

## **Technology Transfer – text of European Commission intervention on behalf of EU-25**

**(NB Paras 3 – 6 are a summarised extract of the recent European Communities report on implementation of Article 66.2 of TRIPS, already agreed with Member States).**

1. I am speaking on behalf of the 25 Member States and the 2 acceding countries of the European Union.
2. Intellectual property rights in general, and patents in particular, are in themselves instruments to promote the transfer of new technologies. Firstly by incentivising technological development, secondly by requiring disclosure of inventions to the public, and thirdly by setting a time limit after which inventions come completely into the public domain. Article 7 of the TRIPS agreement envisages a patent system which promotes a maximum of innovation entering the public domain as quickly as possible.
3. I would like to inform this working group of the actions the EU has taken - in line with our commitments under Article 66.2 of the TRIPS agreement - to promote technology transfer from developed to less developed countries. We recently circulated a detailed report on this to the TRIPS Council, which is the main international forum responsible for technology transfer, but the issue can also be relevant to the work of this group.
4. The EU has 6 specific objectives for technology transfer, which apply to all types of technology, not just pharmaceuticals. These objectives are:
  - promoting direct investment, licensing, franchising and sub-contracting
  - improving access to available techniques and processes
  - supporting joint research projects
  - providing training in technology management and production methods
  - capacity building to improve countries' ability to use new technologies,
  - and
  - encouraging trade in technological goods.
5. By way of example, the EU's 6th research framework programme has set up an International Cooperation Programme (INCO) bringing together North-South consortia of scientists. These consortia are entitled to generate new intellectual property jointly and share applications under equal terms. INCO projects also provide training for young scientists from developing countries. Health is one of the main themes of the programme, including the fight against neglected infectious diseases. One INCO project has funded 6 European and 9 African scientific organizations to examine drug treatment in relation to the parasitic disease, schistosomiasis.
6. The EU will continue to promote and fund technology transfer initiatives such as this, including in the health sector, and report on these to the TRIPS Council on annual basis. For more details, I would invite you to consult our extensive report for 2006, to which WTO referred yesterday, and which is available on their website.
7. This statement is without prejudice to the new text on technology transfer introduced by the secretariat in this morning's version of the Elements document. We are still considering this and reserve our position in this respect. Thank you.

## **Management of Intellectual Property - text of European Commission intervention on behalf of EU-25**

1. I am speaking on behalf of the 25 Member States and the 2 acceding countries of the European Union.
2. While this Inter Governmental Working Group should explore all issues relevant to its objectives, we do believe that we need to clarify the role and direction of discussions on intellectual property in this forum. The EU believes that the focus of this Working Group should be on measures which can be implemented primarily by WHO and its Member States.
3. In recent years many new treatments have been developed for non-communicable diseases such as cancer and diabetes, which this working group has recognized as increasingly affecting developing countries. These innovations would not have developed without pharmaceutical companies being able to obtain patents on their medicines. In this way, patents have helped to generate innovation which is beneficial for all.
4. On the other hand, patents do not seem to be enough of an incentive with regard to neglected infectious diseases which disproportionately affect developing countries, and diseases for which treatments are compromised. Alternative measures must therefore be found to promote and finance research on these diseases. This working group is an ideal forum to develop the appropriate measures. However, measures to promote research **on neglected diseases** need not and should not adversely affect the patent system that successfully promotes innovation **for other diseases**.
5. As we have stated before, the EU has done its homework on TRIPS flexibilities, by introducing compulsory licensing in EU legislation. We also said earlier that in our bilateral free trade agreements the EU fully respects our partners' rights to use compulsory licensing.
6. It is worth adding here, that compulsory licenses do not actually have to be granted in order to have an effect. Simply by being available, compulsory licenses reduce the cost of drugs, by discouraging patent holders from demanding unreasonably high prices. For this reason we believe that we should not judge the effectiveness of the legal framework merely by counting the number of compulsory licenses granted.
7. Finally, we believe that TRIPS is a flexible tool and these flexibilities need to be used to their full potential. In this regard, we welcome the role of WHO, in cooperation with WTO, in providing training and policy guidance to countries on how they can implement the TRIPS Agreement, in line with the basic principles of the Doha Declaration.
8. Once again, this statement is without prejudice to the new text on technology transfer introduced by the secretariat in this morning's version of the Elements document. We are still considering this and reserve our position in this respect. Thank you.