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**Abstract**

**The Efficacy of TRIPS: Incentives, Capacity and Threats**

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There is a major split between developed and developing countries over the protection of the patents in pharmaceuticals in the TRIPS. This dispute is symptomatic of the difficulties of incorporating a non-trade issue into a trade organization. Incentives and threats are examined in the context of the TRIPS. It is concluded that developing countries have no direct incentives to protect intellectual property, that the threat of trade actions is unlikely to induce compliance and that the use of indirect incentives is discredited and will fail to achieve its objective over the long run. Successful protection of intellectual property in developing countries will require a way to provide them with a direct incentive to enforce such protection.

Keywords: enforcement, incentives, intellectual property, knowledge economy, threats, TRIPS