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A Historical Look at International Trade, Then and Now

by Joel C. Williams, Jr.*

Today, when we talk about international trade, what do we think of? Do we envision those cargo ships that steam up the Savannah River, or do we harken back to the early Macedonians—some of the world's earliest international traders? Or, you may think of FedEx and UPS as they wing their way to foreign countries to deliver goods and services. Conversely, we might think of the hearty band of traders out of Mesopotamia, who crossed over the steppe region on what became known as the "Silk Road" to trade the various goods manufactured in the Fertile Crescent for the silks and fine fabrics of the Far East.

Please fast forward to the twentieth century where the first General Agreement on Tariffs and Trade occurred in 1947 (GATT 1947).¹ This Agreement provided the skeleton on which ultimately the World Trade Organization (WTO) agreements including the current General Agreement on Tariffs and Trade (GATT),² which was negotiated from 1992 to 1994 and became effective in 1994, were developed.³ Unfortunately for some, these agreements did little to tear down trade barriers by committing to lowering tariffs and serious non-tariff barriers, and

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1. General Agreement on Tariffs and Trade, Oct. 30, 1947, 61 Stat. A-11, 55 U.N.T.S. 194 [hereinafter GATT 1947].

2. General Agreement on Tariffs and Trade, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, 1867 U.N.T.S. 187 (1994) [hereinafter GATT 1994].

3. Marrakesh Agreement Establishing the World Trade Organization, art. II, Apr. 15, 1994, 1867 U.N.T.S. 154 [hereinafter Marrakesh Agreement].

implementing the Dispute Settlement Understanding to achieve mutual agreements among the parties.⁴

The goal of this Article is to introduce the reader to some fundamental GATT principles and exceptions, U.S. trade remedies permitted under GATT rules, some central achievements of the Uruguay Round of multilateral trade negotiations,⁵ and various developments that have subsequently put pressure on the multilateral trading system.

I. UNCONDITIONAL MOST-FAVORED-NATION TREATMENT AND EXCEPTIONS

One of the more significant provisions of GATT 1947 is the “most-favored-nation” provision, which requires GATT members to give one another the most favored treatment given to any one country regarding such matters as tariffs, quotas, and fees. However, the GATT permitted certain exceptions, including the Generalized System of Preferences (GSP) and fair trade agreements.⁶ There are two unique factors relating to GSP: (1) a country can lose its GSP status if its projected gross national product exceeds the World Bank’s high income definition, and (2) the exporter must be able to prove that the product originates from the applicable country of export.⁷

During the period from 1947 to 1994, there were numerous bilateral and regional free trade agreements (FTAs).⁸ The most well-known FTA of this nation is the North American Free Trade Agreement (NAFTA).⁹ Under NAFTA, preference is given to more than \$326.5 billion in imports from Mexico and Canada.¹⁰

4. See Federico Ortino, *The GATT and Its Challenges at 60*, (King’s College London, Paper No. 1462341, 2009), available at http://papers.ssrn.com/5013/papers.cfm.abstract_id=1462341.

5. *Id.*

6. 19 U.S.C. §§ 2461–67 (2012); see also *Main Legal Provisions*, WTO, http://www.wto.org/english/tratop_e/devel_e/d2legl_e.htm (last visited Feb. 6, 2014).

7. *U.S. Generalized System of Preferences (GSP) Guidebook 6*, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE (Apr. 2012), http://www.ustr.gov/sites/default/files/GSP%20Guidbook%20Dec%202012%20%20%20final%20version_0.pdf.

8. *List of All RTAs*, WORLD TRADE ORG., <http://rtais.wto.org/UI/PublicAllRTAList.aspx> (last updated Feb. 4, 2014).

9. *North American Free Trade Agreement (NAFTA)*, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE, <http://www.ustr.gov/trade-agreements/free-trade-agreements/north-america-free-trade-agreement-nafta> (last visited Feb. 5, 2014).

