declarations made by them upon their appointment.\(^{9}\) The secretariat
maintains an indicative list of panelists from which it proposes
individuals.\(^{10}\) Nationals of members whose governments are in dispute
are not to serve on the panel, unless it is agreed otherwise. The proposed
panelists by the WTO secretariat are not to be opposed by the parties o
the dispute unless there are compelling reasons. But in practice, the
parties have considerable latitude in rejecting a proposed panelist, given
the fact that their agreement is necessary for the composition of the
panel.\(^{11}\)

A panel consists of three persons unless the parties agree on five
instead of three within \(7\) days from the establishment of a panel, as they
may choose.\(^{12}\) If there is no agreement on the panelists within \(7\) days
after the date of the establishment of a panel, then, at the request of either
party, the Director-General of the WTO, in consultation with the
chairman of the DSB and the chairman of the relevant council, shall
determine the composition of the panel by appointing the panelists whom
the Director-General considers most appropriate.\(^{13}\)

The present panel system has been criticised on grounds that it is
part time and not capable of fully keeping abreast with developments in
international trade.\(^{14}\) As a solution to this criticism, the European Union

---

\(^{8}\) Art. 8, 9, and 10, DSU.
\(^{9}\) Qureshi, supra note 72, at 203.
\(^{10}\) Art. 8 and 9, DSU.
\(^{11}\) Qureshi, supra note 72, at 203.
\(^{12}\) Art. 8, DSU.
\(^{13}\) Art. 8, DSU.
\(^{14}\) Qureshi, supra note 72, at 203.
has proposed the setting up of permanent group of panelists to hear trade disputes.

(iii) Functions of a Panel.

The main function of panels is to assist the DSB in carrying out its responsibilities under the DSU and the covered agreements. To that end, a panel makes objective assessment of a matter submitted to it. This includes an objective assessment of the facts of the case and the applicability of and conformity with the relevant covered agreements. Further it has to make such other findings as will assist the DSB in making the recommendations or in giving the rulings provided for in the covered agreements. Besides that, panels are required to consult regularly with the parties to the dispute with view to giving them adequate opportunity to develop a mutually satisfactory solution.

In addition to this, panels have terms of reference in accordance with which they conduct their work. Such terms could be those upon which the parties to the dispute agree within days from the establishment of the panel or the contents of the complaint of the complaining party or the terms of reference drawn up by the chairman upon the authority of the DSB. From what has been stated it is clear that the panel’s main function is assistance of the DSB.

(iv) Panel Procedures.

In carrying out their work panels follow the relevant provisions of the DSU in addition to the Working Procedures in Appendix unless the panel decides otherwise after consulting the parties to the dispute. Panel procedures should provide sufficient flexibility so as to ensure high quality panel reports without delaying the panel process unnecessarily.

---

1 Art. 11, DSU.
2 Art. 7, DSU.
3 World Trade Organization, supra note 1, at 777.
After consulting the parties to the dispute, the panelists must as soon as practicable and whenever possible, within one week after the composition and terms of reference of the panel have been agreed upon, fix the timetable for the panel process, taking into account cases of urgency including those which concern perishable goods under paragraph 4 of Article 2, if relevant.

The panel meets in closed session, and the parties to the dispute including interested parties are to be present at the meetings only when invited by the panel to appear before it. The parties to the dispute have to present their written submissions to the panel in its first substantive meeting with them. Such submissions must disclose facts of the case and the arguments supporting the claims. During its first substantive meeting with the parties the panel has to allow the complaining party to present its case first and then followed by the respondent party.

Any member having a substantial interest in a matter before the panel and having notified its interest to the DSB as “third party” shall have an opportunity to be heard by the panel and to make written submissions to the panel. Such submissions have also to be given to the parties to the dispute and have to be reflected in the panel report.

Each panel has the right to seek information and technical advice from any individual or body which it deems appropriate. Panels may seek information from any relevant source and may consult experts to obtain their opinion on certain aspects of the matter. Panel deliberations are confidential and the panel reports must be drafted in absence of the parties to the dispute in the light of information provided and the

---

**Footnotes**

1. Art. 11, DSU.
2. Paragraphs 2, 4 and 5 of Appendix 3.
3. Art. 20, DSU.
4. Art 12, 1 and 12, DSU.
statements made, and the opinions expressed in the panel report by individual panelists are to be anonymous.\footnote{\textsuperscript{\ref{DSUArt41}}}

In order to make the procedures more efficient, the period in which the panel conducts its examination from the date the composition and terms of reference of the panel have been agreed upon until the date the final report is issued to the parties to the dispute, must, as a general rule, not exceed six months. In cases of urgency including those relating to perishable goods, the panel shall aim at issuing its report to the parties to the dispute within three months.\footnote{\textsuperscript{\ref{DSUArt82}}}

A panel may suspend its work at any time at the request of the complaining party for a period not more than \footnote{\textsuperscript{\ref{DSUArt212}} \textsuperscript{\ref{DSUArt82}} \textsuperscript{\ref{DSUArt212}}} months. When this happens, all the relevant time frames will have to be extended accordingly. But if suspension goes beyond \footnote{\textsuperscript{\ref{DSUArt212}} \textsuperscript{\ref{DSUArt82}} \textsuperscript{\ref{DSUArt212}}} months the authority for establishment of the panel will lapse.\footnote{\textsuperscript{\ref{DSUArt212}} \textsuperscript{\ref{DSUArt82}} \textsuperscript{\ref{DSUArt212}}}

These are the procedures followed by a panel or panels in their deliberations in short.

\textbf{(v) The Panel’s Interim Review.}

As we have seen in the panel procedures above, panels receive written submissions from the parties to the disputes in their first substantive meetings with them. During the second meeting of the panel, formal rebuttals take place. The party complained against takes the floor first and then followed by the complaining party. The panel may cross-examine the parties either in the course of the meeting or in writing.\footnote{\textsuperscript{\ref{DSUArt1717}} \textsuperscript{\ref{DSUArt1717}}} If one of the parties raises scientific or other technical matters the panel may consult experts or appoint an expert review group to prepare an advisory

\textsuperscript{\ref{DSUArt1717}} Art. \textsuperscript{\ref{DSUArt1717}}, DSU.
\textsuperscript{\ref{DSUArt1717}} Art. \textsuperscript{\ref{DSUArt1717}},\textsuperscript{\ref{DSUArt1717}}, DSU.
\textsuperscript{\ref{DSUArt1717}} Art. \textsuperscript{\ref{DSUArt1717}},\textsuperscript{\ref{DSUArt1717}}, DSU.
\textsuperscript{\ref{DSUArt1717}} Paragraphs \textsuperscript{\ref{DSUArt1717}} and \textsuperscript{\ref{DSUArt1717}} of Appendix \textsuperscript{\ref{DSUArt1717}}.
report." After having examined the submissions and oral arguments the panel submits its first draft in the form of descriptive sections to the two sides, giving them two weeks to comment on it. This report bears no findings nor conclusions. "" After the expiration of the period of time for receipt of comments from the parties to the dispute, the panel submits an interim report including its findings and conclusions to the two sides giving them one week to ask for a review. "" If such a review is made it must not take more than two weeks to complete. The panel may hold additional meetings with the two sides during that time on the issues identified in the written comments.

If the panel receives no comments it then submits a final report to the two sides. The findings of the panel final report must include a discussion of the arguments made at the interim review stage. "" Three weeks after that the report is circulated to all the WTO members. If the panel findings are that the disputed trade measure does break a WTO agreement or an obligation, it recommends that the measure be made to conform with WTO rules. The panel may suggest how this could be done and this report becomes the Dispute Settlement Body’s ruling unless a consensus decision rejects it or one of the parties or all of them appeal against the report. "".

This is the process of the interim review stage of a panel and this concludes what takes place at the second stage through which a WTO dispute submitted for settlement undergoes in the WTO Dispute Settlement System.

"" Art. 2, DSU.
"" Art. Is, DSU.
"" Art. 3, DSU.
"" World Trade Organization, supra note 4, at 4.

