ASSESSING THE COMPATIBILITY OF THE TRIPS COVID-19 WAIVER DECISION WITH INTERNATIONAL INVESTMENT LAW: AN INTERTEXTUAL PERSPECTIVE

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Abstract

This article assesses the compatibility of the TRIPS Covid-19 waiver decision (that was adopted in June 2022) with international investment law. It contends that the ‘TRIPS Waiver’ decision is largely compatible with international investment law. Host states relying on the waiver to issue compulsory licences will be shielded from liability for claims based on the fair and equitable treatment standard. They will also be shielded from liability for claims based on the expropriation standard where there is a carve-out clause that excludes measures relating to intellectual property rights from the scope of expropriation standard in the relevant investment treaty. However, where there is no such carve-out clause in the relevant investment treaty, this article recommends that an intertextual approach should be adopted to shield host states from liability for claims based on the expropriation standard.

I. INTRODUCTION

After several months of extensive negotiations and debates, a waiver decision with respect to the Trade-Related Aspects of Intellectual Property Rights [“TRIPS”] Agreement has now been adopted in response to the Covid-19 pandemic. On the 17th of June 2022, the members of the World Trade Organisation [“WTO”] finally reached an agreement on the details of the waiver decision during the 12th Ministerial Conference of the WTO.\(^1\) The waiver decision is largely based on the outcome of informal quadrilateral negotiations between the United States of America, the European Union, India, and South Africa.\(^2\) However, it is worth noting that the waiver decision is narrower in scope than the initial waiver proposal submitted by India and South Africa in 2020\(^3\) (and later revised in 2021.\(^4\)) Indeed, the crux of the waiver contained in the waiver decision centres around relaxing and clarifying some of the rules relating to compulsory licensing in the TRIPS Agreement and it only covers Covid-19 vaccines.

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\(^1\) World Trade Organization, Ministerial Conference, Twelfth Session, Draft Ministerial Decision on the TRIPS Agreement, WTO Doc. WT/MIN(22)/W/15/Rev.2 (June 17, 2022) [hereinafter TRIPS Waiver Decision].


This article is not concerned with the merits or demerits of the TRIPS waiver decision. The focus of this article is strictly to assess whether or not the waiver decision is compatible with the obligations of states under international investment law as expressed in various Bilateral Investment Treaties (“BITs”) and the investment chapters of Free Trade Agreements. These treaties are collectively referred to in this article as ‘investment treaties’. The question of compatibility is important because states attempting to rely on the waiver decision can still be sued by investors before investment tribunals (for example ICSID) via the Investor-State Dispute Settlement (“ISDS”) system.

The article is structured into three main sections. Section II provides an overview of the provisions of the TRIPS waiver decision and highlights those provisions that are relevant to the international investment law regime. Section III critically evaluates the compatibility of the TRIPS waiver decision with the fair and equitable treatment standard and the expropriation standard in international investment law. This section contends that the TRIPS waiver decision is largely compatible with international investment law.

Section IV focuses on investment treaties that do not contain carve-out clauses and exclude measures relating to intellectual property rights (“IPRs”) from the scope of the expropriation

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standard in the relevant treaty. For such treaties, this article recommends the adoption of an intertextual approach that consists of two key elements: (i) the rules of international intellectual property law (which includes any TRIPS waiver) should be regarded as part of the applicable law in investment disputes involving intellectual property rights; and (ii) the rules of international intellectual property law should be taken into account when interpreting the terms and provisions of investment treaties in disputes involving intellectual property rights (in line with Article 31(3)(c) of the Vienna Convention on the Law of Treaties).

II. THE TRIPS WAIVER DECISION

The relevant paragraphs of the waiver decision that have implications for international investment law are highlighted below.

The first paragraph of the waiver decision makes it clear that the scope of the waiver is limited to compulsory licensing of the patented subject matter that is needed for the production and supply of Covid-19 vaccines, and it provides that:7

1. Notwithstanding the provision of patent rights under its domestic legislation, an eligible Member7 may limit the rights provided for under Article 28.1 of the TRIPS Agreement (hereinafter “the Agreement”) by authorizing the use of the subject matter of a patent2 required for the production and supply of COVID-19 vaccines without the consent of the right holder to the extent necessary to address the COVID-19 pandemic, in accordance with the provisions of Article 31 of the Agreement, as clarified and waived in paragraphs 2 to 6 below.

Footnote 1: For the purpose of this Decision, all developing country Members are eligible Members. Developing country Members with existing capacity to manufacture COVID-19 vaccines are encouraged to make a binding commitment not to avail themselves of this Decision. Such binding commitments include statements made by eligible Members to the General Council, such as those made at the General Council meeting on 10 May 2022, and will be recorded by the Council for TRIPS and will be compiled and published publicly on the WTO website.

Footnote 2: For the purpose of this Decision, it is understood that the ‘subject matter of a patent’ includes ingredients and processes necessary for the manufacture of the COVID-19 vaccine.

The second paragraph of the waiver decision8 further clarifies that a compulsory licence can be issued pursuant to the waiver decision via any instrument including, inter alia, executive orders, legislative acts, or judicial orders:

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7 TRIPS Waiver Decision, supra note 1, ¶ 1.
8 Id., ¶ 2.
2. For greater clarity, an eligible Member may authorize the use of the subject matter of a patent under Article 31 without the right holder’s consent through any instrument available in the law of the Member such as executive orders, emergency decrees, government use authorizations, and judicial or administrative orders, whether or not a Member has a compulsory license regime in place. For the purpose of this Decision, the “law of a Member” referred to in Article 31 is not limited to legislative acts such as those laying down rules on compulsory licensing, but it also includes other acts, such as executive orders, emergency decrees, and judicial or administrative orders.

The most significant waiver contained in the waiver decision can be found in its paragraph 3(b) which essentially waives the requirements of Article 31(f) of the TRIPS Agreement and permits the exportation to any eligible member of any proportion of whatever is produced via a compulsory licence issued pursuant to the waiver. It provides that:

(b) An eligible Member may waive the requirement of Article 31(f) that authorized use under Article 31 be predominantly to supply its domestic market and may allow any proportion of the products manufactured under the authorization in accordance with this Decision to be exported to eligible Members, including through international or regional joint initiatives that aim to ensure the equitable access of eligible Members to the COVID-19 vaccine covered by the authorization.