10. *Id.*

II. U.S. TRADE REMEDIES

A. *Unfair Import Competition: Antidumping and Countervailing Duties*

Essentially, prior to the modification of the GATT, U.S. industries' main defenses against unfair trade practices in other countries were the antidumping and countervailing duties programs.¹¹ In the United States, the Commerce Department's International Trade Administration (ITA) and the International Trade Commission (ITC) are the arbiters of these issues. If the ITA finds that a foreign producer is exporting goods at less than the fair market value, and if the ITC finds that the domestic industry is materially injured or threatened with material injury, an antidumping duty is imposed.

A similar remedy exists when the production of a commodity or good is subsidized by a foreign government.¹² Thus, if the ITA makes a finding that there has been subsidization, and in certain cases if the ITC finds that a domestic industry is materially injured or threatened with material injury, a countervailing duty is imposed.¹³

One advantage of these two procedures is that the United States Trade Representative (USTR) and the Secretary of Commerce have used the threat of these sanctions to persuade a violating country to enter into bilateral agreements to resolve a matter.¹⁴ However, if negotiations fail, duties are imposed.¹⁵

For example, this occurred recently when, after five years of negotiations, Mexico failed to agree on the proposed accommodation to limit the quantity of tomatoes that it could export to the United States in any given year.¹⁶ As a result, the ITA unilaterally imposed duties based on the ITC's recommendations.¹⁷ The problem with countervailing and antidumping duties is that these defenses involve a long, arduous process in which there is no likelihood of immediate relief.¹⁸

11. *Pre-WTO Legal Texts*, WORLD TRADE ORG., http://www.wto.org/english/docs_e/legal_e/prevto_legal_e.htm (last visited Feb. 6, 2014).

12. *Id.*

13. *Id.*

14. *See generally* Fresh Tomatoes from Mexico, 73 Fed. Reg. 2887 (Jan. 16, 2008) (to be codified at 19 C.F.R. 353.15).

15. *Id.*

16. *Id.*

17. *Id.*

18. *See generally id.*

B. Fair Import Competition: Safeguards

Further, there is a third remedy to protect a domestic industry against competition from foreign imports, even if there is no finding of unfair trade practices such as dumping or subsidization. Under section 201 of the United States Trade Act of 1974,¹⁹ the President of the United States is authorized to impose temporary trade barriers known as "safeguards" to protect domestic industries.²⁰ The safeguards were incorporated into the GATT.²¹

Section 201 provides that an industry may petition the ITC for a special ruling.²² Pursuant to § 201, the President is authorized to implement safeguards when the ITC finds that the offending countries' imports are "in such increased quantities as to be a substantial cause of serious injury, or the threat thereof, to the domestic industry producing an article like or directly competitive with the imported article."²³

It is important to note that, under § 201 of the Act, there are restrictions on who may file a petition with the ITC to institute a safeguard action.²⁴ For example, the petition may be filed by industry representatives, the President of the United States, the United States Trade Representative, the House Ways and Means Committee, or the Senate Finance Committee.²⁵ Any or all of the above may submit a petition to the ITC, which then initiates a safeguard investigation.²⁶

To decide whether there has been a substantial cause of serious injury to the domestic industry, the Act provides that the ITC will consider any and all relevant factors, which include, but are not limited to, the significant idling of facilities, the inability to produce a reasonable level of profit, or a significant level of unemployment or underemployment.²⁷ Other factors that the ITC should consider include whether the affected industry has experienced declining sales, market shares, profits, employment, or productivity, or the inability to obtain capital.²⁸ If the impacted industry can prove one or more of the above negative impacts, the ITC will recommend appropriate relief.²⁹

19. Trade Act of 1974, § 201, 19 U.S.C. § 2101 (1974).

20. *Id.*

21. Marrakesh Agreement, *supra* note 3, Annex 1A.

22. Trade Act of 1974 § 201, 19 U.S.C. § 2252(a)(1) (2012).

23. 19 U.S.C. § 2251(a).