The third stage in the dispute settlement under the DSU is the Appellate Review. A party to the dispute who is discontented with the ruling or recommendation of a panel may appeal to the Appellate Body against a final panel report. This right exists only on a point of law covered in the panel report and legal interpretation developed by the panel. ¹¹¹

An Appellate Body is made up of seven individuals who are appointed for a four-year period by the Dispute Settlement Body, DSB. ¹²² The composition of the Appellate Body is to reflect the membership of the WTO. This has been interpreted in such a manner as to lead to three out of the seven being appointed from the largest trading powers, namely, United States, European Union and Japan. ¹³² In contrast with panelists who are taken from a roster of the government representatives, the members of an Appellate Body are appointed in a way that has to broadly represent the WTO membership. In November ¹⁹⁹⁰, for instance, the first seven members of the Appellate Body were selected from a list of ³³ candidates from ³³ countries among them three members from least developed countries form Egypt, Uruguay and Philippine. ¹⁴² Further, the individuals appointed are to be persons of recognized authority, with evident expertise in law, international trade and the subject matter of the covered agreement generally. Thus it is be noted that the background of individuals serving on the Appellate Body is different from the one of panelists, in that there is emphasis on legal expertise in the case of the former. In addition, members of the Appellate Body should not be affiliated with any government. Like the panelists, however, the

¹¹¹ Art. ¹⁷, DSU.
¹²² Art. ¹⁷, DSU.
¹³² Qureshi, supra note ⁷⁷, at ³⁰³.
¹⁴² Taha, supra note ⁵, at ⁴⁷.
impartiality of Appellate judges is ensured through relevant disclosures and declarations made by them upon their appointment. Unlike panelists, at the Appellate level, nationality is no bar in presiding over an appeal.

At any given time in an appeal only three judges preside. The manner in which these three are picked is such as to prevent anyone from predicting which of the judges will preside in a given appeal. The rules stipulate that the division is to be selected on the basis of rotation, while taking into account the principles of random selectivity unpredictability and opportunity for all members to serve regardless of their origin. Although only three serve on a particular appeal, the others are kept informed of the proceedings, and are expected to meet to discuss the appeal. This is to ensure that the combined wisdom of the Appellate Body is brought to bear on the appeal, as well as continuity. Furthermore, in this way, the perspective of all the divergent legal systems represented are taken into account.

Again, like panel deliberations, the proceedings of the Appellate Body are confidential and the opinions of the individuals on the Appellate Body are to be anonymous. The Appellate Body concludes its deliberations no longer than 9 days from the date of notification of the appeal. It may uphold, modify or reverse the legal findings and conclusions of the panel. The Appellate Body does not have the mandate to remand a case back to a panel. For this reason, its practice is to consider the issues de novo, where it has reversed the panel’s

---

Qureshi, supra note 77, at 403.
Art. 1-8-1, DSU.
Qureshi, supra note 77, at 404.
Id.
Art. 1-7-1 and 1-7-11, DSU.
Art. 1-7-2, DSU.
Art. 1-7-13, DSU.
Qureshi, supra note 77, at 503.
decision and is left with outstanding issues. This is a necessary measure given the fact that an Appellate Body’s decision is final though without prejudice to the right of the parties to express their views on the Appellate Body report.

When the DSB adopts an Appellate Report, it has to be unconditionally accepted by the parties.\textsuperscript{177} However, the DSB may by consensus decide not to adopt the Appellate Report provided that it does so within \$\cdot \$ days of the issuance of the report.

The introduction of this third stage of Appellate system and its impact have been very much welcomed. The Appellate Body has had, according to Asif Qureshi, a commendable role in the dispute resolution. Its reports have generally been of high standard and has thus provided much needed guidance on the interpretation of the WTO code. Qureshi comments further that the Appellate Body has not only contributed to the development of international trade jurisprudence, but has also helped the WTO to respond to the exigencies of international trade developments.\textsuperscript{178} For his part, Taha says that the Body gives the WTO dispute settlement process a strong judicial flavour which, according to him, marks a shift towards a more legalistic approach.\textsuperscript{179} We agree with him. Finally, Miquel Montana,\textsuperscript{180} another distinguished author, observes that the Appellate Body has all the characteristics of an internal tribunal and thus represents the most radical innovation introduced in GATT dispute settlement system since its emergence. We agree with him as well, and for the same reasons which he gave.

That the new WTO’s dispute settlement system is very much welcomed, as Qureshi says, and is therefore, being increasingly resorted

\textsuperscript{177} Art. \$\cdot \$\site{174}, DSU.
\textsuperscript{178} Qureshi, supra note \$\cdot \$\site{174}, at \$\cdot \$\site{175}.
\textsuperscript{179} Taha, supra note \$\cdot \$\site{174}, at \$\cdot \$\site{176}.
\textsuperscript{180} Id., cited on the same page.
to more than its predecessor, GATT, is supported by much evidence. For instance, by 1 May 2002, the WTO dispute settlement system had already been invoked 21 times with regards to TRIPS Agreement. See the table below.

<table>
<thead>
<tr>
<th>Dispute</th>
<th>Complaint</th>
<th>Defendant</th>
<th>Trips Provisions</th>
<th>Copyright</th>
</tr>
</thead>
<tbody>
<tr>
<td>IP/D/1</td>
<td>US</td>
<td>Japan</td>
<td>14/12/97</td>
<td>Copyright</td>
</tr>
<tr>
<td>IP/D/2</td>
<td>US</td>
<td>Pakistan</td>
<td>23/4/12/97</td>
<td>Patents</td>
</tr>
<tr>
<td>IP/D/3</td>
<td>US</td>
<td>Portugal</td>
<td>23/4/12/97</td>
<td>Patents</td>
</tr>
<tr>
<td>IP/D/4</td>
<td>EC+MS</td>
<td>Japan</td>
<td>14/12/97</td>
<td>Copyright</td>
</tr>
<tr>
<td>IP/D/5</td>
<td>US</td>
<td>India</td>
<td>23/4/12/97</td>
<td>Patents</td>
</tr>
<tr>
<td>IP/D/6</td>
<td>US</td>
<td>Indonesia</td>
<td>3/2/12/97</td>
<td>Trade marks</td>
</tr>
<tr>
<td>IP/D/7</td>
<td>EC+MS</td>
<td>India</td>
<td>23/4/12/97</td>
<td>Patents</td>
</tr>
<tr>
<td>IP/D/8</td>
<td>US</td>
<td>Ireland</td>
<td>9/2/12/97</td>
<td>Copyright/Enforcement</td>
</tr>
<tr>
<td>IP/D/9</td>
<td>US</td>
<td>Denmark</td>
<td>23/4/12/97</td>
<td>Enforcement</td>
</tr>
<tr>
<td>IP/D/10</td>
<td>US</td>
<td>Sweden</td>
<td>23/4/12/97</td>
<td>Enforcement</td>
</tr>
<tr>
<td>IP/D/11</td>
<td>EC+MS</td>
<td>Canada</td>
<td>23/4/12/97</td>
<td>Patents</td>
</tr>
<tr>
<td>IP/D/12</td>
<td>US</td>
<td>EC</td>
<td>9/2/12/97</td>
<td>Copyright/Enforcement</td>
</tr>
<tr>
<td>IP/D/13</td>
<td>US</td>
<td>Greece</td>
<td>9/2/12/97</td>
<td>Enforcement</td>
</tr>
<tr>
<td>IP/D/14</td>
<td>US</td>
<td>EC</td>
<td>9/2/12/97</td>
<td>Enforcement</td>
</tr>
<tr>
<td>IP/D/15</td>
<td>CAN</td>
<td>EC+MS</td>
<td>9/2/12/97</td>
<td>Patents</td>
</tr>
<tr>
<td>IP/D/16</td>
<td>EC+MS</td>
<td>US</td>
<td>9/2/12/97 (11bis Berne)</td>
<td>Copyright</td>
</tr>
<tr>
<td>IP/D/17</td>
<td>US</td>
<td>Canada</td>
<td>23/4/12/97</td>
<td>Patents</td>
</tr>
<tr>
<td>IP/S/18</td>
<td>US</td>
<td>Argentina</td>
<td>23/4/12/97</td>
<td>Patentstiest Data</td>
</tr>
<tr>
<td>IP/D/19</td>
<td>US</td>
<td>EC+MS</td>
<td>3/2/12/97</td>
<td>Trademarks</td>
</tr>
<tr>
<td>IP/D/20</td>
<td>EC+MS</td>
<td>US</td>
<td>11 GATT/2/3/23/4/12/97</td>
<td>Enforcement/Patents</td>
</tr>
</tbody>
</table>

Source: Geuze, supra note 2, at 11.

At that time only the developed country members of the WTO and some newly acceded countries had full TRIPS obligations, and although most of TRIPS disputes were between developed countries, some developing countries were also involved, particularly those whose application of the so-called “mail-box”, 37 which we cited above in our discussion of consultations, and exclusive marketing rights provisions in

---

37 Id. supra note 4.
relation to inventions of pharmaceutical or agricultural chemical products, was not considered to be in line with their obligations under the Agreement.

Out of the ١٢ disputes, nine were resolved. Five led to mutually agreed solutions as a result of consultations between the parties in the first stage of dispute settlement procedures without recourse to a panel. These are cases of IP/D/١-٤ and ١٠ in the table. In six cases, a panel was established and in four of these the panel procedure was terminated. One of the three panel reports was appealed and the appeal procedure was terminated as well.

