Book Review: *Arbitrating Brands International Investment Treaties and Trade Marks* – Metka Potočnik-Elgar International Investment Law 2019 (ISBN 978 1 78897 180 5)

Kay Dunn*

I. A NEW RESEARCH DISCIPLINE

Intellectual Property (IP) protection of Trade Marks has greatly increased in recent times. The introduction by The World Health Organization of the Agreement on the Trade Related Aspects of Intellectual Property Rights (TRIPS)[1] in 1994 giving protection to, inter alia, Trade Marks and the signing of North American Free Trade Agreement (NAFTA)[2] also in 1994, which allowed for this type of property to be protected as an investment allowing this area of the law to grow.

Public awareness of these types of disputes has recently developed; the change of forum from national courts to that of arbitral panels in investment disputes. These panels then decide these disputes removed from state intervention bound by investment or an investment chapter in a trade agreement made by the disputing parties. This change in practice has given public access and has allowed academic research into this area of law.

The *Phillip Morris v Uruguay*[3] dispute decided by using ICSID jurisdiction using the Switzerland-Uruguay BIT initiated the forum of arbitration for these types of disputes, combining the law relating to intangible property rights with the law relating to the settlement of investment disputes between host states and private investors. This was the first dispute to be brought into the public eye considering legislation protecting public health and the dilution of registered trade marks as investments. States bringing in legislation for plain packaging had an indirect effect on the value of tobacco trade marks and brands in the host state. Investors began to make claims of

*Graduate Teaching Assistant, Wolverhampton Law School, University of Wolverhampton.

[1] Agreement on Trade-Related Aspects of Intellectual Property Rights (Annex 1C of the Marrakesh Agreement establishing the World Trade Organization, signed in Marrakesh,
Morocco on 15 April 1994) 1869 UNTS 299 (TRIPS).available at: https://www.wto.org/english/tratop_e/trips_e/intel2_e.htm accessed: 10/03/2020.

[2] North American Free Trade Agreement (NAFTA) (1994).available at: https://www.nafta-sec-alena.org/Home/Texts-of-the-Agreement/North-American-Free-Trade-Agreement?mvid=1&secid=539c50ef-51c1-489b-808b-9e20c9872d25#A1139 accessed 10/03/2020.

[3] *Phillip Morris Brands Sarl v Oriental Republic of Uruguay* ICSID Case No. ARB/10/7 Available at: https://www.italaw.com/cases/460 accessed 13/02/20.

expropriation, plain packaging regulations damaging the value of their trade marks or brands. This case opened the flood gates for greater legislative protections regarding all aspects of public health and for claims of investment loss due to these.

II. HOW IS THIS SPECIALISM ADDRESSED?

Arbitrating Brands[4] offers an insight into these diverging areas of investment law and IP providing investment lawyers an understanding and insight into the law of IP and for IP lawyers an understanding of International Investment law. Each aspect of the law is broken down into piecemeal chunks that can be referred to later for clarity[5].

By using real life "case" studies and those that have the potential for future dispute resolution the book is accessible for all in the legal profession. It helpfully breaks down the aspects of each area of law and the relevant terminology that some many may not currently have access to.

III. ARBITRATING BRANDS – HOW IT WORKS

In the Introduction both areas of law are discussed together. Dr Potočnik describes the development of these two areas of law and how they simultaneously came into action. Potočnik argues that some believe there is no need for this area of law to continue developing as the tobacco plain packaging disputes have been resolved discouraging others from making claims. However, she disagrees arguing convincingly that these types of dispute will continue to arise. With political agendas changing in the direction of protecting public health such as non-communicable diseases prevention, there is more yet to be done[6].

Potočnik then discusses the emerging trends post-1994, the possible development of specialised IP arbitration panels. She questions: "Is there a need for specialised courts or arbitral tribunals in IP disputes?"[7] She suggests the need to approach these disputes as "special cases" applying the principle of *iuria novit arbiter* to correctly apply intellectually property law is imperative in developing the correct way to deal with these disputes.

She concludes the introduction with a very handy "toolbox of translators"[8] explaining the need for dialogue across both areas of law to give practitioners the ability to practise effectively and providing them with an introduction to the fundamental elements of each area.

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[4] Metka Potočnik *Arbitrating Brands International Investment Treaties and Trade Marks* (Edward Elgar, Cheltenham, 2019). The eBook version is priced from £22/$31 from Google Play, ebooks.com and other eBook vendors, while in print the book can be ordered from the Edward Elgar Publishing website.

[5] For a more detailed analysis of Intellectual Property law please see: Bentley *et al Intellectual Property Law* (Oxford, Oxford, 5th edn, 2018), for more information about investment arbitration Born *International Arbitration: Law and Practice* (Kluwer, 2nd edn, 2015) may provide a more in-depth analysis.

[6] Metka Potočnik *Arbitrating Brands International Investment Treaties and Trade Marks* (Edward Elgar, Cheltenham, 2019) 3.