24. 19 U.S.C. § 2252(a).

25. 19 U.S.C. § 2252(b).

26. *Id.* § 2252.

27. *Id.* § 2252(c)(1)(A).

28. *Id.* § 2252(c)(1)(B)(i)-(ii).

29. 19 U.S.C. § 2253(a)(1)(A) (2012); GATT 1994, *supra* note 2, art. 19.

A positive benefit to the use of a safeguard action, as compared to the choice of an antidumping action or a countervailing duty action, is that once a petition has been submitted to the ITC, the ITC has 120 days to complete its investigation and submit its report of recommendations, or lack thereof, to the President.³⁰ The ITC's safeguard recommendation to the President may include tariffs, quotas or tariff rate quotas, or actual payments to the affected U.S. industry.³¹

However, it is the President's prerogative to determine whether these safeguard provisions will be permitted and the length of time (not to exceed eight years) that such safeguards should remain in place.³² Hence, a safeguard decision is more political than an antidumping or countervailing duty action.

Moreover, a safeguard period can range only from four to eight years in duration.³³ On the other hand, if the ITC or the Commerce Department proves its case, the resulting antidumping or countervailing duties actions last for much longer periods.³⁴

III. THE URUGUAY ROUND OF MULTILATERAL NEGOTIATIONS

There were major accomplishments and many positive changes that occurred as a result of the implementation of the GATT-sponsored negotiating rounds. The last successful such negotiating round was the Uruguay Round,³⁵ which began in 1992, was finalized in 1994, and became effective January 1, 1995.³⁶ Accomplishments include the Agreement establishing the World Trade Organization (WTO) as well as several multilateral and unilateral agreements addressing various matters. The following highlights are just a few of these achievements and related subsequent developments.

The first point concerns the relationship of the WTO's dispute settlement procedure to countervailing duties and antidumping duties. The U.S. government may decide to complain to the WTO about another country's alleged unfair trade practices. If the WTO finds that a member country has committed an unfair trade practice, the offending nation is not monetarily punished.³⁷ Instead, the WTO grants sanction

30. 19 U.S.C. § 2253(b)(2)(A), (f)(1).

31. *Id.* § 2253(e)(2).

32. *Id.* § 2253(a)(1)(B), (e)(1)(B)(ii).

33. *Id.* § 2253(e)(1)(A), (B)(ii).

34. *Id.* § 2253(e)(1)(B)(i).

35. Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, 1867 U.N.T.S. 14, 33 I.L.M. 1743 (1994).

36. GATT 1994, *supra* note 2.

37. Steve Charnovitz, *Rethinking WTO Trade Sanctions*, 95 A.J.I.L. 792, 792-93 (2001).

rights to the injured country by imposing certain trade restrictions on goods being exported from the offending nation.³⁸

Second, the unfair trade practices must be negatively impacting the entire industry to warrant sanctions.³⁹ Therefore, if a U.S. industry complains, the petition for relief goes first to the United States Trade Representative (USTR), who must request the establishment of a dispute resolution panel from the WTO.⁴⁰ Hence, if a company has been damaged by another country's unfair trade practices, do not expect to get relief unless others in the industry agree to join in the complaint before the Office of the USTR.⁴¹ However, the USTR does not require all members of the industry to request relief; a representative group is enough.⁴²

Since its beginning, over 450 cases have been filed with the WTO.⁴³ Of course, there are several steps that are taken prior to starting the WTO dispute resolution process. Generally, countries that have trade disputes try to resolve them through bilateral negotiations.⁴⁴ If that fails, then a formal WTO complaint, in the form of a request for consultations, will ensue.⁴⁵ At that point in time, groups of three panelists are empaneled as arbitrators and will make a decision or refuse to make a decision.⁴⁶ In either case, the losing country may file an appeal to the WTO Appellate Body.⁴⁷

The third point concerns customs classification and rules of origin. Subsequent to the GATT, there were separate negotiations on classification and rules of origin.⁴⁸ At the Kyoto Convention,⁴⁹ members of GATT

38. *Id.*

39. Understanding on Rules and Procedures Governing the Settlement of Disputes, art. I, Apr. 15, 1994, Marrakesh Agreement Establishing World Trade Organization, Annex 2, 1869 U.N.T.S. 401 [hereinafter DSU].