Another important provision in the waiver decision is paragraph 3(d) which deals with remuneration, and it provides that:

(d) Determination of adequate remuneration under Article 31(h) may take account of the humanitarian and not-for-profit purpose of specific vaccine distribution programs aimed at providing equitable access to COVID-19 vaccines in order to support manufacturers in eligible Members to produce and supply these vaccines at affordable prices for eligible Members. In setting the adequate remuneration in these cases, eligible Members may take into consideration existing good practices in instances of national emergencies, pandemics, or similar circumstances.

Footnote 4: This includes the remuneration aspects of the WHO-WIPO-WTO Study on Promoting Access to Medical Technologies and Innovation (2020), and the Remuneration Guidelines for Non-Voluntary Use of a Patent on Medical Technologies published by the WHO (WHO/TCM/2005.1). In a sense, paragraph 3(d) confirms and elaborates on Article 31(h) of the
TRIPS Agreement which already provides that “the right holder shall be paid adequate remuneration in the circumstances of each case, taking into account the economic value of the authorization”.

Having highlighted some of the key provisions of the waiver decision, it is now apposite to assess its compatibility with the international investment law regime. In other words, to what extent can a WTO member seeking to rely on the waiver to grant a compulsory licence for the production of Covid-19 vaccines successfully defend itself if its actions are challenged before an investment tribunal?

III. THE TRIPS WAIVER DECISION AND INTERNATIONAL INVESTMENT LAW

In the light of some of the recent high profile investment disputes involving intellectual property rights, if there will be any challenge to the issuance of a compulsory licence pursuant to the waiver decision before an investment tribunal, it will most likely be on the grounds that the compulsory licence amounts to expropriation and/or a violation of the fair and equitable treatment standard. The host state has several options to respond to a challenge by the investor, assuming that the investor meets the jurisdictional threshold of having a patent right that can be defined as an ‘investment’. These options will be highlighted below.

Prior to discussing these options, it is important to distinguish between claims that may be brought on the grounds that the compulsory licence amounts to expropriation and those that constitutes a violation of the fair and equitable treatment standard. This distinction is crucial because, while (as will be shown below) it is not uncommon for some investment treaties to specifically exclude measures relating to intellectual property rights (including compulsory licensing) from the scope of the expropriation standard, there is usually no such exclusion for the fair and equitable treatment standard.


14 It is worth noting however that, in practice, investors usually challenge host state measures on several grounds simultaneously.

15 Nevertheless, some investment treaties exclude measures relating to intellectual property rights from the scope of both the expropriation and fair and equitable treatment standards. For instance, Article 3.6(c) of the India-Brazil BIT of 2020 excludes measures relating to intellectual property rights from the scope of the BIT.
A. The Fair and Equitable Treatment Standard.\textsuperscript{16}

In relation to the fair and equitable treatment standard, the host states can face claims based on some of the well-recognised elements of the fair and equitable treatment standard where measures relating to IPRs have not been specifically excluded from the scope of this standard under the relevant investment treaty. These elements include the protection of the investor’s legitimate expectations; the prohibition of arbitrariness; the prohibition of discrimination; the prohibition of denial of justice; due process; and transparency. In this regard, an investor may, for instance, decide to challenge a compulsory licence issued pursuant to the waiver decision on the grounds that it amounts to a violation of its legitimate expectations and/or that it is arbitrary.

The recent decisions of investment tribunals in investment disputes involving IPRs indicate that it is highly unlikely that a challenge brought against a compulsory licence issued pursuant to the waiver decision on the grounds of a violation of legitimate expectations or arbitrariness will be successful. For instance, with regard to legitimate expectations, in Philip Morris v. Uruguay, concerning the claim that the two trademark-related measures implemented by Uruguay to curb the consumption of tobacco products violated the legitimate expectations of the claimants, the Tribunal held that legitimate expectations depend on specific undertakings and representations made by the host state to induce investors to make an investment.\textsuperscript{17} Accordingly, the Tribunal noted that provisions of general legislation that apply to several people do not create legitimate expectation that the law will remain the same.\textsuperscript{18} More importantly, the Tribunal noted that no undertaking or representation may have been grounded on trademark regulations that are in any case subject to the state’s regulatory power in the public interest.\textsuperscript{19}

Furthermore, in Eli Lilly v. Canada, the claimant alleged that it had a legitimate expectation that its patents would not be retroactively invalidated by Canadian courts based on Canada’s promise utility doctrine.\textsuperscript{20} In response, Canada contended, among other things, that the grant of a patent cannot be relied upon as a basis for legitimate expectations because patents are only presumptively


\textsuperscript{17} Philip Morris Brands Sarl & Ors. v. Uruguay, ICSID Case No. ARB/10/7, International Investment Agreement, 426 (July 8, 2016).

\textsuperscript{18} Id., ¶ 426.

\textsuperscript{19} Id., ¶ 431.

valid and subject to challenge and final determination by courts. The Tribunal held that Eli Lilly’s expectation that its patents would not be invalidated for failure to meet the utility requirement “cannot amount to a legitimate expectation”. The Tribunal equally noted that every patentee knows that their patents can be challenged before national courts on the grounds of a failure to satisfy patentability requirements. Moreover, the Tribunal stated that Eli Lilly could and should have anticipated that the law would change over time as a result of judicial decision-making. In this regard, the Tribunal’s decision in *Eli Lilly* is similar to the Tribunal’s decision in *Philip Morris* and both decisions are in accordance with the view that the grant of an intellectual property right should not give rise to any legitimate expectations that the intellectual property right would not be limited, regulated, or revoked.

In relation to claims of arbitrariness, in *Philip Morris*, the claimants had alleged that the two impugned measures implemented by Uruguay were arbitrary because they were adopted without scientific evidence of their effectiveness, without due consideration by public officials, and with no reasonable connection between the objective pursued by the state and the utility of the measures adopted. The Tribunal was, however, divided over this issue. While the majority held that both the Single Presentation Requirement (SPR) and the 80/80 measures were not arbitrary, one of the arbitrators (Born) dissented and took the view that the SPR was an arbitrary measure.