[7] Ibid 7.

[8] Ibid 17.

The book has eight further chapters gradually building the reader's understanding and knowledge of both areas of the law and how they interact with one another. Not only academic debate but the justification and potential developments.

Chapter 1 provides context to Trade Mark investment disputes, by introducing "case" studies in the real-life examples within the tobacco industry and theoretical future disputes. Background to the origin of investment disputes is provided. The legal landscape has developed predominately since 2010 when individuals began to raise disputes with host nations in regard to their 'investments' using investment agreements between their own state and that hosting the investment. Seeking resolution in international arbitral tribunals for the first time.

Potočnik goes into detail presenting these "cases" and the reasoning behind the legislation put in place to protect public health. Not only does she discuss the most prominent cases in these areas but analyses different nations that have adopted the same legislation to tackle public health. She delves into great depth in all areas, discussing not only the legislation and events related to the arbitral dispute but also the considerations of other parties such as the WTO in deciding these disputes. Each investment agreement having the ability to dictate how and by whom the dispute is settled, for example in the Switzerland/Uruguay BIT rights are given for dispute proceedings to be heard under the ICSID Convention[9].

By discussing additional measures recently put in place, she makes it very clear that those scholars who propose the end of IP investment disputes are incorrect. More legislation is likely to take place, as the emphasis on public health and protections that host nations are accountable to provide, grow.

Chapter 2 questions whether IP investment disputes should be addressed in tribunals in a specialised way. Potočnik explores the role of trade marks throughout host nation's legislation and international agreements, giving differing opinions to their value. She also summarises the change in approach to treaty creation, how this has developed in the construction and the terminology used, as well as what this translates to for IP protections under investment law. She even expresses a definition of investment, bringing elements from investment descriptors within international agreements and breaks down this definition[10] to give readers a coherent understanding of what can and has been widely accepted to be covered by these kinds of treaties.

This all leads to the conclusion that IP investment disputes should be dealt with separately and in a specialised approach, the comments are very persuasive. IP is a specialist area of the law, which continues to develop at an astonishing rate. Only by including experts in IP and International Investment law can these types of disputes be settled correctly and coherently.

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[9] Switzerland/Uruguay Bilateral Investment Treaty available at: https://investmentpolicy.unctad.org/international-investment-agreements/treaties/bit/3004/switzerland---uruguay-bit-1988- accessed 27/04/20.
[10] Ibid 62.

Chapter 3 brings greater depth of knowledge for the reader in the law relating to trade marks and how they qualify to be protected. Trade mark protections are inherently territorial and as such have differing protections across host nations. Potočnik aims to bring all these legislations together to give a rounded and much needed generalisation of trade mark protection and acceptability, giving a coherent view of the legal issues in tandem.

Potočnik combines the widely accepted, typical characteristics of IP as investments; commitment of capital or other resources, an expectation of profit or an assumption of risk[11] but also recognises the controversial requirement in some host nation's for some contribution to the host state's development.

This piecemeal approach, allowing the reader to construct their understanding of the two converging areas of law, is a much needed addition to the literature; being aimed at practitioners of each respective area of law, this develops understanding alongside legal knowledge that may already exist for the reader.

Chapter 4 brings into focus how trade marks and brands can be distinguished as investment assets. Potočnik questions how tribunals can decide if a trade mark right has been expropriated[12]. Most of these rights are negative, in that they remove another's right to use them. However, she explains clearly that this is not the summation of TM rights, instead it is just the tip of the iceberg.

The author seeks to clarify her point by looking to individual host nations laws and how they protect registered trade marks, as well as those well-known brands that have greater protection, negating the need for registration in each territory. Trade marks acquire protection by registration in the territory required. Brands are an extension of this, a word or device mark that shows the personality or style of the owner with a particular product or group of products. An example being Coca Cola, not only do they make the distinctive Cola drink but their brand is synonymous with all of the products marked with their brand[13].This is a great help to all practitioners in breaking down the theoretical concepts by using relatable examples. By using the "lens of international investment law"[14] the author seeks to bring these two areas of law together and explain the overlap of ideas and practical application. The conclusion is clear and concise.

Chapter 5 describes the attributes of property in Investment assets by explaining the origins of investment law and explains what protections investments are generally afforded through treaty protections. A clear and decisive explanation of expropriation is provided. The rarer direct expropriation and the more relevant indirect expropriation are explained by using United Nations Conference on Trade and Development (UNCTAD) descriptors for these terms. The author supplies a generalised view of what

[11] Ibid 79.
[12] Ibid 98.
[13] Bentley et al *Intellectual Property Law* (5th Edn, Oxford, Oxford 2018) 849.
[14] Ibid 135.

these terms have been accepted to mean alongside the assurance that IP rights have been recognised as being capable of this kind of protection by using dispute examples and arbitral judgement quotes.