40. 19 U.S.C. § 2171(c)(1)(C) (2012); see *United States Requests WTO Dispute Settlement Consultations on China's Subsidies for Wind Power Equipment Manufacturers*, OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE, <http://www.ustr.gov/about-us/press-office/press-releases/2010/december/united-states-requests-wto-dispute-settlement-con> (last visited Feb. 5, 2014).

41. *United States Requests WTO Dispute Settlement Consultations on China's Subsidies for Wind Power Equipment Manufacturers*, *supra* note 40.

42. *Id.*

43. *Chronological List of Disputed Cases*, WORLD TRADE ORG., http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm (last visited Feb. 5, 2014).

44. *Understanding the WTO: Settling Disputes*, WORLD TRADE ORG., http://www.wto.org/english/thewto_e/whatis_e/tif_e/displ_e.htm (last visited Feb. 5, 2014).

45. *Id.*

46. *Id.*

47. *Id.*

48. *Technical Information on Rules of Origin*, WORLD TRADE ORG., http://www.wto.org/english/tratop_e/roi_e/roi_info_e.htm (last visited Feb. 5, 2014).

agreed that rules of origin and classification were no longer country-specific.⁵⁰ This was a great improvement for all trading nations. The rules of origin and classification under the Harmonized Tariff Schedules provided a uniform description of all products that all world-trading nations have adopted.⁵¹ It is obvious that these changes were financially advantageous. The approach under the Kyoto Convention was adopted by the WTO Agreement on Rules of Origin.⁵²

The fourth point concerns certain advantageous agreements to protect intellectual property that arose from the Uruguay Round. Protections were given for trademarks, copyrights, or patents, and new intellectual property assets that were deployed into each of the signatory countries.⁵³ In particular, the old rule of "first to file" was changed to allow countries to require "first to use."⁵⁴ However, companies are able to protect their intellectual property prior to the actual use of their patents, trademarks, and copyrights in new countries.⁵⁵

Traditionally, each company had to file in each of the countries in which it was about to enter into commerce.⁵⁶ To combat this multi-country problem, the European Union (EU) created a unified filing system that covers trademarks for a company in whatever member country of the EU the product is entered.⁵⁷

The Community Trade Mark (CTM) system offers trademark owners a unified system of protection throughout the European Union (EU) with the filing of a single application. If successful, this one application results in a CTM registration that is recognized in all countries of the EU. The countries covered by a CTM registration are Austria, Benelux (Belgium, the Netherlands and Luxembourg), Bulgaria,

49. Agreement on the Rules of Origin, Annex K, International Convention on Origins and Harmonization of Customs and Procedures, Kyoto Convention, Sept. 25, 1974 (revised Feb. 3, 2006), available at <http://unstats.un.org/UNSO/trade/WD%20Bangkoko6/workshop%20materials/KYOTO%20Convention.pdf>.

50. *Id.*

51. *Technical Information on Rules of Origin*, *supra* note 48.

52. *Members' Commitments*, WORLD TRADE ORG., http://www.wto.org/english/tratop_e/schedules_e/goods_schedules_e.htm (last visited Feb. 5, 2014).

53. Agreement on Trade-Related Aspects of Intellectual Property Rights, art. 4, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, 1869 U.N.T.S. 299 [hereinafter TRIPS].

54. *Id.* art. 15.

55. *Id.* art. 4; World Trade Organization, Ministerial Declaration of 14 November 2001, WT/MIN(01)/Dec/1, 41 I.L.M. 746 (2002).