In its decision, the majority of the Tribunal prefaced its analysis in this regard by invoking the doctrine of the margin of appreciation (a concept developed by the European Court of Human Rights) and held that it was applicable in this context. According to the Tribunal, states have the responsibility for public health measures and “investment tribunals should pay great deference to governmental judgments of national need in matters such as the protection of public health”. In relation to the SPR, the majority of the Tribunal took the view that, while the SPR was a novel measure with no precedent, the rationale behind the measure was to address false and misleading advertising by those who sell cigarettes. In this case, the majority leaned more in the direction of

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21 *Id.*, ¶ 303.
22 *Id.*, ¶ 383-384.
23 *Id.*, ¶ 382.
24 *Id.*, ¶ 384.
25 *Philip Morris*, *supra* note 17, ¶ 389.
26 *Id.*, ¶ 398-399.
27 *Id.*, ¶ 399.
28 *Id.*, ¶ 404; (Arbitrator Born dissenting) (Born disagreed with the approach of the majority with regard to the SPR. He took the view that the doctrine of the margin of appreciation cannot be properly transplanted to the BIT or to questions of FET more generally. Instead of the margin of appreciation, Born advocated for the use of rationality and proportionality as benchmarks. In other words, according to Born, “[T]he Tribunal must assess whether, viewed in the context of a state’s legislative and regulatory actions, a particular measure is rationally related and fairly proportionate to the state’s articulated objectives.”)
deferring to the state’s regulatory discretion, and it was willing to overlook the fact that the SPR may not be having the effects intended by the state as long as it was an attempt to address a real public health concern.

In *Eli Lilly*, the claimant also contended that the promise utility doctrine was arbitrary because it was unpredictable, incoherent, and served no legitimate public purpose. Canada, however, contended that the doctrine was aimed at, among other things, preventing the grant of patents based on bare speculation. The Tribunal held that the decisions of the Canadian courts in relation to the promise utility doctrine were not arbitrary. The Tribunal noted that Canada had shown a legitimate public policy for various elements of the promise utility doctrine such as encouraging accuracy while discouraging overstatement in patent disclosures, preventing the grant of patents on the basis of speculation, and ensuring that patentees disclose to the public the basis of the prediction of an invention’s utility in exchange for obtaining a patent prior to demonstrating that the invention is useful.

In sum, while the decisions of investment tribunals can be unpredictable and it is difficult to generalise in the context of international investment law, one could argue that it is highly unlikely that an investor would be able to successfully rely on the fair and equitable treatment standard to challenge a compulsory license issued pursuant to the waiver decision. This will be the case whether or not measures relating to intellectual property rights are specifically excluded from the scope of the fair and equitable treatment standard in the relevant investment treaty.

Crucially, in the limited cases available so far, tribunals have consistently held that the grant of an IPR (including a patent) cannot form the basis of a legitimate expectation that the intellectual property right cannot be limited, regulated, or revoked. Thus, it may be difficult for an investor to argue that it had a legitimate expectation that its patent rights would not be subject to a compulsory license. Moreover, it is also not unusual for investment tribunals to defer to and respect the policy choices made by host states, especially where it concerns measures implemented by host States to protect public health. Thus, it will not be easy for an investor to challenge a compulsory licence issued pursuant to the waiver decision on the grounds of arbitrariness.

29 *Eli Lilly*, supra note 20, ¶ 390.
30 *Id.*, ¶ 406.
31 *Id.*, ¶ 418.
32 *Id.*, ¶ 423.
33 *Id.*, ¶ 425.
34 *Id.*, ¶ 428.
B. The Expropriation Standard: When there is a carve-out clause

At the outset, it should be stressed here that by ‘expropriation’, this article means ‘indirect’ expropriation. As Ranjan correctly notes, when it comes to the issue of expropriation and measures relating to intellectual property rights, it is best to divide investment treaties into two main categories, i.e., those that contain carve-out clauses for measures relating to intellectual property rights and those that do not. The situation is somewhat tricky and unpredictable with regard to investment treaties that do not contain carve-out clauses for measures relating to intellectual property rights and these types of treaties will be discussed below in section III-C of this article.

For investment treaties that do contain carve-out clauses for measures relating to intellectual property rights, the carve-out clauses can take different forms, but they should generally shield host States from liability arising from issuing a compulsory licence pursuant to the waiver decision. These carve-out clauses can be broadly classified into five different categories.

Firstly, some investment treaties contain broad carve-outs for measures relating to intellectual property rights. A good example in this regard is Article 3.6(c) of the India-Brazil BIT of 2020 which provides that:

This Treaty shall not apply to:

... (c) the issuance of compulsory licenses granted in relation to intellectual property rights, or to the revocation, limitation or creation of intellectual property rights, to the extent that such issuance, revocation, limitation or creation is consistent with the international obligations of Parties under the WTO Agreement

This type of carve-out clause would protect host states from claims relating to both the expropriation standard and the fair and equitable treatment standard as it broadly excludes measures relating to intellectual property rights (including compulsory licences) from the scope of the treaty. Thus, if the compulsory licence issued by the host State is consistent with the TRIPS Agreement and/or the TRIPS waiver decision, an investor cannot rely on this treaty to successfully challenge the issuance of the compulsory licence. While this type of carve-out clause will not necessarily prevent a legal challenge from being brought before an investment tribunal, it can nevertheless shield states from liability if the measures they adopt are consistent with the TRIPS Agreement and any TRIPS waiver.

35 Prabhash Ranjan, supra note 6.
36 Investment Cooperation and Facilitation Treaty, Braz.-India., art. 3.6(c), Jan. 25, 2020.
Secondly, in some investment treaties, there are broad carve-outs that are specifically aimed at WTO waivers (including by implication, TRIPS waivers). For instance, Article 18(8) of the Canada-Serbia BIT that entered into force in 2015 provides that:

> If a right or obligation in this Agreement duplicates one under the WTO Agreement, the Parties agree that a measure adopted by a Party in conformity with a waiver decision granted by the WTO pursuant to Article IX of the WTO Agreement is deemed to be also in conformity with the present Agreement. Such conforming measure of either Party may not give rise to a claim by an investor of one Party against the other under Section C of this Agreement.

Thus, this type of clause can be used by host states to escape liability for the issuance of a compulsory licence pursuant to a TRIPS waiver as long as the compulsory licence is issued in conformity with the text of such a waiver.

Thirdly, some other investment treaties contain carve-out clauses that shield host state measures relating to IPRs (including compulsory licences) from only the expropriation standard. An example is Article 14.8(6) of the United States-Mexico-Canada Agreement (USMCA) which provides that Article 14.8 (which deals with expropriation) “does not apply to the issuance of compulsory licenses granted in relation to intellectual property rights in accordance with the TRIPS Agreement, or to the revocation, limitation, or creation of intellectual property rights, to the extent that the issuance, revocation, limitation, or creation is consistent with Chapter 20 (Intellectual Property) and the TRIPS Agreement”. A footnote to this provision further clarifies that, “for greater certainty, the Parties recognize that, for the purposes of this Article, the term “revocation” of an intellectual property right includes the cancellation or nullification of that right, and the term “limitation” of an intellectual property right includes exceptions to that right.” While this type of clause can shield a host state from liability with regard to the expropriation standard (as long as the compulsory licence is consistent with the TRIPS Agreement or the TRIPS waiver), it will not protect a host state from claims based on the fair and equitable treatment standard.

