

# GENERAL AGREEMENT ON

RESTRICTED

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## TARIFFS AND TRADE

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### UNITED STATES - SECTION 337 OF THE TARIFF ACT OF 1930

#### Recourse by the European Communities to Article XXIII:1

The following communication, dated 22 April 1987, has been received from the Permanent Delegation of the Commission of the European Communities, with the request that it be circulated for the information of contracting parties.

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In the past many aspects of Section 337 of the Tariff Act of 1930 and the way it is enforced by the competent US authorities have been criticised by both the EC and other Contracting Parties. The EC has expressed its concern about Section 337 in several "notes verbales" by the EC Commission which have not had any tangible result.

In a recent specific case the EC examined the practice of the US authorities where, for the purpose of enforcing private intellectual property rights, imported goods were subjected to a separate and distinct procedure solely by virtue of their non-US origin. The complaint which gave rise to this case involved the application of Section 337 in the matter of "Certain Aramid Fibers".

The EC considers that the different rules applicable under Section 337 result in a denial of national treatment within the meaning of Article III of the General Agreement and that this denial does not fall within the provisions of Article XX(d). Consequently the EC takes the view that the application of Section 337 of the US Tariff Act 1930 constitutes a breach by the US Government of its obligations under the terms of the Agreement. For these reasons the EC is requesting consultation with the US authorities on this matter under Article XXIII(1) of the General Agreement.