Two of the panel cases related to disputes filed against the same member, India, by two different members, US and EC were on the same matter, but the panel in the second dispute was established after the panel in the first dispute had issued its final report and finished its work after the Appellate Body had issued its report on the appeal filed against the report in the earlier dispute. The outcome of these cases was that India was asked to bring itself into compliance. The panel concluded that, while India was entitled under the special transitional provision of Article ٩٣١٤٫٥٦ to delay the introduction of patent protection for pharmaceutical and agricultural chemical products until ١ January ٨٣١٩, it had not made available the required mechanism to allow the filing of patent applications for such products between the start of this transitional period in ٨٣١٩ and the entry into force of new legislation required to be in force as of ٩٣١٩, under which pharmaceutical product patent must be available. India had denied failure to comply with its TRIPS obligation as alleged by US, since it had availed unpublished administrative guidance as a patent protection device instead of the mail-box method. US argued that

٩٣١٤٫٥٦ Id., at ١٠.
such a device was inadequate. The panel concluded that the mechanism India was applying in respect of such applications did not have a sound legal basis in that the patent office regulations in question contradicted mandatory provisions of the Indian Patents Act, so much so that applications filed under these regulations before the new Indian legislation would take effect were likely to be invalidated by an Indian court if someone were to challenge the validity of a patent granted on any of these applications.

These cases and many others, show the frequent use of the WTO dispute settlement system more than was the case under the GATT system, where contracting parties were notorious for blocking the mere formation of a panel to adjudicate upon a dispute.

It is true, in ordinary criminal courts in any country, having many cases at a given point in time or at all times may mean, inter alia, prevalence of crime or criminals. But it may also mean, particularly in civil matters, people’s commitment to the rule of law. In other words, people prefer recourse to courts to taking law into their own hands in seeking redress. People have faith in court as the best or appropriate means of obtaining rights. Similarly, more cases submitted to the WTO dispute settlement system by member states could either meant instability in the international trading system or it could as well mean that the WTO member states have cultivated faith and confidence in their system. If the option is one of confidence in the WTO, and we believe this is the case, it is indeed a positive attitude in favour of the system.

---

Mohammedeen, supra note 17, at 4A.

Geuze, supra note 17, at 11.

World Trade Organization, supra note 91, at 3A.


Conclusion.

The conclusion on this chapter is that the resolution of a WTO dispute goes through three basic stages: consultations, establishment of a panel and an Appellate review.

Under the first stage of consultations parties to a dispute have opportunity to exchange views on the subject matter of their dispute with the view to achieving a mutually satisfactory solution. A good number of disputes get resolved at this stage by having the problem solved between themselves without any interference from any third party. The DSU provides time frames within which the parties conduct consultations. If they fail to reach any settlement the complaining party asks for establishment of a panel to adjudicate on the matter. This is the second stage. Under this stage the panel hears the parties to the dispute in the manner a court does. After hearing the parties it issues a first draft report, followed by an interim report and then a final report in which it asks the respondent or defendant party to bring the measures complained against, if found to be in violation of any of the WTO covered agreements, into conformity. If the respondent party is not satisfied with the findings of the panel it appeals to the Appellate Body at a third stage. This Body reviews the findings of the panel provided that it confines itself to the legal issue invoked in the panel deliberations. It may, after its review uphold, modify or reverse the legal findings and conclusions of the panel.

All the three stages have prescribed time frame within which they are to accomplish their tasks.

The introduction of an Appellate Body review stage has been hailed a great deal by most legal experts because of its commendable role which it has so far played and continue to play. First it is viewed as a good contribution to the development of international trade jurisprudence. Secondly, it is considered to have given the WTO dispute settlement
system a judicial flavour, a fact which constitutes a shift towards a more legalistic approach, in the international trade dispute settlement tradition. Finally, the introduction of the Appellate Body is viewed as the most radical change in the old GATT system.

The three stages through which a WTO dispute passes in its process of resolution serve to build confidence in member states that justice could be probably done in any of these stages. This is, no doubt a positive impact not only to the parties to a dispute, but to all the WTO member states.
CHAPTER THREE

ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

1. Introduction.

Compliance with TRIPS Agreement as we have noted in Chapter Two means that WETO member governments ensure that their national legal systems and practice be in conformity with the norms, standards and procedures stipulated in the Agreement. For any legislation which remains unchanged after the transitional period will be open the challenge by other governments within the WTO framework.

The Agreement demands conformity on the part of national legal systems to facilitate protection of the IPRS both domestically and internationally. Many people do not respect the rights of others for a variety of reasons including greed, lack of awareness, criminal intent and innocent mistake. This disrespect also varies in scales ranging from copying a protected work in one’s house to large sale commercial criminal enterprises which produce hundreds of thousands of illegal copies. The sale of these illegal copies interferes with potential market prospects vis-à-vis the owner of the copyrights in that his recouping investment is prevented by this intervening criminal activity. In this connection there are two notorious forms of IPR infringement, “counterfeiting”, and “piracy”. These forms frustrate the creative ability of the individual members of every society, to an extend which demands

\[\text{footnote}\]

1. Kamil Idris, Intellectual property: A Power Tool for Economic Growth, \(\cdots\) (\(\cdots\)).
2. Id.
3. The terms “counterfeiting” and “piracy” are defined and used differently in different contexts. Generally speaking “counterfeiting” is associated with the intentional infringement of trade marks and “piracy” with the intentional infringement of copyright and related rights. However, each of these terms can be defined to include other types of intellectual property. Regardless of these variations in definition and usage, it is fair to say that counterfeiting and piracy involve an indisputable taking of the intellectual property of another without authorization (cited by Kamil Idris in footnote 1, page \(\cdots\)).
concerted action from both the public in terms of awareness, and the state in terms of legal protection mechanism.

Generally enforcement of IPRS takes four main forms.\(^{14}\) Administrative enforcement, such as seizure of infringing goods by a custom office; criminal enforcement in which the state, usually through the police, is the moving party in a criminal action against the infringer; civil enforcement, in which the right holder, or someone in possession of valid rights, such as an assignee or licensee, takes prescribed legal action by filing a civil action against the infringer, and perhaps seeking an injunction; technological enforcement, in which producers of products and services employ technological means to protect IPRS against infringement. These forms of enforcement are very vast and cannot be discussed fully here. For this reason we will examine only two of these in this chapter, namely, criminal and civil enforcements, as methods judicially used for settlement of disputes in the area of intellectual property. We will discuss provisions of selected Articles of TRIPS Agreement in comparison with their corresponding provisions under the Sudanese Law with view to finding out to what extend the Sudanese legislation on intellectual property has compiled with TRIPS Agreement. The laws in question are, the Copyright and Neighbouring Rights Protection Act, \(\text{٦٩٩١}\); the Trade Marks Act, \(\text{٩٦٩١}\); Patents Act of \(\text{١٧٩١}\), and the Industrial Designs Act, \(\text{٤٧٩١}\). These re chosen because they are the main laws involved in the intellectual property litigation in Sudan at present. We will first examine criminal remedies and then the civil remedies.

\[\text{٢. Criminal Remedies.}\]

\(^{14}\) Kamil Idris, *supra* note 1, at ٣٤٨٤.
Criminal remedies play a role in the fight against infringement of IPRS. But the high standard of proof required in criminal offences makes it difficult for prosecutors to establish the guilt of accused infringers. Yet, criminal penalties where conviction is secured constitute a measure of impact. Because of enormous profit margins which producers of trade mark counterfeit goods and pirated copyright goods realize in them, large scale commercial counterfeiting and piracy operations have traditionally considered civil fines as merely the cost of doing business. In other words, monetary damages do not provide sufficient deterring punishment, but as soon as imprisonment is introduced into the whole process, real enforcement, though not very effective, starts to take shape.

In order to deter large scale counterfeiting and piracy, the TRIPS Agreement demands a number of criminal measures and procedures from member states. First, to mention some, it demands that criminal procedures and penalties be applied to willful trade mark counterfeiting and to copyright piracy on a commercial scale. Secondly, that the remedies provided must include imprisonment and/or monetary fines. Thirdly, that such fines should not only be sufficient to deter infringers but should be consistent with the level of penalties applied for crimes of corresponding gravity. Finally, that in appropriate cases, remedies must include Seizure, forfeiture, destruction of infringing goods and any materials and implements the predominant use of which has been in the commission of the offence.

These measures are addressed by the four noted Sudanese laws. Firstly, copyright infringement is punishable with; ₵

---

\(^{14}\) Id., at  Ṣ\.\(^{1}\).

\(^{15}\) Article  ٦٩٨ of TRIPS Agreement.