Fourthly, some investment treaties contain very narrow carve-out clauses that only apply to compulsory licences (and not other measures relating to IPRs) and only shield host States from liability for claims relating to the expropriation standard. In this regard, Article 5(6) of the Korea-Uzbekistan BIT of 2019 provides that:

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37 Agreement for the Promotion and Protection of Investments, Can.-Serb., art. 18(8), Apr. 27, 2015.
39 Id., at footnote 9.
40 Agreement for the reciprocal promotion and protection of investments, Kor.-Uzb., art. 5(6), June 17, 1992.
This Article [on expropriation] does not apply to the issuance of compulsory licenses granted in relation to intellectual property rights in accordance with the Agreement on Trade-Related Aspects of Intellectual Property Rights (the ‘TRIPS Agreement’).

A clause like this will shield the host state from liability for any compulsory licence that is issued pursuant to the TRIPS waiver decision as long as the compulsory licence is in accordance with the text of the TRIPS waiver. However, this type of carve-out clause will only protect host states from claims based on the expropriation standard but not from claims based on the fair and equitable treatment standard.

Fifthly, some investment treaties contain clauses that can be regarded as a codification of the ‘police powers’ doctrine which exempts regulatory measures adopted by states for a public purpose (such as the protection of public health) from liability even if these measures result in an expropriation. For example, subparagraph 2(b) of Annex 10B of the Regional Comprehensive Economic Partnership [‘RCEP’] Agreement defines indirect expropriation as a situation “where an action or a series of related actions by a Party has an effect equivalent to direct expropriation without formal transfer of title or outright seizure.” Thereafter, paragraph 4 of Annex 10B of the RCEP provides that:

Non-discriminatory regulatory actions by a Party that are designed and applied to achieve legitimate public welfare objectives, such as the protection of public health, safety, public morals, the environment, and real estate price stabilisation, do not constitute expropriation of the type referred to in subparagraph 2(b).

Crucially, where an investment treaty expressly codifies the police powers doctrine, then one can reasonably conclude that Tribunals have no choice but to apply this doctrine whenever they need to draw a distinction between legitimate regulation and regulatory expropriation. Importantly, in relation to claims based on the expropriation standard, a host state can rely on such codification of the police powers doctrine in the relevant investment treaty to shield itself from any challenges to its issuance of a compulsory licence pursuant to the TRIPS waiver decision. In this regard, the issuance of a compulsory licence for the production and supply of Covid-19 vaccines can be

42 Thus, faced with a codification of the police powers doctrine in paragraph 4(b) of Annex 10-B of the US-Oman Free Trade Agreement (FTA) of 2006, the Tribunal in Al Tamimi v. Oman stated that: ‘Any claim for indirect expropriation based on the Respondent’s actions after 17 February 2009 would also have to confront the express stipulation in Annex 10-B.4(b) of the US-Oman FTA that non-discriminatory regulatory actions by a State designed and applied to protect legitimate public welfare objectives, including protection of the environment – and, the Tribunal infers, the enforcement of Omani private property laws – do not constitute indirect expropriations.’ See, Al Tamimi v. Oman, ICSID Case No. ARB/11/33, International Investment Agreement, Award, ¶ 368 (Nov. 3, 2015).
regarded as a regulatory action designed and applied to achieve a legitimate public welfare objective i.e., the protection of public health.

C. The Expropriation Standard: When there is no carve-out clause

As noted in Section III-A above, whether or not measures relating to intellectual property rights are specifically excluded from the scope of the fair and equitable treatment standard in the relevant investment treaty, it is highly unlikely that an investor will be able to successfully rely on the fair and equitable treatment standard to challenge a compulsory licence issued pursuant to the waiver decision. Furthermore, as explained in section III-B above, where there is a carve-out clause, host states can rely on this to shield themselves from liability with regard to claims based on the expropriation standard. However, what happens if there is no carve-out clause that excludes measures relating to intellectual property rights (including compulsory licensing) from the scope of the expropriation standard in the relevant treaty? This question is important because several older investment treaties do not contain any carve-out clauses that exclude measures relating to intellectual property rights from the scope of the expropriation standard. As Ranjan correctly observes:

43 Ranjan, supra note 35, at 538.

…most first-generation BITs i.e., the BITs that [were] signed during the 1980s, 1990s, and early 2000s contained scant provisions preserving the host States’ regulatory space. These BITs were largely one-sided with a focus exclusively on investment protection. In other words, in these BITs … there is no mention of IP-related regulatory measures being excluded either from the scope of the BIT or specific provisions … [Therefore,] in these treaties, the ISDS Tribunal will not be under an obligation to accord a higher normative value to the TRIPS agreement over the BIT. Consequently, in case a foreign investor challenges any IP-related regulatory measure that a host State adopts to implement the TRIPS waiver, the ISDS Tribunal will adjudicate this claim without any BIT textual support for IP-related regulatory measures.

In response to this question, a number of measures and mechanisms have been suggested that may provide some protection for host States even in the absence of a carve-out clause that excludes measures relating to IPRs from the scope of the expropriation standard in the relevant investment treaty. Some of these suggestions are critically evaluated below.

Firstly, it has been suggested that host states can rely on clauses in investment treaties that permit states to adopt Non-Precluded Measures (“NPM clauses”). 44 Ranjan defines this type of clause as “a clause that allows host states to adopt measures for the protection of certain public policy

43 Ranjan, supra note 35, at 538.
44 Id.
concerns like health, environment, etc., that may otherwise constitute a violation of the treaty”. NPM clauses can take different forms. Some NPM clauses contain a list of permissible objectives (such as the protection of public health) with a relaxed nexus requirement (i.e., no requirement that the measures adopted be ‘necessary’ to achieve the permissible objective). For instance, a good example in this regard is Article 11 of the Pakistan-Singapore BIT of 1995 which provides that:

The provisions of this Agreement shall not in any way limit the right of either Contracting Party to apply prohibitions or restrictions of any kind or take any other action which is directed to the protection of its essential security interests, or to the protection of public health or the prevention of diseases and pests in animals or plants.