56. See *Community Trade Mark and the Madrid Protocol Comparison*, INT'L TRADEMARK ASS'N, <http://www.inta.org/TrademarkBasics/FactSheets/Pages/CTMMadridComparisonFactSheet.aspx> (last visited Feb. 3, 2014).

57. *Id.*

Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom.⁵⁸

Another group of countries have also formed a consortium (the "Madrid Protocol")⁵⁹ in which the filing of intellectual property in one country protects trademarks of that company in all member countries.⁶⁰

The Madrid Protocol of 1989 . . . removes certain difficulties that were preventing some countries from adhering to the previous system of international registration of marks created by the Madrid Agreement. The Madrid Protocol allows the owner of a live application or registration in a member country (the "home" application or registration) to obtain an International Registration (IR) designating as many member countries as it chooses by filing one application in one language, with the home application or registration as the basis for the IR. The IR is like a "bundle" of national registrations. The mark is examined in each country designated and, if it is not rejected in a country, that country becomes part of the IR.

If the home application or registration is cancelled or abandoned within the first five years of the IR, then the IR, including all of the member country extensions, also will be cancelled or invalidated (this is referred to as a "central attack"). . . . [I]f the IR is canceled or invalidated, the IR may in some cases be transformed into separate national applications.

The following countries are members of the Madrid Protocol: Albania, Antigua and Barbuda, Armenia, Australia, Austria, Azerbaijan, Bahrain, Belarus, Belgium, Bhutan, Bosnia and Herzegovina, Botswana, Bulgaria, China, Croatia, Cuba, Cyprus, Czech Republic, Democratic People's Republic of Korea, Denmark, Egypt, Estonia, European Community, Finland, France, Georgia, Germany, Ghana, Greece, Hungary, Iceland, Iran (Islamic Republic of), Ireland, Israel, Italy, Japan, Kenya, Kyrgyzstan, Latvia, Lesotho, Liberia, Liechtenstein, Lithuania, Luxembourg, Madagascar, Moldova, Monaco, Mongolia, Montenegro, Morocco, Mozambique, Namibia, Netherlands, Norway, Oman, Poland, Portugal, Republic of Korea, Romania, Russian Federation, San Marino, Sao Tome and Principe, Serbia, Sierra Leone, Singapore, Slovakia, Slovenia, Spain, Sudan, Swaziland, Sweden, Switzerland, Syrian Arab Republic, [t]he former Yugoslav Republic of

58. *Id.*

59. Madrid Agreement Concerning the International Registration of Marks, April 14, 1891, *as revised*, July 14, 1967, 828 U.N.T.S. 389; Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, June 27, 1989, WIPO Doc. NM/DC/27 Rev. (1989).

60. *See id.*

Macedonia, Turkey, Turkmenistan, Ukraine, United Kingdom, United States of America, Uzbekistan, Viet Nam, and Zambia.⁶¹

Hence, at least in the case of intellectual property, the inception of the joint filing system has resulted in streamlining governmental protection. Some of the differences in these two systems are as follows:⁶²

CTM

A single registration creates a single unified right throughout the European Union. The trademark that is the subject of a CTM application must be registrable in all EU Member States; if a ground for rejection applies in just one of the EU Member States, the mark cannot be registered as a CTM, although conversion to national applications is possible in some cases.

CTM applications are only examined on absolute grounds. For example, likelihood of confusion due to a prior-filed registration is not a ground for refusal of CTM applications.

A CTM registration is issued by the Office for Harmonization in the Internal Market (OHIM).

MP

Under the Protocol, an application creates rights in those member countries that grant protection through registration. Even if the IR application is refused protection in some designated countries, the application can proceed to registration in the remaining designated countries.

An application can be refused registration in the examination process by any of the designated countries under their national laws. Grounds for refusal in member countries may be more extensive than for a CTM application and may include, among other things, refusal based on likelihood of confusion.