\(^{16}\) S. Ṣ\.\(^{1}(\text{ṣ})\) and Ṣ\.\(^{(a)}\), (b) and (c) of the Copyright and Neighbouring Rights Protection Act, ٦٩٨٠. 
(i) fine which is determined by the court,
(ii) imprisonment not exceeding three years or with both fine and imprisonment,
(iii) doubling of fine or the term of imprisonment in case of recidivism,
(iv) confiscation and/or destruction of all copies, materials devised or used in commission of the offence,
(v) publication of judgment in one or more newspapers at the expense of defendant.

Secondly, under Trade Marks Act, infringement is punishable with;

(i) fine not exceeding LS.٠٠٢ in case of representing trade mark as registered in Sudan which is not so registered,
(ii) imprisonment not exceeding one year or with fine not exceeding LS.٠٠٥ or with both in case of commission of other specified acts such as sale or storing for commercial purposes, import of goods which constitute infringement, etc.,
(iii) confiscation and destruction of goods and all other apparatus and materials used for printing the mark. Thirdly, infringement is punishable under the Patents Act infringement with;

(i) fine not exceeding LS.٠٠٠،١,
(ii) imprisonment not exceeding one year or with both fine and imprisonment,
(iii) doubling of fine and imprisonment in case of recidivism.

Finally, infringement of Industrial Design is punishable with;

(i) fine not exceeding LS.٠٠٠،١.
(ii) imprisonment not exceeding six months or with both fine and imprisonment,

(iii) doubling of fine and imprisonment in case of recidivism.

In the light of these provisions it is clear that the requirement of Article 16 of the TRIPS Agreement regarding criminal measures and procedures have been fairly satisfied by the Sudanese Legislation. The first and second demands of applying penalties to willful trade mark counterfeiting and copyright piracy, and the demand that remedies should include imprisonment and/or monetary fine have been met. Under the Copyright Act a fine which is determined by the court is imposed or imprisonment for a term not exceeding three years or both. This is besides confiscation of infringing goods or material and the doubling of fine and/or imprisonment in case of recidivism. On top of that the Act provides for a new form of punishment by which defendant is compelled to pay for the publication of the judgment of the court in one or more newspapers. This form of punishment is not provided for in the TRIPS, but the Agreement does provide that members may implement more extensive protection than is required by the Agreement in their legal systems if they chose to, provided that such protection does not contravene the provisions of the TRIPS Agreement.\textsuperscript{125}

There is a point which is worth noting about the Sudanese provisions with regards to fine. The Trade Marks, the Patents and the Industrial Designs Acts adopt the practice of specifying fines. This practice runs the risk of being obsolete and therefore irrelevant with the passing of time in view of rapid inflation of currencies. The value of the Sudanese pound today I far lesser than it used to be when these legislations were passed. The appropriate thing to do is to give the court

\textsuperscript{125} Article (1) (v) of the TRIPS Agreement.
the discretion of determining the fine as is the case with the Copyright Act.

Another point on the Copyright Act which is to be noted is that it makes separate provisions for the neighbouring rights. It states under Section ٧٣ that the criminal penalties for copyright infringement apply Mutatis Muitandis to infringement of neighbouring rights. This is in place since, as Professor Akolda point out, many remedies are common to all types of intellectual property. But the effect of this single provision is such that civil remedies would not apply to the neighbouring rights. This is add and contrary to the original draft bill which refers to both civil and criminal remedies. It is not known why this alteration was made and who made it.

The third requirement of TRIPS that fines should be sufficient to deter, infringers and consistent with the level of penalties for crimes of corresponding gravity is a subjective provision in our opinion. There is no yardstick for measuring crimes of corresponding gravity. The matter may depend on the particular conditions and circumstances of each individual member state. Furthermore, prevalence and gravity of offences related to works of mind or intellect may also depend very much on the standard, level of education and the progress of each society. It is true that the emergence of modern computer and its mobile communication system have added additional positive impact in the sense that even the least developing countries are rapidly catching up. Yet, it is obvious that the need for deterrence may have to vary from one country to another. A penalty of fine which may be considered deterring in Sudan, for instance, may be insignificant in the United Kingdom or the United States of

---

١٠٢ Id., at ٢٥.
America. In addition to this each national legislature has its own approach to deterrence. In the case of Sudan provisions of doubling the punishment provided for in the Copyright, Patents and the Industrial Designs Acts, including the publication in the newspapers. Provided for under the copyright Act, are notions of deterrence which are calculated to have biting impact on infringers.

The fourth requirement regarding mandatory Seizure, forfeiture, destruction of infringing goods, and any materials and implements predominantly used in the commission of the offence has also been adequately provided for particularly in the Copyright Act. It provides under section 6(1)(a) that the court may order the confiscation or destruction of all copies of such work, if it is of the opinion that such copies were the result of copyright infringement. This also applies to all the materials devised for or used in the commission of an offence. Further the court can order the delivery of such materials to the owner of copyright, or destroy or dispose of such materials in a way it thinks reasonable. The TRIPS does not clearly provide for the delivery of infringing materials to the owner of Copyright. Likewise the Trade Marks, Patents and the Industrial Designs Acts do not provide for this, i.e. the delivery of infringing materials to the right owner. They only provide for the confiscation and destruction of infringing items as we have already noted.

In criminal enforcement the police, as we noted earlier, is generally the moving party in a criminal action against the infringer. Yet, many scholars have criticised the use of criminal law in intellectual property infringement on grounds, inter alia, that criminal law is slow in responding to copyright infringements and that the nature of the property presents obstacles to the investigation and prosecution of offences related
Commenting on the provisions of the repealed Copyright Protection Act in this connection, Professor Akolda said that a few successfully prosecuted case ended up with the infringers getting off the hook by receiving light sentences. This comment remains valid today. For although a fine which is determined by court instead of LS. under the previous Act and a term of imprisonment not exceeding three years have been introduced under the new Copyright Act, the penalties remain light under the Patents, Trade Marks and the Industrial Design Acts as we have already seen.

In spite of the criticism against it, the use of criminal law in intellectual property protection does have positive results. Traditional criminal law search remains to be one of the methods of curbing trade marks counterfeiting and copyright piracy.

In Malaysia, for example, an Organization known as the Business Software Alliance (BSA) has been assisting the government to fight large scale software piracy. During the period of April to June raids were conducted for the purpose of seizing illegal software products. Under the Malaysian Copyright Act, infringers can face not only stiff fines but up to five years in prison. Ours is imprisonment not exceeding three years and a fine as the court may determine as we noted.

In Singapore during , coordinated efforts by the government and police resulted in separate raids on illegal operations, persons were arrested and illegal articles were seized and

---


124 Id.

taken off the market. Those arrested included \(^\ast\) members from seven separate criminal organizations. \(^{12}\)

What is needed for the success of measures such as those in the above two cases is knowledgeable, willing and duty bound conscious and experienced police force, to carry out the search that can realize the results such as indicated in these two examples. Unfortunately, in the Middle Eastern and African countries, the prosecutors and the police have proved extremely reluctant to initiate criminal investigations against corporate entities because they are either incompetent or simply unwilling to establish criminal intent on the part of senior managers who are the directing mind and will of the company. \(^{12}\) A competent police force can only be secured through constant periodical training on subjects which should include the law of intellectual property both locally and abroad.

To conclude, criminal law remedies facilitate protection of intellectual property rights and are therefore indispensable both at the national and international levels. At present the role of criminal law in the enforcement of IPRS has been enhanced in a major way by Article \(^{1}\) of the TRIPS Agreement as we have seen in the foregoing discussion.

\section{Civil Remedies.}

Although criminal enforcement is the preferred course of action against abusers of intellectual property rights owning to the biting effect of the penalty of imprisonment coupled with stiff fines, civil enforcement can also be equally effective against counterfeiting and copyright

\begin{flushright}
\small
\(^{12}\) Source: Singapore Police Force, Films and Publication Depot., Customs and Excise Department, February \(^{1}\), \(\cdots\) (cited by Kamil Idris, \textit{supra} note \(^{1}\), at \(^{344}\)).
\\
\(^{12}\) Jeffery, Steinhardt, Enforcement of Copyright Under the TRIPS in Africa and in the Middle East, WIPO/CR/TUN/98/A/9B, \(^{3}\) (Nov. \(^{\parallel}\)) (cited by Gorashi Kanoan, \textit{The Protection of Computer Software: A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of LLM}, Faculty of Law University of Khartoum \(^{\parallel\parallel}\)).
\end{flushright}
To this end the TRIPS Agreement requires member states to provide the legal infrastructure and mechanisms necessary for IPR holders to vindicate their rights, stop infringement at the outset and provide appropriate and effective remedies relative to the particular situation as may be required by the right holder. This has to be brought about by providing right holders with a minimum of remedies. The most prominent of these remedies are damages, injunctions, attachment, rendering of accounts and provisional measures.