However, some NPM clauses (such as those inspired by Article XX of the General Agreement on Tariffs and Trade (GATT)) contain both, a list of permissible objectives, and a strict nexus requirement. For instance, Article 13 of the Japan-Iran BIT of 2016 provides in part that:

Subject to the requirement that such measures are not applied by a Contracting Party in a manner which would constitute a means of arbitrary or unjustifiable discrimination against, or a disguised restriction on investors of the other Contracting Party and their investments in the Territory of the former Contracting Party, nothing in this Agreement shall be construed so as to prevent the former Contracting Party from adopting or enforcing measures:

(a) necessary to protect human, animal or plant life or health...

Irrespective of the type of NPM clause, and though there is some debate regarding the meaning of the term ‘necessary’ contained in those NPM clauses with a strict nexus requirement, host

45 Id.
46 Agreement on the Promotion and Protection of Investments, Pak.-Sing., art. 11, March 8, 1995.
48 Some Tribunals have conflated the ‘necessary’ requirement in some NPM clauses with the doctrine of necessity under customary international law. See Dilini Pathirana & Mark McLaughlin, Non-precluded Measures Clauses: Regime, Trends, and Practice, in HANDBOOK OF INTERNATIONAL INVESTMENT LAW AND POLICY 495 (Julien Chaisse et. al. eds., 2021). (“The “necessary” requirement was most famously at the center of several ISDS cases resulting from Argentina’s economic crisis. This has been the subject of considerable scholarly comment. The tribunals in CMS v Argentina, Sempra v Argentina, and Enron v Argentina sought to interpret the term “necessary” by having recourse to Article 25 of the ILC Articles on State Responsibility, considered to be a codification of the customary international law doctrine of necessity. As such, these tribunals considered inseparable the “nexus” requirement provided for in the BIT and the necessity defense under customary international law. Resultantly, these tribunals set a very high bar to clear in order that measures taken by Argentina in the economic crisis would be considered as exceptions under the bilateral investment treaty. However, the tribunals did not take account of hierarchical relationship between the provisions contained in the BITs and the customary international law definition of necessity. Invocation of the “necessity” defense requires the consideration of an internationally wrongful act (as determined by primary rules) and consideration of the relationship nexus by which the home State can be held responsible for this act (the purpose of the secondary rules). Neither of these conditions were satisfied in this case. As such, there is no normative justification for the use of the ILC Articles to interpret “necessary” as “necessity” in this context. As such the standards contained in the BIT and the necessity defense are entirely incongruent. Indeed, a preferable approach was followed in the cases of LG&E v. Argentina and Continental Casualty v Argentina. Both of these Tribunals declined to conflate the customary
states will likely be able to rely on such clauses if the issuance of a compulsory licence pursuant to the waiver decision is challenged before an investment Tribunal. Nevertheless, it should be noted that not all investment treaties contain an NPM clause. As pointed out by Dilini Pathirana and Mark McLaughlin,

“…although NPM clauses are becoming more widespread, [international investment agreements] in which they are expressly included remain a small minority in the context of the international investment regime overall. Indeed, those NPM clauses which apply to the entire treaty, as opposed to being merely limited to certain standards of investment protection, are rarer still. Their inclusion is somewhat scattered and inconsistent in the treaty practice of many States, with NPM clauses inserted into some BITs but absent from others.”

Secondly, it has also been suggested that the host states could rely on the police powers doctrine under customary international law. Thus, even where the police powers doctrine is not codified in the relevant investment treaty, it is still possible for host states to invoke this doctrine to justify the issuance of a compulsory licence pursuant to the TRIPS waiver decision. Indeed, the Tribunal in Philip Morris recognised the police powers doctrine as forming part of customary international law. Thus, even though the police powers doctrine is not codified in the Switzerland-Uruguay BIT (i.e., the BIT relevant to the dispute), the Tribunal still applied the doctrine to the facts of the case.

In Philip Morris, the Tribunal noted that Article 5(1) of the Switzerland-Uruguay BIT which deals with expropriation had to be interpreted in the light of “any relevant rules of international law applicable to the relations between the parties” as required by Article 31(3)(c) of the Vienna Convention on the Law of Treaties (VCLT). According to the Tribunal, this reference to the relevant rules of international law includes customary international as they have evolved. It then noted that “protecting public health has since long been recognized as an essential manifestation of the State’s police power”. In support of its view that the police powers doctrine formed part of customary international law, the Tribunal cited several sources including Article 10(5) of the 1961 Harvard

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49 See also, Ranjan, supra note 35, at 540.
50 Pathirana & McLaughlin, supra note 48, at 483, 487–488.
51 Ranjan, supra note 35, at 541 (referring to this as ‘the police powers doctrine in international law’).
52 Philip Morris, supra note 17, ¶ 290.
54 Id.
55 Id., at 291.

Nevertheless, the precise scope of the police powers doctrine under customary international law is amorphous and ambiguous.\textsuperscript{57} Furthermore, some investment tribunals are not favourably disposed towards adopting the police powers doctrine.\textsuperscript{58} Thus, unless it is expressly codified in the relevant investment treaty, there is no guarantee that a host state can successfully invoke the police powers doctrine under customary international law to shield itself from liability for claims brought by investors claiming that the grant of a compulsory licence pursuant to the TRIPS waiver decision amounts to expropriation.

\textit{Thirdly}, it has equally been suggested that “Article 31(3)(c) of the VCLT can be employed to bring the TRIPS waiver into the BIT’s interpretative matrix”.\textsuperscript{59} In this regard, it is worth noting that Article 31(3)(c) of the VCLT provides that “any relevant rules of international law applicable in the relations between the parties” should be “taken into account, together with the context” when interpreting a treaty. Article 31(3)(c) of the VCLT equally applies to investment treaties.\textsuperscript{60} As Ranjan rightly notes, the TRIPS waiver will fall within the scope of Article 31(3)(c) of the VCLT because the TRIPS waiver “is a rule of international law, which is both ‘relevant’ and ‘applicable’ in the relations between the parties.”\textsuperscript{61}

What is the implication of the TRIPS waiver decision falling within the scope of Article 31(3)(c) of the VCLT? Ranjan contends that this implies that “the TRIPS waiver will be used to clarify the content of the provision being interpreted” but “not to limit the treaty provision to the scope and content of the admissible rule”.\textsuperscript{62} According to this view, an investment Tribunal “cannot import