Chapter 6, being the lengthiest of the chapters, brings the two areas of law together for the first time. It is broken down into two parts, Part A discusses how investment treaties or clauses can be violated by interference with trade marks and brands and Part B discusses possible state defences for these violations as well as public interest considerations.

Part A uses the "case" studies from Chapter 1 to explain how interference with trade marks can occur and how tribunals look to decide these disputes. She approves of the Australian WTO[15] dispute, interpreting TRIPS, more readily, confirming that they tackled the complexity of IP law regulation more accurately, rather than skirting the issue, as had been done in the *Phillip Morris*[16] dispute. By comparing the approaches, it becomes apparent that under TRIPS states are not obliged to protect a mark's well-known status, instead individuals are protected from other private parties' interference with the mark. States introducing a blanket ban does not dilute their mark as all market rivals are subject to the same regulation.

Potočnik explains the variation in approach to expropriation of brands, giving protection to additional elements of value through goodwill. This is clearly and coherently discussed giving detailed analysis of the considerations appropriate, sufficient remaining value for example.

Part B explores the state's freedom to regulate ; Potočnik states the key "take-away" message of TRIPS integration into investment treaties is that there must be a balance of rights between the trade mark owners and the WTO members right to regulate on behalf of societal interests. She critically analyses possible state defences for expropriation claims alongside the host state's potential protection of their citizen's human rights.

She concludes with the importance of tribunals appreciating all of the factors in these types of disputes, this leads back to her suggestion of a specialised interpretation of the law.

Chapter 7 discusses the role of the adjudicator, how must they and can they balance this duty and obligation to know both areas of the law (*iura novit curia)* but also to grasp the obligations imposed in the International Rule of Law. Although controversial in academic circles there is a generally accepted definition including "justice", "fairness" and "values essential to humanity"[17]. By abiding by the Rule of Law all

[15] *Australia-Certain Measures Concerning Trademarks, Geographical Indications and Other Plain Packaging Requirements Applicable to Tobacco Products and Packaging,* Reports of the Panel (2018) WT/DS435/R WT/DS441/R WT/DS458/R WT/DS467/R.

[16] *Phillip Morris Brands Sarl v Oriental Republic of Uruguay* ICSID Case No. ARB/10/7 Available at: https://www.italaw.com/cases/460 accessed 13/02/20.

[17] UN RoL Declaration (n8); Supplemented by Report of the Secretary General 'Delivering justice: programme of action to strengthen the rule of law at the national and international levels' (16 March 2012) A/66/749 (report to UN General Assembly for

parties to investment disputes have something to gain, consistency and legitimacy in their actions.

Potočnik rightly questions the need to balance rules from the Vienna Convention[18] alongside the purpose or intention of the treaty in question. The process must remain legitimate, by considering the context of the dispute alongside all these converging rules, including the complex nature of IP law.

Chapter 8, questions what remedies do IP owners have? Potočnik compares the national host nations laws to that of the international community, introducing readers to the bigger picture in investment disputes.

She explains how the UN International Law Commission has now adopted measures into its articles for the kind of remedy available: "full reparation for the injury caused by the internationally wrongful act"[19], this is correctly linked to practical application showing the adoption of these measures amongst many states. The role of judicial restitution and monetary compensation if also discussed alongside the use of hypothetical fair-market valuations.

Potočnik then evaluates the need for the arbitrators to check the reasonableness of these valuations in relation to a potential pay-out. Trade marks and brands having no inherent value, but essentially that created by their place in the market. Overall, this chapter is detailed, introducing technical knowledge using a constructive approach to allow the reader to easily comprehend the content.

There is a short conclusion to the book, Potočnik brings together all her reasoning in pushing for specialised interpretation and approach to these disputes, using the lens of "attribute of property" to assess trade mark investment disputes. She rationalises her thoughts by summarising the discussion from each chapter to remind the reader of all points previously covered. Indeed, it is likely that this is just the beginning for these kinds of investment disputes and only by addressing these issues will the area of law develop coherently and transparently for future trade mark investors.

IV. WHAT'S NEXT FOR POTOČNIK?

Are we to see a second edition from Dr Potočnik as this area develops? It will be a welcome addition to the limited literature in this area of law helping to bridge the gap between IP and investment law practitioners. *Arbitrating Brands* offers a fantastic introduction to these merging legal issues and is useful for not only practitioners but those in academia seeking greater knowledge on this developing area of the law.

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the 67th session) available at: https://www.un.org/ruleoflaw/blog/document/delivering-justice-programme-of-action-to-strengthen-the-rule-of-law-at-the-national-and-international-levels-report-of-the-secretary-general-a66749/ accessed: 07/05/20.

[18] Vienna Convention on the law of treaties, available at: https://treaties.un.org/doc/Publication/UNTS/Volume%201155/volume-1155-I-18232-English.pdf accessed 11/05/20.

[19] International Law Commission, Draft Articles International Wrongful Act available at: https://casebook.icrc.org/case-study/international-law-commission-articles-state-responsibility accessed 11/05/20.