

THE AMERICAN LAW INSTITUTE

THE WTO CASE LAW OF 2011

LEGAL AND ECONOMIC ANALYSIS

This book is the ninth report of the American Law Institute (ALI) project on World Trade Organization Law. The project undertakes yearly analysis of the case law from the adjudicating bodies of the WTO. These studies cover a wide range of WTO law: this volume focuses on the year 2011. Each case is jointly evaluated by well-known experts in trade law and international economics. The contributors critically review the jurisprudence of WTO adjudicating bodies and evaluate whether the ruling 'makes sense' from an economic as well as a legal point of view, and, if not, whether the problem lies in the interpretation of the law or in the law itself. The studies do not cover all issues discussed in a case, but they seek to discuss both the procedural and the substantive issues that form the 'core' of the dispute.

CHAD P. BOWN, Senior Economist, joined the World Bank in September 2009 in the Development Research Group, Trade and International Integration (DECTI). He served as Senior Economist in the White House on the President's Council of Economic Advisers (CEA) during 2010–2011. Formerly a tenured Professor of Economics at Brandeis University in Waltham, Massachusetts, he is currently a member of the Council on Foreign Relations, an Associate Editor for the *Journal of World Trade*, and he serves as the Book Review Editor and on the editorial board for the *World Trade Review*.

PETROS C. MAVROIDIS is Edwin B. Parker Professor at Columbia Law School and Professor at the University of Neuchatel. He is currently on leave at the European University Institute (EUI), in Florence.



THE AMERICAN LAW INSTITUTE

THE WTO CASE LAW OF 2011

LEGAL AND ECONOMIC ANALYSIS

Edited By
CHAD P. BOWN
AND
PETROS C. MAVROIDIS





CAMBRIDGE UNIVERSITY PRESS
Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, São Paulo

Cambridge University Press The Edinburgh Building, Cambridge CB2 8RU, UK

Published in the United Kingdom by Cambridge University Press

www.cambridge.org
Information on this title: www.cambridge.org/9781107617223

© The American Law Institute 2013

This publication is in copyright, Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

Printed in the UK by MPG Printgroup Limited

A catalogue record for this publication is available from the British Library

ISBN 9781107617223 paperback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication, and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.



CONTENTS

vii Foreword

LANCE LIEBMAN

1 Introduction

CHAD P. BOWN AND PETROS C. MAVROIDIS

- 7 It's a Bird, It's a Plane: Some Remarks on the Airbus Appellate Body Report (EC and Certain Member States Large Civil Aircraft, WT/DS316/AB/R)
 MICHAEL HAHN AND KIRTIKUMAR MEHTA
- 31 Thailand-Cigarettes (Philippines): A More Serious Role for the 'Less Favourable Treatment' Standard of Article III:4
 WILLIAM J. DAVEY AND KEITH E. MASKUS
- 63 Comment on 'Thailand-Cigarettes (Philippines): A More Serious Role for the 'Less Favourable Treatment' Standard of Article III:4'
 Geoffrey S. Carlson
- 65 United States Definitive Anti-Dumping and Countervailing Duties on Certain Products from China: Passing the Buck on Pass-Through
 THOMAS J. PRUSA AND EDWIN VERMULST
- 103 Treaty Interpretation or Activism? Comment on the AB Report on United States ADs and CVDs on Certain Products from China
 JOOST PAUWELYN
- 111 One (Firm) Is Not Enough: A Legal-Economic Analysis of *EC–Fasteners* Chad P. Bown and Petros C. Mavroidis
- 141 *US-Tyres*: Upholding a WTO Accession Contract Imposing Pain for Little Gain

Steve Charnovitz and Bernard Hoekman



> 165 Philippines – Taxes on Distilled Spirits: Like Products and **Market Definition**

Damien Neven and Joel P. Trachtman

195 The TBT Panels: US-Cloves, US-Tuna, US-COOL ROBERT HOWSE AND PHILIP I. LEVY

245 Yet Another Nail in the Coffin of Zeroing: *United States – Anti-Dumping* Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil

KAMAL SAGGLAND MARK WIL

277 United States – Use of Zeroing in Anti-Dumping Measures Involving Products from Korea: It's déjà vu all over again THOMAS J. PRUSA AND LUCA RUBINI

295 How Easy Is an Easy Case for a Complainant? Comment on US-Zeroing (Korea) DS402

JORGE A. HUERTA-GOLDMAN

301 US – Anti-Dumping Measures on Certain Shrimp from Viet Nam: A Stir-Fry of Seafood, Statistics, and Lacunae

Tomer Broude and Michael Moore



Foreword

In a series of books published by Cambridge University Press, scholars sponsored by The American Law Institute have discussed and criticized all important legal decisions rendered by the World Trade Organization since 2000. This volume is the ninth in the series. This was an especially busy year for WTO dispute settlement, as the adjudicating bodies confronted new issues and thus challenged the economists and lawyers who wrote our reports.

The ALI appreciates the leadership of Chad Bown and Petros Mavroidis, the hard work by our authors, and the helpful criticism they received as their drafts were discussed. We also appreciate the financial support we received for this work from The Jan Wallander and Tom Hedelius Foundation and from the Milton and Miriam Handler Foundation.

LANCE LIEBMAN
Director
The American Law Institute