\textsuperscript{56} Id., at 292-293.
\textsuperscript{58} See, e.g, Azurix v. Argentina, ICSID Case No. ARB/01/12, International Investment Agreement, 310 (July 14, 2006) (“For the Tribunal, the issue is not so much whether the measure concerned is legitimate and serves a public purpose, but whether it is a measure that, being legitimate and serving a public purpose, should give rise to a compensation claim.”); Compañía de Aguas del Aconquija S.A. and Vivendi Universal S.A. v. Argentina, ICSID Case No. ARB/97/3, International Investment Agreement, ¶ 7.5.21 (Aug. 20, 2007) (“the structure of Article 5(2) of the Treaty directs the Tribunal first to consider whether the challenged measures are expropriatory, and only then to ask whether they can comply with certain conditions, i.e., public purpose, non-discriminatory, specific commitments, et cetera. If we conclude that the challenged measures are expropriatory, there will be violation of Article 5(2) of the Treaty, even if the measures might be for a public purpose and non-discriminatory, because no compensation has been paid. Respondent’s public purpose arguments suggest that state acts causing loss of property cannot be classified as expropriatory. If public purpose automatically immunises the measure from being found to be expropriatory, then there would never be a compensable taking for a public purpose.”).
\textsuperscript{59} Ranjan, \textit{supra} note 35, at 542.
\textsuperscript{60} VCLT, \textit{supra} note 53.
\textsuperscript{61} Ranjan, \textit{supra} note 35, at 542.
\textsuperscript{62} Id., at 545.
the TRIPS waiver into the BIT and apply it directly to the facts at hand.”63 Ultimately, according to this approach, “although the TRIPS waiver will be admissible in the interpretation of the relevant BIT provision, the interpretative weight that will be bestowed to it will depend on the ISDS Tribunal.”64 However, as will be further explained in Section IV-B below, it is suggested here that Article 31(3)(c) of the VCLT can potentially play a more prominent role in ensuring that the rules of international intellectual property law (including the TRIPS waiver decision) are taken into account in any investment dispute relating to the issuance of a compulsory licence pursuant to the TRIPS waiver decision.

IV. THE TRIPS WAIVER DECISION AND INTERNATIONAL INVESTMENT LAW: AN INTERTEXTUAL PERSPECTIVE

The analysis in Section III above has shown that, to a large extent, the TRIPS waiver decision is compatible with the international investment law regime. With regard to the fair and equitable treatment standard, whether or not there is a carve-out clause that excludes measures relating to intellectual property rights from the scope of the fair and equitable treatment standard in the relevant investment treaty, investors are highly unlikely to succeed if they seek to challenge the issuance of a compulsory licence pursuant to the waiver decision. In relation to the expropriation standard, one can state with a high level of certainty that investment treaties with carve-out clauses that exclude measures relating to intellectual property rights (including compulsory licensing) from the scope of the expropriation standard can shield host states from liability for the issuance of compulsory licences pursuant to the waiver decision.

Nevertheless, for investment treaties with no carve-out clauses that exclude measures relating to intellectual property rights from the scope of the expropriation standard, host States are still potentially exposed to liability for claims based on the expropriation standard if they issue a compulsory licence pursuant to the waiver decision. As noted in Section III-C above, not all investment treaties contain NPM clauses and not all investment Tribunals adopt the police powers doctrine. It is therefore necessary to explore alternative options for these types of investment treaties with no carve-out clauses that exclude measures relating to intellectual property rights from the scope of the expropriation standard.

In this regard, this article suggests that an intertextual perspective may be helpful in shielding host states from liability for claims based on the expropriation standard. This intertextual perspective requires that the rules of international intellectual property law (which includes the TRIPS waiver

63 Id.
64 Id.
decision) should be regarded as part of the applicable law in investment disputes involving intellectual property rights. Additionally, this approach requires that the aforementioned rules be taken into account while interpreting the terms and provisions of investment treaties in investment disputes involving intellectual property rights (in line with Article 31(3)(c) of the VCLT).

If this intertextual approach is followed, then as long as a compulsory licence is issued in accordance with the waiver decision, host states will be shielded from liability for claims based on the expropriation standard even if there are no carve-out clauses for measures relating to intellectual property rights in the relevant treaty. The rest of this section will be used to elaborate and explain how this intertextual approach should be applied in resolving investment disputes involving intellectual property rights.65

A. International Intellectual Property Law as Applicable Law in Investment Disputes.66

It is primarily up to the contracting State parties to an investment treaty to decide the law that should be applied to investment disputes that arise from the treaty.67 In this regard, some investment treaties do contain provisions on applicable law which investment Tribunals are required to apply when resolving investment disputes. However, where the relevant investment treaty does not contain any provisions on applicable law, the provision on the applicable law in the arbitration rules of the forum chosen for resolving the dispute will determine which law should apply.68

65 See generally Emmanuel Kolawole Oke, The Interface between Intellectual Property and Investment Law: An Intertextual Analysis (2021) (for a more extensive discussion of this intertextual perspective on the interface between intellectual property law and investment law).

66 Id., at 26-33.

67 See Yas Banifatemi, The Law Applicable in Investment Treaty Arbitration, in Arbitration under International Investment Agreements: A Guide to the Key Issues (Katia Yannaca-Small ed., 2010) (“Given the fundamental principle of party autonomy in international arbitration, the arbitrators’ inquiry is primarily guided by the determination of whether the parties themselves have chosen the law governing their dispute. It is only in the absence of such choice that the arbitrators must determine the law that will apply to the dispute.”), 194-195 (As investors are not typically contracting parties to investment treaties, an investor that files a request for arbitration based on an investment treaty is deemed to have accepted the applicable law as determined in the treaty; see also Antoine Goetz v. Burundi, ICSID Case No. ARB/95/3, International Investment Agreement, ¶ 94 (Feb. 10, 1999).