The World Intellectual Property Organization (WIPO) maintains the International Register of marks and administers the Madrid Protocol System.

61. *Community Trade Mark and the Madrid Protocol Comparison*, *supra* note 56.

62. *Id.*

CTM

There are no restrictions on applicants that can apply for a CTM. A CTM applicant is not required to have a commercial establishment in the EU.

The CTM system does not require the existence of an application or registration in the applicant's home country.

The filing fee for a CTM application covers all 27 countries; no choice of countries is allowed.

The initial CTM registration period is ten years from the date of filing the application and is independent of any other application or registration.

MP

An applicant for an IR must be a national of, or domiciled in, one of the member countries of the Protocol or have an industrial or commercial establishment in one of the member countries (its "home country").

The Protocol System requires the existence of a "home application": a previously filed application or a registration for the same mark in the applicant's home country.

Fees for an application filed under the Madrid Protocol are dependent on the number of countries designated by the applicant.

The initial IR period is ten years from filing; however, it is dependent upon a valid home application or registration for the first five years. Thus, if the home application or registration fails for any reason during the first five-year period of the IR (e.g., the home application/registration is refused, withdrawn or cancelled), then the IR, including all of the member country extensions, will also be cancelled or invalidated. Under the Protocol, a trademark owner may transform a cancelled IR into national applications if the applications are filed within 3 months of the cancellation.

CTM

A CTM applicant is free to file for whatever goods and services it wishes. Priority under the Paris Convention based on a previously filed application may be claimed, but additional goods and services may also be covered (without priority).

The CTM registration process can take longer than in some individual countries of the European Union.

Genuine use in only one country of the EU may be sufficient to protect a CTM registration from cancellation on the ground of non-use in all member countries. The CTM registration will become vulnerable

MP

These national applications will be treated as if filed on the date of the IR or subsequent designation date. [This is not available under the Madrid Agreement, wherein everything expires.] If no action is taken, the IR is effectively “dead” everywhere. After five years have passed from the filing date of an IR, the IR becomes independent. This means that if the home application/registration is refused, withdrawn or cancelled, the remainder of the IR is not impacted. See the WIPO website for more information on this subject.

In an application filed under the Madrid Protocol, the description of goods and services must be no broader than those in the home application regardless of whether priority is claimed.

Applications filed under the Madrid Protocol may mature to registration more quickly in many countries than if individual applications had been filed.

The IR is subject to use requirements for each member country. To protect a national designation from cancellation on the ground of non-use, the mark must be used in each member country designated in

CTM

if the mark is not used for a period of five years or more.

A CTM registration will automatically cover all the countries in the EU on payment of the official fee.

It is possible to obtain an injunction against infringement that covers the entire EU.

MP

the IR. In most cases, the IR will be vulnerable to cancellation after a period of five years or more (the non-use term will depend on the trademark law of the country concerned) in each and every country where the mark has not been used.

An applicant for an IR initially designates the countries in which protection is sought and at subsequent dates may designate additional countries. If the mark is registered in additional countries, they become part of the international registration. Thus, the applicant has flexibility over the countries in which protection is sought and the cost involved.

Action for infringement is taken through the courts of the country concerned and generally any injunction extends to that country only.

IV. PRESSURES ON THE MULTILATERAL TRADING SYSTEM: BILATERALISM, REGIONALISM, AND INTERNATIONAL TRADE

Fast forwarding, where are we now? Following the conclusion of the Uruguay Round, the WTO agreed that it would meet again at the end of six years and negotiate further reductions in trade barriers to complement those that had already been adopted in the previous GATT round.⁶³ Unfortunately, the Doha Round, which began a negotiation process for the extension of the WTO Regime, failed in its objective to agree to further overall trade barrier reductions.⁶⁴

63. *The Doha Round*, WORLD TRADE ORG., http://www.wto.org/english/tratop_e/dda_e/dda_e.htm (last visited Feb. 5, 2014).