First, the judicial authorities must have the authority to order the infringer to pay the right holder adequate damage to compensate for the injury the right-holder has suffered because of an infringement of that person’s intellectual property right by an infringer who knowingly, or with reasonable grounds to know, engages in infringing activity. Secondly, the judicial authorities must have the power to order a party to desist from an infringement to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve the infringement of an intellectual property right. Thirdly, in order to create effective deterrence to infringement, the judicial authorities must have the authority to order that goods that they have found infringing be, without compensation of any sort, disposed of outside the channels of commerce or destroyed. Fourthly, in appropriate cases, members may authorize the judicial authorities to order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing

---

\*\*\* Kamil Idris, *supra* note 1, at 777.
\*\*\* Articles (41-50) of TRIPS Agreement.
\*\*\* Art. 41(1) TRIPS.
\*\*\* Art. 44(1).
\*\*\* Art. 47(1).
activity.\textsuperscript{176} Finally, the judicial authorities must have the authority to order prompt and effective provisional measures to prevent an infringement of any intellectual property right occurring and to prevent the entry into their jurisdiction of any goods obtained through infringing activity.\textsuperscript{177} Furthermore, the courts must have authority to adopt provisional measures \textit{inaudita altera parte} where appropriate, in particular where any delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable risk of evidence being destroyed.\textsuperscript{177}

These are some of the minimum civil remedies which the TRIPS Agreement requires the member states to provide for in their national legislations.

Sudan law of intellectual property has corresponding provisions to these remedies. First, the \textsuperscript{1997} Copyright Act provide that:

(i) an action for damages by reason of willful or unintentional infringement of Copyright shall be instituted in the court of instance on an application of the Copyright owner or his agent,\textsuperscript{178}

(ii) the owner of copyright or his agent may apply to the court to obtain an injunction to stop the infringing act respect of a work, or the attachment of duplicates or photographic copies extracted therefrom, or the calculation of the revenue resulting from the infringing acts and depositing such revenue in the treasury of the court, or any other injunction as such owner may think necessary for the protection of his rights until the case is finally decided,\textsuperscript{178}

\textsuperscript{176} Art. 6\textsuperscript{v}(γ).
\textsuperscript{177} Art. 6\textsuperscript{v}(γ).
\textsuperscript{178} Art. 7\textsuperscript{v}(γ).
\textsuperscript{179} S. 5\textsuperscript{v}(γ) of the Copyright of Neighbouring Right Protection Act, \textsuperscript{1997}.
\textsuperscript{179} S. 5\textsuperscript{v}(γ).
(iii) the Copyright owner or his agent may apply to the court to obtain an order allowing him to inspect an alleged infringer’s premises and to seize, copy or photocopy any material relating to the alleged infringement and to require the alleged infringer to disclose the names and addresses of his suppliers and customers and the premises where the alleged infringing materials are stocked. Secondly, the Trade Marks Act provides that:

(i) no person shall be entitled to recover damages for infringement of a trade mark not registered in the Sudan. Although negatively constructed, the implication of this provision is that the owner of a trade mark registered in the Sudan can bring an action for recovery of damages against infringers.

(ii) The court before which an action is instituted may order that all goods, wrapping, packing and advertising material, blocks and all other apparatus and material for printing the mark or other material in respect of which the offence is committed, be confiscated and destroyed. The Trade Marks Act, provides for fewer remedies than the Copyright Act. It is silent, i.e. the Trade Marks Act, about doubling of amount of fine or term of imprisonment in case of recidivism, and it does not provide for publication of judgment of the court at the expense of defendant.

Thirdly, the Patents Act provides that:

(i) a registered owner of a patent whose rights are threatened with infringement, or are infringed, may institute legal proceedings

---

\[\text{S. } 53(3).\]
\[\text{S. } 72(1).\]
\[\text{S. } 72(7).\]
\[\text{S. } 72(1).\]
designed to prevent the infringement or to prohibit its continuation.

(ii) in the case of infringement of the said rights, the registered owner of the patent may also claim damages and the application of any other sanctions provided for in the civil law such as seizure and destruction of the infringing products or machinery used for making of such products.

Finally, the Industrial Designs Act provides that:

(i) the registered owner of an industrial design whose rights are threatened with infringement or are infringed may take legal proceedings necessary to prevent such infringement or stop its continuation.

(ii) In the case of infringement of the aforesaid rights, the registered owner of the industrial design may apply for damages or any other civil remedies.

These are the Sudanese provisions on the civil remedies. The Copyright Act reasonably provides for civil remedies, unlike the Trade Marks, Patents and the Industrial Designs Acts which provide fewer than the Copyright. There are no clear provisions for attachment, rendering of accounts and provisional measures in the three last mentioned laws.

Now, having stated both positions of TRIPS and Sudan on civil remedies we will then discuss those remedies briefly. That is, damages, injunctions, attachment, rendering of accounts and provisional measures as already noted.

**a) Damages.**

---

\(^{145}\) S. 6(1) of the Patents Act \(^{151}\).

\(^{146}\) S. 6(2).

\(^{147}\) S. 8 of the Industrial Designs Act, \(^{149}\).

\(^{148}\) S. 8 of the Act.
The TRIPS Agreement lays down the obligations regarding damages under Article 1.54, as noted. Courts must have the authority to order infringers to pay to the right holder adequate damages to compensate for the injury caused by infringement. Unless the defendant knowingly or with reasonable grounds to know infringement the Copyright, such damages are not mandatory. But many states optionally allow damages against even innocent defendant infringers. In Sudan both intentional and innocent infringements entitle the right owner compensation. Under Section 53(2) of the Copyright Act, as we noted, an action for damages by reason of willful or unintentional infringement of copyright is instituted by the Copyright owner or his agent. The Trade Marks, Patents and the Industrial Designs laws likewise provide for recovery of damages under Sections 72(2), 73(2), and 83(2), as already noted.

In the law of Tort, the principle governing damages is that plaintiff should be fully compensated for loss as far as this can be done by an award of money. The same principle applies to the infringement of the rights of a Copyright owner and owners of intellectual property rights by analogy. The plaintiff should be restored, so far as money can do so, to the position he would have occupied if the infringement had not occurred, and the fact that there is difficulty in assessing such compensation is not a reason for not granting substantial award.

In a Canadian case, a firm asked an artist to copy a Christmas card titled “Un Noël Rêve” which the firm’s manager bought from a retailed store. The firm had of the copied cards printed for sc 165.

---

11 Vaver, supra note 11, at 161.
It sent them out for the New Year to its customers. The plaintiff claimed the full retailed price of ٠٠٣،١ cards as damages. This was in excess by sc $C ٠٠٠٢،٢. The defendant offered sc ٠٠٥, being what the plaintiff had charged a third party for a licence to reproduce, for publicity purposes another similar card, “Toutes Voiles au vent” by the same artist. The court accepted the defendant’s theory for assessing damages, but warded sc ٠٠٨ instead of $C ٠٠٥.

The defendant contended that they did not make profit by infringing copyright, since they sent the said cards as mere gifts to their customers for the New Year, and that if damage are to be awarded they should be limited to an amount corresponding to plaintiff’s publication royalties which were no more than sc ٠٠٥.

Delivering the judgment of the court, Judge Poirier said:

It should be remembered that Copyright is a property that is a wasting asset. It is subject to depletion. Every tie an infringement takes place so much of the plaintiff’s property has been taken and consumed, never to be recovered. Copyright is not an inexhaustible store than can be drawn on at will without detraction.

On the question of difficulties in assessing the damages the learned judge said:

The object of the copyright does not permit the person who has infringed the copyright of the owner to escape a judgment for damages merely because they are impossible or difficult to prove. If damages are difficult to assess or cannot be evaluated, the tribunal must do the best it can,
although if may be that the amount awarded will really be a
matter of guesswork.\textsuperscript{1A3}

It is debatable to base compensation on a guesswork, in our
opinion, since there is no measuring rod to control guessing. The effect of
this argument is to raise the likelihood of instability and conflict of views
in legal principle in relation to assessment of damages. However, the
important point to note in this judgment is the fact that plaintiff deserves
damages in the event of an action which are the best a court dealing with
the case can assess on the merits and circumstances of each case. This is
not an easy task in view of the dual nature of intellectual property rights,
namely, economic and moral rights. The latter rights are upheld by
Article 9\textsuperscript{bis} of the Berne Convention \textsuperscript{1A3}. It provides that the author,
independently from his economic rights, shall have the right to claim
authorship of the work and to object to any distortion, mutilation or other
modification of, or other derogatory action in relation to the said work,
which would be prejudicial to his honour. But other countries such as
United States of America oppose moral rights because they consider them
as unnecessary restriction on the commercial use of copyright.\textsuperscript{1A7} For this
reason, moral rights are excluded from the TRIPS Agreement.\textsuperscript{1At}
However, they are applied in the civil law countries\textsuperscript{1A9} and other
countries, including Sudan.