68 See Eric De Brabandere, Investment Treaty Arbitration as Public International Law: Procedural Aspects and Implications 123-124 (James Crawford & John S. Bell eds., 2014) (“In principle, the legal instrument providing for the competence of an arbitral Tribunal to settle the dispute determines the legal rules to be applied for the settlement of the dispute. If the instrument contains no specific provision in relation to the applicable law, the procedural rules chosen by the parties will often contain a clause which will enable the Tribunal to determine the law it should apply”).
Thus, for investment disputes that are submitted to the International Centre for Settlement of Investment Disputes (ICSID) for arbitration and where there is no provision on applicable law in the relevant treaty, Article 42(1) of the ICSID Convention\textsuperscript{69} provides that:

\textit{The Tribunal shall decide a dispute in accordance with such rules of law as may be agreed by the parties. In the absence of such agreement, the Tribunal shall apply the law of the Contracting State party to the dispute (including its rules on the conflict of laws) and such rules of international law as may be applicable.}

A similar (but not precisely the same) approach is contained in the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). Article 35(1) of the UNCITRAL Arbitration Rules\textsuperscript{70} provides that:

\textit{The arbitral tribunal shall apply the rules of law designated by the parties as applicable to the substance of the dispute. Failing such designation by the parties, the arbitral tribunal shall apply the law which it determines to be appropriate.}

In the same vein, Article 21(1) of the International Chamber of Commerce (ICC) Rules of Arbitration\textsuperscript{71} provides that:

\textit{The parties shall be free to agree upon the rules of law to be applied by the arbitral tribunal to the merits of the dispute. In the absence of any such agreement, the arbitral tribunal shall apply the rules of law which it determines to be appropriate.}

Thus, in the absence of an agreement between the contracting parties on the applicable law, both the UNCITRAL and ICC arbitration rules empower the Tribunal to apply the law that it deems appropriate. However, under the ICSID Convention, the Tribunal is required to apply the law of the host state (including the host state’s rules on conflict of laws) and the rules of international law that may be applicable.

Scholars in the field of international investment law have observed that the majority of investment treaties do not contain rules on applicable law.\textsuperscript{72} In addition, for those investment treaties that do contain a provision on the applicable law, these provisions are worded in different ways. Thus, in the category of investment treaties that contain a provision on the applicable law to the effect that

\textsuperscript{69} Convention on the Settlement of Investment Disputes between States and Nationals of other States, art. 42(1) March 18, 1965, 575 UNTS 139 [hereinafter ICSID Convention].


\textsuperscript{72} Christoph Schreuer, Jurisdiction and Applicable Law in Investment Treaty Arbitration, 1(1) MJDR1, 12 (2014); Yas Banifatemi, The Law Applicable in Investment Treaty Arbitration, in ARBITRATION UNDER INTERNATIONAL INVESTMENT AGREEMENTS: A GUIDE TO THE KEY ISSUES 197 (Katia Yannaca-Small ed., 2010).
the applicable law is the treaty itself and applicable rules of international law, there is, for instance, Article 33(1) of the Canada-Guinea BIT of 2015 which provides that: “An Arbitral Tribunal established under this Section shall decide the issues in dispute consistently with this Agreement and applicable rules of international law.”73 Moreover, Article 8.31(1) of the Comprehensive Economic and Trade Agreement (CETA) between the European Union and Canada of 201674 provides that:

When rendering its decision, the Tribunal established under this Section shall apply this Agreement as interpreted in accordance with the Vienna Convention on the Law of Treaties, and other rules and principles of international law applicable between the Parties.

In addition, some investment treaties do contain elaborate provisions on the applicable law. In this category, for instance, Article 9(7) of the Argentina-Thailand BIT of 200075 provides in relation to the applicable law that:

The arbitration Tribunal shall decide in accordance with the provisions of this Agreement, the laws of the Contracting Party involved in the dispute, including its rules on conflict of law, the terms of any specific agreement concluded in relation to such an investment and the relevant principles of international law.

Therefore, a common element with regard to the applicable law both in investment treaties that contain a provision on applicable law and investment treaties that do not (and where arbitrators have to rely on the default rule in, for instance, Article 42(1) of the ICSID Convention76) is a reference to international law as part of the applicable law. Investment Tribunals have however adopted different approaches to the interpretation of what it means for international law to be part of the applicable law in an investment dispute. As Schreuer notes:

Since all variants of the clauses on applicable law include international law, its applicability appears unproblematic, in principle. An open question is the meaning of applicable rules of international law. Under a wide interpretation this could mean any rules of international law that are invoked in the course of the arbitration and which are significant to the claims put forward. Apart from the treaty conferring jurisdiction, this includes multilateral treaties governing a variety of aspects of international law like UNESCO Conventions, conventions for the protection of the environment, the United Nations Convention against corruption and human rights treaties. Under a narrow interpretation the applicable rules would be

73 Agreement for the Promotion and Reciprocal Protection of Investments Can.-Guinea, art. 33(1), May 27, 2015.
75 Agreement for the Promotion and Reciprocal Protection of Investments, Arg.-Thai., art. 9(7), Feb. 18, 2000.
76 ICSID Convention, supra note 69.
only those that have a direct bearing on investment law. This would exclude the application of treaties protecting human rights.\(^77\)

Thus, in a number of cases, some investment Tribunals have adopted a broad approach with regard to the applicability of the rules of international law to the resolution of the investment disputes brought before them and they have considered and applied multilateral treaties drawn from different parts of international law.\(^78\) However, a number of Tribunals have been reluctant to apply certain treaties, especially human rights treaties, to the disputes before them.\(^79\)

It is however suggested here that there is no reason why an investment Tribunal that is faced with an investment dispute involving intellectual property rights should not consider the rules of international intellectual property law as codified in the multilateral intellectual property treaties (such as the TRIPS Agreement) as part of the applicable rules of international law. This should be the case where the state parties to the relevant investment treaty are also parties to the relevant intellectual property treaties such as the TRIPS Agreement.

This should also be the case in investment disputes involving intellectual property rights, particularly in disputes involving the policy space available to states under international intellectual property law because in such cases intellectual property treaties (especially the TRIPS Agreement) do have a direct bearing on investment law. Thus, an intertextual approach should therefore be


\(^{78}\) See, *e.g.*, the application of the UN Convention against Corruption of 2003 in *World Duty Free Company Limited v. Kenya*, ICSID Case No. ARB/00/7, Contract, 145 (Oct. 4, 2006). (The Tribunal stated that: ‘In light of domestic laws and international conventions relating to corruption, and in light of the decisions taken in this matter by courts and arbitral Tribunals, this Tribunal is convinced that bribery is contrary to the international public policy of most, if not all, States or, to use another formula, to transnational public policy. Thus, claims based on contracts of corruption or on contracts obtained by corruption cannot be upheld by this Arbitral Tribunal.’). For investment Tribunals relying on the UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage, see: *Southern Pacific Properties (Middle East) Ltd. v. Egypt*, ICSID Case No. ARB/84/3, Foreign Investment Law, (May 20, 1992); *Parkerings-Compagniet AS v. Lithuania*, ICSID Case No. ARB/05/8, International Investment Agreement (Sept. 11, 2007). For reliance on the International Covenant on Civil and Political Rights, see: *Toto Costruzioni Generali SpA v. Republic of Lebanon*, ICSID Case No ARB/07/12, Decision on Jurisdiction, ¶¶ 157-160 (Sept. 11, 2009).

