

CANADA – PATENT TERM¹

(DS170)

PARTIES		AGREEMENT	TIMELINE OF THE DISPUTE	
Complainant	United States	TRIPS Arts. 33 and 70	Establishment of Panel	22 September 1999
			Circulation of Panel Report	5 May 2000
Respondent	Canada		Circulation of AB Report	18 September 2000
			Adoption	12 October 2000

1. MEASURE AND PATENT AT ISSUE

- Measure at issue: Canada's Patent Act, Section 45, which provided the length of the patent protection for patents filed before 1 October 1989 ("Old Act").²
- Patent at issue: "Old Act" patents, i.e. patents filed before 1 October 1989, which existed at the time when the TRIPS Agreement entered into force for Canada, for which the patent term may potentially be less than the required 20-year term.

2. SUMMARY OF KEY PANEL/AB FINDINGS

- TRIPS Art. 70.1 and 70.2 (protection of existing subject matter): (Art. 70.2) Having found that "a treaty applies to existing *rights*, even when those rights result from 'acts which occurred' before the treaty entered into force" and Art. 70.2 applies to existing inventions (rights) under Old Act patents whose patents were granted (acts) before the date of entry into force of the TRIPS Agreement, the Appellate Body concluded that Canada was bound by the obligation to provide existing patented inventions with a patent term of not less than 20 years from the filing date as required under Art. 33. (Art. 70.1) The Appellate Body also upheld the Panel's finding that Art. 70.1, limiting the retroactive application of the TRIPS Agreement, did not exclude Old Act patents from the scope of the TRIPS Agreement, as "acts" and the "rights created by such acts" should be distinguished and the limitation under Art. 70.1 applies to acts related to the patent, not rights provided by patent itself.
- TRIPS, Art. 33 (term of protection for patents): The Appellate Body upheld the Panel's finding that Canada's Patent Act at issue was inconsistent with Art. 33, as the term of patent protection (i.e. the date of issue of the patent plus 17 years) under Section 45 for Old Act patents did not meet the "20 years from the filing date" requirement under Art. 33. The Appellate Body considered the texts of Art. 33 unambiguous in defining "filing date plus 20 years" as the earliest date on which the term of protection of a patent may end, and this 20-year term must be "a readily discernible and specific right, and it must be clearly seen as such by the patent applicant when a patent application is filed".

3. OTHER ISSUES³

- Effort to accelerate the proceedings (DSU Art. 4.9): Although the Panel was unable to accelerate the proceedings as requested by the United States, pursuant to DSU Art. 4.9 (basis for the request being that current patent holders subject to the Canadian measure were suffering irreparable harm), the Panel, with Canada's consent, limited its schedule to the minimum periods suggested in DSU Appendix 3.

¹ Canada – Term of Patent Protection

² Section 45 of Canada's Patent Act provides, "45. the term limited for the duration of every patent issued under this Act on the basis of an application filed before October 1, 1989 is seventeen years from the date on which the patent is issued."

³ Other issues addressed in this case: "subsequent practice" (VCLT, Art. 31(3)(b)); VCLT Art. 28 ("non-retroactivity of treaties").