

“reasonable period of time” for the EC to bring itself into compliance with WTO obligations, the parties submitted the dispute to arbitration. On May 27, 1998, the arbitrator decided that “the reasonable period of time” in this case was 15 months which ended on May 13, 1999.

On May 20, 1999, Canada requested authorization from the DSB to suspend trade concessions in the amount of \$75 million. The EC requested arbitration on the amount of the retaliation. The arbitrator’s report was issued on July 12, 1999, and fixed the amount of retaliation at \$11.3 million. On July 26, 1999, the WTO Dispute Settlement Body authorized Canada to retaliate against the EU in the amount of \$11.3 million annually. On July 29, 1999, Canada announced the list of products subject to a 100-percent duty beginning on August 1, 1999.

e) *European Communities – Patent Protection for Pharmaceutical and Agricultural Products*

The WTO TRIPS Agreement requires that members, when giving greater protection than the minimum standards required by the Agreement, observe all provisions of the Agreement (Article 1.1). The Agreement prohibits discrimination in the enjoyment of patent rights on the basis of field of technology (Article 27.1). The EC has implemented a Supplementary Protection Certificate (SPC) regime that extends patent protection beyond the 20 years required by TRIPS – for up to an additional five years – for pharmaceutical and agricultural chemical products only. Canada and the EC have held two rounds of consultations, in January and April of 1999.

f) *United States – Countervailing Duty Investigation with respect to Live Cattle from Canada*

On December 22, 1998, in response to the petition of the Ranchers-Cattlemen Action Legal Foundation (R-Calf), the United States Department of Commerce (DOC) initiated countervailing duty (CVD) and anti-dumping investigations regarding imports of live cattle from Canada. The DOC decided to investigate 30 federal and provincial programmes.

WTO consultations regarding DOC’s decision to initiate an investigation were held in Washington on 22 April 1999.

On May 4, 1999, the DOC issued its Preliminary CVD Determination. It found 14 of the 30 programmes investigated to be countervailable (2 of the 14 were federal programmes, 12 were provincial programmes). The CWB and NISA were found not to be countervailable. As a result, no provisional CVD duties are being applied to Canadian cattle being exported to the USA. The DOC issued a positive preliminary determination in the anti-dumping investigation on July 1, 1999. As a result, anti-dumping duties are being collected on imports of Canadian cattle. The DOC’s Final Determinations in both investigations are due to be issued on October 4, 1999. If necessary (i.e. if DOC makes a positive decision to impose countervailing duties and/or to continue to collect anti-dumping duties), the ITC will issue its Final injury Determination by November 18, 1999.