\(^{79}\) In this regard, see *Biloune and Marine Drive Complex Ltd v. Ghana*, Ad Hoc UNCITRAL, Award on Jurisdiction and Liability, (Oct. 27, 1989) 95 ILR 183, 203 (stating that: ‘Long-established customary international law requires that a state accord foreign nationals within its territory a standard of treatment no less than that prescribed by international law. Moreover, contemporary international law recognizes that all individuals, regardless of nationality, are entitled to fundamental human rights (which, in the view of the Tribunal, include property as well as personal rights), which no government may violate. Nevertheless, it does not follow that this Tribunal is competent to pass upon every type of departure from the minimum standard to which foreign nationals are entitled, or that this Tribunal is authorized to deal with allegations of violations of fundamental human rights. This Tribunal’s competence is limited to commercial disputes arising under a contract entered into in the context of Ghana’s Investment Code. As noted, the Government agreed to arbitrate only disputes “in respect of” the foreign investment. Thus, other matters — however compelling the claim or wrongful the alleged act—are outside this Tribunal’s jurisdiction. Under the facts of this cases, it must be concluded that, while the acts alleged to violate the international human rights of Mr Biloune may be relevant in considering the investment dispute under arbitration, this Tribunal lacks jurisdiction to address, as an independent cause of action, a claim of violation of human rights.’). See also, *Bernhard von Pezold v. Zimbabwe*, ICSID Case No. ARB/10/15, International Investment Agreement (June 26, 2012).
applied in such cases to ensure that the decision of the Tribunal is consistent with the rules of international intellectual property law.

An excellent example of an investment tribunal that employed an intertextual approach in a dispute involving intellectual property rights is the Tribunal in Philip Morris v Uruguay.80 In this case when deciding whether or not a trademark confers a right to use or only a right to protect against use by others, the Tribunal took into account the rules of international intellectual property law as contained in both the Paris Convention and the TRIPS Agreement and it stated that:

…there is nothing in the Paris Convention that states expressly that a mark gives a positive right to use, although it is clear that a trademark can be cancelled where it has not been used for a reasonable period.

The Claimants rely on Article 20 of the TRIPS Agreement which seems to imply “a right to use” a trademark by prohibiting WTO Member States from unjustifiably imposing “special requirements” on trademarks used in the course of trade. They rely on Professor Gibson’s Opinion holding that “if there is no right or legitimate interest in use, there is no need… for Article 20.”

However, to imply a right to use from a provision that prohibits WTO Member States to encumber the use of trademarks would elevate to a “right to use” a provision that does no more than simply acknowledging that trademarks have some form of use in the course of trade which should not be “unjustifiably” encumbered by special requirements. In any case, nowhere does the TRIPS Agreement, assuming its applicability, provide for a right to use. Its Article 16, dealing with “Rights Conferr’d,” provides only for the exclusive right of the owner of a registered trademark to prevent third parties from using the same mark in the course of trade.

This example demonstrates that investment Tribunals can, and should, take the rules of international intellectual property law into account as applicable law when resolving investment disputes involving intellectual property rights (including any disputes that may arise from the issuance of a compulsory licence pursuant to the waiver decision).

B. The Rules of International Intellectual Property Law as an Interpretive Tool in Investment Disputes

80 Philip Morris v. Uruguay, ICSID Case No. ARB/10/7, International Investment Agreement (July 8, 2016).
81 Id., at 260-262; (It should be noted that, in its Award, the Tribunal had questioned the applicability of the TRIPS Agreement in this case because it incorrectly stated that Switzerland, one of the parties to the Switzerland-Uruguay BIT, was not a party to the TRIPS Agreement. In footnote 334 to para 262, the Tribunal had incorrectly noted that ‘Switzerland is not a party to this Agreement, which makes its applicability to the present dispute questionable.’ This is however incorrect because Switzerland is a member of the WTO and thus a party to the TRIPS Agreement. The Tribunal subsequently issued a decision on rectification of the award where it corrected this mistake by deleting the quoted sentence.) See, Philip Morris v. Uruguay, ICSID Case No. ARB/10/7, Decision on Rectification, 29 (Sept. 26, 2016).
Based on Article 31(3)(c) of the VCLT, Tribunals can take into account the rules of international intellectual property law when they are interpreting the provision on expropriation in an investment dispute. This is especially so where the state parties to the investment treaty being interpreted are also parties to the relevant multilateral intellectual property treaties such as the TRIPS Agreement. This would be quite similar to what some tribunals, such as the tribunal in Philip Morris, do when they invoke the police powers doctrine (via Article 31(3)(c) of the VCLT) as a rule of customary international law even in the absence of an express codification of the police powers doctrine in the investment treaty being interpreted.

Thus, tribunals can play a role in preserving the intellectual property policy space of states by engaging in an intertextual analysis that takes the rules of international intellectual property law into account in investment disputes involving intellectual property rights. This can be done even in the absence of a carve-out clause for measures relating to intellectual property rights in the relevant investment treaty. This intertextual approach can shield host states from liability if they choose to issue a compulsory licence pursuant to the waiver decision as long as the compulsory licence is consistent with the text of the waiver decision.

V. CONCLUSION

This article has assessed the compatibility of the TRIPS waiver decision with international investment law. It finds that the TRIPS waiver decision is largely compatible with international investment law. Importantly, host states relying on the waiver decision to issue compulsory licences will be shielded from liability for claims based on the fair and equitable treatment standard. They will also be shielded from liability for claims based on the expropriation standard where there is a carve-out clause that excludes measures relating to intellectual property rights from the scope of the expropriation standard in the relevant investment treaty.

However, where there is no such carve-out clause in the relevant investment treaty, this article has suggested that an intertextual approach should be adopted to shield host states from liability for claims based on the expropriation standard. This intertextual approach entails two key elements: one, the rules of international intellectual property law (which includes the TRIPS waiver decision) should be regarded as part of the applicable law in investment disputes involving intellectual property rights; two, the rules of international intellectual property law should be taken into

account when interpreting the terms and provisions of investment treaties in disputes involving intellectual property rights (in line with Article 31(3)(c) of the VCLT).

The relevance of the intertextual approach that is being suggested here transcends the TRIPS waiver decision for the Covid-19 pandemic. Crucially, the intertextual approach that is being recommended here can help to ensure that there is some level of coherence between the international intellectual property law regime and the international investment law regime. This coherence will in turn help to secure and preserve the intellectual property policy space of host States in the context of investment disputes involving intellectual property rights.