It is said that writers write for recognition rather than financial
reward and so the law should protect a work irrespective of its economic
exploitation.\textsuperscript{1A9}

\begin{footnotes}
\textsuperscript{1A3} Id., at 464.
\textsuperscript{1A7} Christina Michalos, Intellectual Property Law: An Overview of the Law of UK,
Comparisons with Sudan Law, Paper presented in a workshop on Commercial Law
for Sudan Judiciary (October, 2002).
\textsuperscript{1At} Article 9\textsuperscript{bis} of the TRIPS Agreement.
\textsuperscript{1A9} Christina, supra note 41, at 5.
\textsuperscript{1A9} Akolda M. Tier, supra note 41, at 571.
\end{footnotes}
In Snow v. Eaton, the plaintiff artist produced a naturalistic sculpture of Canada geese for the defendant shopping centre. Just before Christmas time, the defendant’s manager put Christmas wreaths and ribbons around the necks of geese. When the plaintiff complained, the defendant claimed that it could do what it liked with the sculpture since it owned it, and that in any event the sculpture looked as pretty with the Christmas decorations as without. The plaintiff sued for infringement of his right of integrity, and asked for a mandatory interlocutory injunction for the decorations to be taken down immediately. The court did just that. It granted the order. If plaintiff had asked for compensation for the harm to his reputation one could imagine the difficult task with which the court could have been charged within its struggle to assess appropriate damages.

(b) Injunction.

The judicial authorities must have under Article 1 of TRIPS the authority to order a party to desist from an infringement to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve infringement of an intellectual property right. Under Sudan Copyright Act, the Copyright owner or his agent may apply to the court to obtain an injunction to stop the infringing act, until the case is finally decided. As we noted, the Trade Marks Act does not provide for injunction. Also the Patents Act and the Industrial Designs Act, provide for application of civil law remedies. Under Section of the Civil Procedure Act, plaintiff can ask the court to grant a temporary injunction until the suit is dispose of. Since

\[^{aA}^a\] Snow v. Eaton Centre Ltd, C.P.R.
\[^{aA}\] Supra note.
\[^{aA}\] S. reads: Whereat any stage of a suit it is proved that any property in dispute in a suit in danger of being wasted, damaged or alienated by any party to the suit the court may, by order, grant temporary injunction to restrain such act or make such
provision for injunction is mandatory under Article 141 of TRIPS, it is submitted that express provisions be introduced as under the 1991 Copyright Act.

The usual order against an infringer is an injunction to stop the continuation of the infringement. In addition to this the defendant is also usually ordered to hand over infringing stock plaintiff so that the injunction is made effective and any continuing temptation to infringe is removed.

**c) Attachment.**

The TRIPS Agreement does not mention the term attachment but it provides in Article 64 under the title of “Other Remedies” that the judicial authorities must dispose of infringing goods in such a manner as to minimize the risks of further infringement. This provision is capable of being interpreted to mean attachment since disposal cannot be possible unless the property being disposed of has been judicially seized or secured through attachment. In this respect Sudan Copyright Act provides that the owner of copyright or his agent can apply to obtain an order of attachment of duplicates or photographic copies extracted from his or her work. The problem as Professor Akolda points out in this respect is that it is not shown what the court can do with the attached copies. Section 63 of the same Act provides that the court may order the delivery of such materials to the owner of the copyright. The same should be the case in civil remedies.

Although the attachment is not clearly provided for the Trade Marks, Patents and the Industrial Designs Acts the resort to civil law

---

other order as it thinks fit for the purpose of staying and preventing the wasting, damaging or alienation of the property until the disposal of the suit or until further order.

Vaver, supra note 77, at 168.

Supra note 78.

Akolda, supra note 11, at 191.
sanctions in each of them indicates that attachment may be ordered as a civil remedy as we noted earlier. However, there has to be justification for demanding attachment. In Christos Simos v. Yousif Gangi, the High Court decided that defendant must give special circumstances which may cause injustice to him of the order of attachment is not immediately issued in his favour.

(d) Rendering Accounts.

The TRIPS requires that in appropriate cases, members may authorize the judicial authorities to order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity. In the case of Sudan the Copyright owner who is suing for damages may demand the calculation of revenue resulting from the infringing acts and the depositing of such revenue in the treasury of the court pending the final decision of the court. There are no corresponding provisions on this point in the Trade Marks, Patents or Industrial Designs Act. Since realizing profits is not confined to copyright alone, there should be provisions in these laws in order to meet TRIPS requirements.

Anglo-American Courts allow successful claimants usually as an alternative to damages, to recover the net profits which the infringer has made from the infringement. The procedure is known as “an account of profits:. Defendant must account for the profits he has made and he has to pay this sum to the claimant.

---

111 (1611) SLJR 173.
Supra note 71.
Supra note 74.
Vaver, supra note 71, at 177.
The purpose of an account of profits is to prevent the defendant from enriching himself at the plaintiff’s expense, provided that in calculating gains, the court may have regard to any value the defendant has added to the plaintiff’s work.

(e) Provisional Measures.

The TRIPS, as noted, requires that courts be given the power to order prompt and effective provisional measures such as temporary restraining orders and preliminary or interlocutory injunction, with view to preventing infringement from occurring, in particular to prevent the entry to goods into channels of commerce after their clearance by customs.

It does happen that before trial, plaintiff may want to obtain a pretrial injunction and an order to seize documents and infringing goods from the defendant’s premises. Although he may have to provide security to compensate the defendant if the order has been wrongly granted or abusively executed, he may have an injunction granted in his favour if he shows that there is a serious issue to be tried, that he will be irreparably harmed if the defendant is not stopped pending the full trial, and that the balance of convenience favours such an order.

In Titan Linkabit Case, plaintiffs were the copyright owners of a computer program contained in a device that decoded scrambled pay television signal, and the first choice television channel which was the exclusive licensee of that device. They sued the defendant for copyright

---

\(^{152}\) Id.
\(^{153}\) Supra note \(^{150}\).
\(^{154}\) Vaver, supra note \(^{152}\), at \(^{150}\).
\(^{155}\) Titan Linkabit Corp. v. S.E.E. See Electronic Engineering Inc., (1997) 48 C.P.R. (3d) 57 (Canada, Federal Court Trial Division) (cited by Vaver at \(^{154}\)).
infringement for making and marketing a decoding device that copied the copyright program. The plaintiffs sought an interlocutory injunction as a provisional remedy.

Defendants admitted copying some of plaintiff’s works but submitted that the works were merely multiple digit numbers which were not original literary works, and that they had not copied other works but simply developed independent functional equivalent of the plaintiff programs, and that they copies only those portions of the work that can be expressed in no other way.

Plaintiffs claimed that they will suffer irreparable harm if an injunction was not granted pending trial of the issues. The court granted plaintiff’s request. Justice Mackay said:

I have concluded that the pleadings and the evidence produced clearly indicate that there are serious issues to be tried. If an interlocutory injunction is not awarded the plaintiffs will suffer irreparable harm pending trial through continuing distribution and sales by defendants.

On the balance of convenience in the circumstances of the case, he said the balance favours the grant of an injunction pending trial of the issue.

Under Article 205, the TRIPS further requires the judicial authorities, as we noted, to adopt provisional measures inaudita altera parte, i.e. without having heard the other side. Where appropriate, in particular where there is a demonstrable risk of evidence being destroyed.

A partial seizure order granted exparte in favour of plaintiff for fear that delay would result in the defendant eliminating evidence is called Anton Piller Order it takes its name from an English case which was
decided in ٦٧٩١. In that case, a German manufacturer had evidence that its English agent was passing on the German Company’s Confidential Manufacturing drawings and other information to a competitor. It applied to the High Court in London without notice to the agent, for a pretrial injunction stopping them from infringing copyright or passing on confidential information. The court granted this injunction, but refused an order requiring the agent to allow up to two representatives of the applicant and two lawyers to enter the agent’s premises and inspect and remove into the lawyers’ custody any documents or articles relating to the design or manufacturing of copies of the German Company’s equipment. The applicant appealed this refusal.

Allowing the appeal, Lord Denning said:

It seems to me that such an order can be made by a judge ex parte, but it should only be made where it is essential that the plaintiff should have inspection so that justice can be done between the parties and when, if the defendant were forewarned, there is a grave danger that vital evidence will be destroyed, that papers will be burnt or lost or hidden or taken beyond the jurisdiction and so the ends of justice will be defeated, provided that inspection would do no real harm to the defendant case.