64. *The Doha Round . . . and Round . . . and Round*, THE ECONOMIST (July 31, 2008),

With the failure of the Doha Round, many countries found that it was necessary to negotiate new bilateral trade agreements.⁶⁵ Because there was no further reduction in trade barriers, numerous nations used the system of bilateral agreements to protect their reciprocal trading practices.⁶⁶ With respect to the sugar trade, for example, the Colombian Free Trade Agreement guaranteed Colombia—which is not a member of the Caribbean Free Trade Agreement—exclusive access to the U.S. market for 50,000 metric tons of sugar.⁶⁷

Well-known regional agreements (besides NAFTA) involving numerous countries include: The European Community (now the European Union (EU)), the Dominican Republic-Central America United States Free Trade Agreement (CAFTA-DR), the ASEAN Free Trade Area (ASEAN), and the Southern Common Market (MERCOSUR).⁶⁸

In addition, many importing nations have adopted new trade restrictions to protect their national industries.⁶⁹ Many countries have even created internal barriers to protect their local brokers and sales agents.⁷⁰ In particular, many third-world countries have used the so-called guaranteed for life agency laws to accomplish this goal.⁷¹ Under these particular laws, a foreign company that hires agents in these third-world countries is prohibited from firing the agent without paying exorbitant termination fees (for example, some require foreign principals to pay a terminated agent three times the gross income that has been generated by the agent's activities).⁷²

The following is a suggested solution for those companies that face this situation: prior to entering a country, it is important to set up a domestic subsidiary in that country. The domestic subsidiary of the foreign manufacturer or seller can then hire local agents, and these agents do not fall under the protection of the guaranteed for life agency laws.

<http://www.economist.com/node/11848592>.

65. Chris Brummer, *The Ties That Bind? Regionalism, Commercial Treaties, and the Future of Global Economic Integration*, 60 VAND. L. REV. 1349, 1357 (2007).

66. *Id.* at 1357-58.

67. United States-Colombia Trade Promotion Agreement, U.S.-Colom., Nov. 22, 2006, available at <http://www.ustr.gov/uscolumbiatpa>.

68. Dominican Republic-Central America Free Trade Agreement (CAFTA-DR), Aug. 5, 2004, available at <http://www.ustr.gov/trade-agreements/free-trade-agreements/cafta-dr-dominican-republic-central-america-fta>; Association of Southeast Asian Nations (ASEAN), Dec. 15, 2008, available at <http://www.state.gov/p/eap/regional/asean>; Southern Common Market (MERCOSUR), Mar. 26, 1991, available at <http://ec.europa.eu/trade/policy/countries-and-regions/regions/mercosur/>.

69. See L.P.R.A. § 10-14-278a (2004).

70. See *id.*

71. See, e.g., *id.*; L.P.R.A. § 10-14-279a-d (2004).

72. L.P.R.A. § 10-14-279c.

The WTO Secretariat Report of May 31, 2012⁷³ raises concerns, not only about the proliferation of bilateral agreements, but also with regard to internal trade restrictions.⁷⁴ It reported that since October 2008, countries have enacted a total of 802 restrictive measures.⁷⁵ These internal restrictive measures have impeded almost 3% of the world's merchandise.⁷⁶

V. CONCLUSION

In conclusion, at present, the twenty largest members of the GATT have not made efforts to revive the Doha Round of negotiations. Until the proliferation of bilateral trade agreements and internal barriers to free trade thwarting the original goals of GATT 1994 are challenged, the twenty largest members will not receive sufficient pressure from their major industrialists to revive the Doha Round. As evidence of this, note that GATT 1974 was not significantly improved until GATT 1994!

73. World Trade Organization Secretariat, *Report on G-20 Trade Measures* (May 31, 2012), http://www.wto.org/english/news_e/news12_e/g20_wto_report_May12_e.doc.

74. *Id.* at 1.

75. *Id.* at 2.

76. *Id.*