Concurring with him, Lord Justice Ormrod said:

There are three essential preconditions for the making of such an order, in my judgment. First, there must be an extremely strong prima facie case. Secondly, the damages, potential or actual, must be very serious for the applicant. Thirdly, there must be clear evidence that the defendants have in their

---

٦٧٩١ Anton Piller KG v. Manufacturing Process Ltd. (٦٧٩١) ch. ٠٠٢.
٠٠٢ Vaver, supra note ٧٧٩١, at ٠٠٢٨. 
possession incriminating documents or things, and that there is a real possibility that they may destroy such material before any application inter parte can be made.\textsuperscript{7}\textsuperscript{\textendash}\textsuperscript{7}

Making an order against a party before hearing his part of the story is, of course, against the principle of natural justice. But this order is meant to do justice between the parties as well. In other words, refusing to grant this order on the grounds that it is contrary to the principle of natural justice would mean injustice to plaintiff and an abuse to the principle itself.

As we have seen, the owner of copyright or his agent is allowed to apply to the court to obtain an order allowing him to inspect an alleged infringer’s premises and to seize copy or photocopy of any material relating to the alleged infringement and to require the alleged infringer to disclose the names and addresses of his suppliers and customers and the premises where the alleged infringing materials are stocked.\textsuperscript{7}\textsuperscript{\textendash}\textsuperscript{7}

The adoption of Anton Piller order in Sudan Copyright law is no doubt an advanced and timely step in the right direction from the legislature in view of the current Sudan aspirations to join the World Trade Organization (WTO).

However, Anton Piller Orders are open to abuse and have therefore been subject to constant review since they were introduced in \textsuperscript{1981}. They were renamed as “Seizure Orders” in UK in \textsuperscript{1993} and are frequently granted though on stringent conditions.\textsuperscript{7}\textsuperscript{\textendash}\textsuperscript{4} An earlier review led to the issuance of a Practice Direction in UK \textsuperscript{1994} requiring, inter alia, the standardization of the wording of Anton Piller Orders and the procedure of executing them, including the explanation of the orders to the

\textsuperscript{7}\textsuperscript{\textendash}\textsuperscript{1} \textit{Id.}, at \textsuperscript{129}.

\textsuperscript{7}\textsuperscript{\textendash}\textsuperscript{2} \textit{Supra} note \textsuperscript{12}.

\textsuperscript{7}\textsuperscript{\textendash}\textsuperscript{3} Vaver, \textit{supra} note \textsuperscript{11}, at \textsuperscript{128}.

\textsuperscript{7}\textsuperscript{\textendash}\textsuperscript{4} \textit{Id.}, at \textsuperscript{129}.
defendant in everyday language. Once issued, these orders may be modified, revoked or confirmed at defendant’s request under Article 4.05 of the TRIPS. In Sudan, any person against whom an injunction has been issued may appeal against such an injunction to a competent court within ten days from the date of the issuing of such injunction.7

The development of the Anton Piller Order has coincided with the evolution of another procedural order known as “Mareva injunction” or “freezing injunction” which was introduced in 1975, i.e. before Anton Piller. This order is directed not to the uncovering and preservation of fragile evidence, but to the retention of assets belonging to the defendant which may be needed to satisfy judgment in the action, particularly if they may be otherwise removed from the jurisdiction. These two procedures sometimes work together and orders which contain both Anton Piller and Mareva terms are frequently made. They may relate to bank accounts and other financial assets.

In the Mareva Case, the shipowners let their vessel, the Mareva, to time-charterers on terms which required hire to be paid half-monthly in advance. The charterers defaulted in the third installment. But there was money in a London bank in their name. It had been paid to them by the Government of India as a freight for the voyage, and was money which the time charterers should use to pay the hire. They had not paid it. It was contended on their behalf that as the law then stood, no injunction could be granted before judgment.

The court rejected this contention. Lord Denning said, “If it appears that the debt is due and that there is a danger that the debtor may

---

7 S. 30(4) of the Copyright & Neighbouring Rights Protection Act, 1997.
dispose of his assets so as to defeat it before judgment the court has jurisdiction in a proper case to grant an interlocutory injunction so as to prevent him disposing of these assets”.\textsuperscript{4}

This procedure can work in Sudan as well along with Anton Piller.

In view of the foregoing discussion it is clear that civil remedies effectively facilitate the resolution of intellectual property disputes through civil enforcement process.

\textbf{4. Conclusion.}

Not many people can create anything useful without making efforts, and many people do not bear the hard thinking and patience that works value require from their creators. Those who dislike hard work prefer to take short cut in order to realize quick benefits from the efforts of others through infringement. In doing so they frustrate the creative ability of the individuals concerned both morally and economically. This situation requires concerted action from the public through awareness on one hand and from the state on the other hand through putting in place the legal protection mechanism.

The TRIPS Agreement strongly urges member states to provide criminal and civil law measures to facilitate not only the punishment of infringers but to compel them to pay adequate compensation to any right holder who suffer as a result of infringement. These measures help in curbing wide scale commercial counterfeiting piracy resulting from illegal use of trade marks and works of others. As we have seen in this chapter, Sudan law of intellectual property is reasonably in conformity with the minimum standards laid down by the TRIPS Agreement. Willful trade mark counterfeiting and copyright piracy are punishable. Remedies include imprisonments and monetary fines. They also include seizure,
forfeiture and destruction of good which are found to be, in the opinion of the court, infringing.

As regards civil remedies, courts are empowered to award damages. Under the Copyright and Neighbouring Rights Protection Act ٦٩٩١ the courts have the authority to grant injunctions, order rendering of accounts and issue Anton Piller Orders to allow right owners inspect the premises of the infringers. It is true that further amendments are needed in the Sudan IP regime to close the gaps which need to be closed. But this aside, and as we have said, Sudan law of intellectual property is fairly in compliance, with the norms and standards of TRIPS Agreement.
CHAPTER FOUR

CONCLUSION AND RECOMMENDATIONS

Disputes between states have always been there and although stronger states have always been quick to resort to force rather than peaceful solution of these disputes, times have changed and peaceful resolution of disputes is gradually gaining ground, beginning from the Hague Conventions of 1899 and 1907, the League of Nations Covenant 1919 down to our present day United Nations. Peaceful settlement of disputes has gained grounds. Force has been outlawed by the United Nations Charter, Article 2(4). Methods of dispute settlement have been developed and adopted as treaties. The main methods of peaceful settlement of disputes provided under Article 33(1) of the charter are, negotiations or consultations, inquiry, mediation, conciliation, arbitration and judicial settlement.

These procedures are further categorized into diplomatic and legal means of settlement. Diplomatic means are, negotiation, inquiry, mediation and conciliation. Legal means are arbitration and judicial settlement. Diplomatic means attempt to resolve disputes between disputing states either by the contending parties themselves conferring and exchanging views on the subject matter of their disputes, with view to finding a solution or with the assistance of third party or parties by the use of discussion and fact-finding mediation methods. The third party’s proposed solutions under diplomatic means are not binding on the parties to the dispute. They can reject or accept them. In most cases they accept them. Once a solution is rejected the whole process is terminated.

Under the legal methods, a disinterested party determines the legal and factual issues involved in the dispute through arbitration and the decision of the judicial organ, namely, the Permanent Court of International Justice (PCIJ) under the League of Nations and now under the International Court of Justice (ICJ) of the United Nations.
The dispute settlement procedures laid down by Article ٣٣(١) of the United Nations Charter facilitate the settlement of disputes between states and have been found so useful that they have been and are being increasingly adopted by most international organizations as the ideal and appropriate methods of solving conflicts between states. As the efforts towards peaceful resolution of international disputes increase globally, recently established organizations such as the World Trade Organization (WTO) have developed their own dispute settlement mechanisms for settling trade disputes between their member states. Such mechanisms use the same dispute settlement procedures provided under the United Nations Charter.

The WTO Agreement was concluded in ١٩٩٤ along with many multilateral agreements including the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) which deals with protection of intellectual property rights internationally, and the WTO’s Disputes Settlement Mechanism. This mechanism is contained in Annex ٧ of the Marrakech Agreement. It is known as “Dispute Settlement Understanding (DSU)”. It is this DSU which lays down the procedure of solving all the trade disputes including disputes arising out of the TRIPS Agreement.

The DSU provides three stage for resolving a trade dispute, consultation, establishment of a panel and an Appellate Review. Under the first stage of consultation, the parties to a dispute have opportunity to exchange views on the subject matter of their dispute with view to reaching a mutually satisfactory solution. A good number of disputes get resolved at this stage between the parties themselves without interference from a third party. There are time frames within which the parties conduct

---

consultations. If they fail to reach any settlement the complaining party may ask for establishment of a panel to adjudicate on the matter. This is the second stage. In this stage the panel hears the parties to the dispute in the manner a court does. If the decision of the panel is satisfactory to the parties then the matter ends there. If any of the parties to the dispute or all of them are not satisfied with the panel’s decision they may appeal to the Appellate Body at the third stage. The Appellate Body reviews the panel’s decision but it has to confine itself to the legal issues invoked by the panel deliberations. When doing so, it has the power to uphold, modify or reverse the legal findings and conclusions of the panel.

The role of the Appellate Body has been praised by many legal experts as a good contribution to the development of international trade jurisprudence. It is also considered to have given the WTO dispute settlement system a judicial flavour, a development which marks a shift towards a more legalistic approach, in the international trade dispute tradition, in the opinion of legal experts.

The three stages of resolving trade disputes laid down by the DSU help maintain confidence of the parties to a dispute that justice can probably be done to an aggrieved party in any of those stages. The result of this confidence is that more trade disputes are being resolved through the WTO dispute settlement mechanism. This was not the case in the GATT Dispute Settlement Mechanism which the present one replaced.

In dealing with the protection of intellectual property right, which is governed by the TRIPS Agreement, emphasis is on protection at the national territorial level where the WTO member states are expected to pass their own laws in each area of IP. It follows from this that disputes arising out of infringement of intellectual property rights have to be mostly resolved within the national courts jurisdictions.
To this end the TRIPS Agreement urges WTO member governments to ensure that their national legal systems and practice be in conformity with the norms, standards and procedures stipulated in the Agreement. These norms include criminal and civil enforcements. Under criminal enforcement the Agreement demands that criminal procedures and penalties be applied to willful trade mark counterfeiting and copyright piracy on a commercial scale. Those criminal remedies provided by a member state must include imprisonment and/or monetary fines; and that in appropriate cases, remedies must include seizure, forfeiture destruction of infringing goods and any materials and implements the predominant use of which has been in the commission of the offence.

Under civil enforcement, the Agreement demands that member states provide the legal infrastructure and mechanisms necessary for IPR holders to vindicate their rights, stop infringement at the outset and provide appropriate and effective remedies relative to the particular situation as may be required by the right holder. This has to be done through providing right holders with a minimum of remedies. The most outstanding of these remedies are damages, injunctions, attachment, rendering of accounts and provisional measures.

Sudan law of intellectual property is reasonably in conformity with the minimum standards stipulated in the TRIPS Agreement. Willful trade mark counterfeiting and copyright piracy are punishable. Remedies include imprisonment and monetary fines. They also include seizure, forfeiture and destruction of goods which are found to be, in the opinion of the court, infringing.

As regards the civil remedies the provisions are not satisfactory as they should be.
First, the TRIPS Agreement lays down the obligations regarding damages.\textsuperscript{111} It provides that courts must have authority to order infringers to pay to the right holder adequate damages to compensate for the injury caused by infringement. The Sudan Trade Marks Act, \textsuperscript{1991} does not make clear provision for damages. It simply says that no person shall be entitled to recover damages for infringement of a trade mark not registered in the Sudan.\textsuperscript{117} The Patents Act \textsuperscript{1976}, the Industrial Designs Act, \textsuperscript{1974} and the Copyright and Neighbouring Rights Protection Act, \textsuperscript{1991} do provide for damages. The Trade Marks Act, \textsuperscript{1979}, should be amended in a way which expressly provides for payment of damages or compensation to the trade marks owner whose right is infringed by an infringer.

Secondly, the TRIPS Agreement provides that the judicial authorities must have the power to order a party to desist from an infringement to prevent the entry into the channels of commerce in their jurisdiction of imported goods that involve infringement of an intellectual property right.\textsuperscript{117} In other words courts must be empowered to order injunctions in favour of right holders. The Trade Marks Act \textsuperscript{1975} does not provide for injunction. The Patents Act, \textsuperscript{1976}, the Copyright and Neighbouring Rights Protection Act \textsuperscript{1991} and the Industrial Designs Act \textsuperscript{1974} do provide for injunctions.

Thirdly, Although the TRIPS Agreement does not clearly mention the term “attachment”, it provides under the title “Other Remedies” that goods be disposed of in a manner which minimizes the risks of further

\textsuperscript{111} Article 1\textsuperscript{4} of the TRIPS Agreement.
\textsuperscript{117} S. 77(6) of the Trade Marks Act, 1975.
\textsuperscript{117} S. 77(1) of the Copyright and Neighbouring Rights Protection Act, 1991.
\textsuperscript{14} S. 78(4) of the Industrial Designs Act, 1974.
infringement. This by implication is attachment. The Copyright and Neighbouring Rights Protection Act, 1996 provides for attachment. The Trade Marks Act, 1989, the Patents Act, 1970 and the Industrial Designs Act, 1991 do not provide for attachment. They should provide for this.

Fourthly, the TRIPS requires member states to empower judicial authorities to order recovery of profits and/or payment of pre-established damages even where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity. The Copyright and Neighbouring Rights Protection Act, 1996, expressly provide for calculation of revenue resulting from the infringing acts, i.e. rendering of accounts. The Trade Marks Act, 1989, the Patents Act 1970 and the Industrial Designs Act, 1991 are silent on recovery of profits. Since realizing profits is not confined to copyright alone, there should be express provisions empowering courts to order rendering of accounts in these three laws.

Finally, the TRIPS requires that courts be given authority to order prompt and effective provisional measures such as temporary restraining orders and preliminary or interlocutory injunction with view to preventing infringement from occurring, in particular to prevent the entry of goods into channels of commerce after their clearance by customs authorities. The Copyright and Neighbouring Rights Protection Act, 1996 provides in this connection, that the owner of copyright or his agent may apply to the court to obtain an order allowing him to inspect an alleged infringer’s premises and to seize copy or photocopy any material

---

""" Article 6 of the TRIPS Agreement.
""" Supra note 8.
"""" Article 6 of the TRIPS.
"""" Supra note 8.
"""" Article 6 of the TRIPS Agreement.
relating to the alleged infringement and to require the alleged infringer to disclose the names and addresses of his suppliers and customers and the premises where the alleged infringing materials are stocked. The Trade Marks Act, \textsuperscript{1973}, the Patents Act \textsuperscript{1971} and the Industrial Designs Act, \textsuperscript{1974} are again silent on prompt provisional measures. There should be provisions to this effect.

As it has been revealed in this study there are gaps which need to be closed. To that end we suggest the following recommendations:

1. The legislative practice of fixing fines for offences adopted in Trade Marks Act \textsuperscript{1973}, Patents Act \textsuperscript{1971} and Industrial Designs Act \textsuperscript{1974} is inappropriate because it becomes obsolete and inadequate with the passage of time, in view of rapid inflation of currencies. It is recommended that assessment of fines be left to the discretionary power of the court as is the case at present under the Copyright and Neighbouring Rights Protection Act \textsuperscript{1997}.

2. Section \textsuperscript{77} of the Copyright and Neighbouring Rights Protection Act \textsuperscript{1997} provides that the criminal penalties for Copyright infringement apply \textit{mutatis mutandis} to infringement of neighbouring rights. This means that civil remedies under the same Copyright Act do not apply to the neighbouring rights. This is odd and contrary to the original draft bill which refers to both criminal and civil remedies. It is recommended that the law be amended to include civil remedies accordingly.

3. The Trade Marks Act, \textsuperscript{1973} should be amended to enable the trade marks right holder whose right is infringed to institute an action for damages against the infringer and to obtain an injunction against him as well.

\textsuperscript{111} S. \textsuperscript{72}(3) of the Copyright and Neighbouring Rights Protection Act, \textsuperscript{1997}.
(4) The Trade Marks Act ٩٦٩١, the Patents Act ١٧٩١ should be amended to enable the courts order attachment of infringing items.

(5) The Trade Marks Act ٩٦٩١, the Patents Act ١٧٩١ and the Industrial Designs Act ٤٧٩١ should be amended to introduce empowerment of courts to order rendering of accounts as is the case under the Copyright and Neighbouring Rights Protection Act ١٩٩٦.

(6) The Trade Marks Act ٩٦٩١, the Patents Act ١٧٩١ and the Industrial Designs Act ٤٧٩١ should be amended to empower courts to order prompt provisional measures, and in particular to issue Anton Piller orders.
BIBLIOGRAPHY

Book:
Chatterjee and Davies, *Cracknell’s Statutes: Public International Law*, ١٦٦٩ (٩٩٩٩).
Peter Malanczuk, *Akehurst’s Modern Introduction to International Law*, (٩<sup>th</sup> ed. ١٩٩٩).


Articles and Documents:


Matthijs Geuze, Latest Development in TRIPS Compliance: A paper presented to WIPO Arab Workshop on Intellectual Property for the Least Developed Countries (LDC) organized by WIPO in Cooperation with the Ministry of Justice, Khartoum, (October ٣٠ to ٣٠, ٢٠٠٢).


World Trade Organization, A Training Package, Module One Overview, ١٠ December (١٩٩٨).