## The World Trade Organization "The 5th Ministerial Conference"

## TRIPS Agreement, Public Health a Challenging Battle

## **Introduction**

The Trade-related Intellectual Property Rights (TRIPS) agreement of the World Trade Organization establishes minimum standards for intellectual property rights. TRIPS obligates developing countries to introduce property rights legislation similar to the advanced developed countries. What is new and or different about the TRIPS is that developing countries must modify existing national legislation to tighten up property rights and extend coverage to all areas including medicines and pharmaceuticals. In addition, property rights protection now must have at least a twenty-year protection. Many developing countries had heretofore not covered medicines and pharmaceutical products and offered intellectual property rights (IP) protection only on product but not process.

In spite of its long history, the extent of recent interest in intellectual property rights through out the world is probably unprecedented. Perspectives on IPRs can differ sharply. International debates have become highly polarized & adversarial. It is believed by some that strong IPR protection & enforcement is indispensable in a modern industrial & post industrial economy. Others consider that IPRs are just another device by which the rich make themselves richer & the poor poorer, & are probably unnecessary to foster innovation anyway.

The main development which is responsible for galvanizing the increasingly heated debates on IPRs., is the successful attempt of the U.S, Europe & Japan, to place IPRs on the GATT Uruguay round agenda created a backlash, which has since resulted in plethora of critical works. These have focused on various issues, but mainly on the inherently projectionist motivation for setting minimum IPR standards at a high level as compared to the majority of countries, concern for the environment, the rights of indigenous peoples, the general interests of the developing countries, food security & the rights of farmers, & on the high prices of essential drugs in developing countries.

If we ask our selves "what are intellectual property rights for?" we have to recognize that IPRs are traditionally have been justified either on consequentialist or rights-based grounds. These are not mutually exclusive since some arguments contain elements of both.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup>For example the view that IPRs are rewards for inventors & artists for their contribution to the public good.

The consequentialist justification is that when inventors, authors or artists have an exclusive right to reproduce & sell their works society benefits in consequences. This position is based on two assumptions. First, it assumes that such a right encourages inventors to invent & authors to write. Second, it presupposes that the greater the quantity of inventions & creative works eventually released into the public domain, the more the public benefits through economic or cultural enrichment, or enhanced quality of life. Thus advocates of this justification tend to argue that IPRs are incentives that encourage creative endeavor. They are likely also to conceptualize the awards of IPRs as a kind of contract between the holder & the government on behalf the citizenry.

According to rights-based justifications for IPRs, property in intellectual works is primarily a matter of justice rather than of public policy. IPR laws exist to define & enforce the property rights but are not the source of these rights, since to enjoy a property right over one's creative work is a human right.

But whichever justification is accepted, it is important to understand that IPRs are intended to solve particular problem, which is that economically-useful knowledge or culturally-enriching works are likely not only be expensive to produce & market but difficult to control in a competitive market. Thus, intellectual property, especially patents, is often portrayed by economists as a kind of regulatory response to the failure of the free market to achieve optimal resource allocation for invention. According to such a perspective, "patents are designed to create a market for knowledge by assigning proprietary rights to innovators which enable them to overcome the problem of non-excludability while, at the same time, encouraging the maximum diffusion<sup>2</sup> of knowledge by making it public. So by providing temporary legal monopolies- which may or may not translate into market monopolies- for inventions, patents are supposed to stimulate greater investment in inventive activity.

Just what are the critical issues in this public health and TRIPS debate and what is really at stake?

The debate boils down to five critical areas of concern:

<sup>2</sup> Intellectual property rights & development "UNCTAD/ICTSD capacity building project" - 20 Nov. 2001, page 13.

- 1) The TRIPS agreement and countries' latitude in creating measures that will reduce or restrict the effective monopoly of patent holders over medicine. In other words, to what extent can governments over-ride TRIPS provision in order to secure cheaper medicines and greater access to medicine in order to limit the suffering of patients?
- 2) The scope and rights of countries in determining the grounds for safeguards such as compulsory licensing 1 and parallel imports
- 3) The proper balance in the TRIPS between the protection of property rights and the protection of the public interest, especially with regard to the affordability and availability of life saving and life enhancing drugs;
- 4) The scope of 'exclusivity' (the period for which the patent holder can exclusively market the innovated products and process) provided by a patent? What are its implication for price competition and hence a wide choice of effective treatment for patients in developing countries?
- 5) Clarification of the significance and binding constraints of article 7 and 8 in the interpretation of the other provisions of the TRIPS agreement.

#### The Debate in Details

In any debate there are at least two sides each of which believes its point of view has greater merit than the opposing side. This is true in the TRIPS and public health debate.

The WTO, its supporters, pharmaceutical corporations and their supporters argue that there is adequate protection for public health in terms of safeguards provisions and transition time for developing countries. In this regard they point to the following provisions in the TRIPS, it allows for parallel imports. The agreement should be conducive to social and economic welfare and should contribute to a balance of rights and obligations. Provides that government can take public health, nutrition and other public interest concerns into account in formulating their IPR laws and can prevent abuse of IPR. Allows national legislation to give government the right to grant compulsory licensing to third parties to manufacture a generic version of a product without authorization of the patent holder. TRIPS provide for national emergency actions.

Opponents of the WTO and the pharmaceutical companies argue that TRIPS restricts access to medicine and promotes high cost of essential drugs. They argue that the TRIPS provisions do not provide as much flexibility as is being promoted by the WTO because of limitations, restrictions and

ambiguities in the agreement. These allow considerable scope for interpretation and leave poor

countries vulnerable to dispute action and legal harassment. The TRIPS Agreement, though it allows

parallel imports, there is a lack of clarity about the nature and scope of this. For example, the

conditions for granting authorization and the requirement to give reasonable remuneration to patent

holder are not very well defined. Furthermore, the objectives and principles of the agreement require

that any measures taken by a state to be 'consistent with the provisions of the TRIPS agreement'.

Likewise, it requires that the patent holders be offered fair compensation if their products are made by

non-licensed manufactures. But as noted by TRIPS experts, the agreement does not specify how such

compensation should be determined if the two sides disagree, nor does it contain a definition for a

public health emergency that would justify bypassing patent legislation. Lastly, many NGOs also argue

that TRIPS allows companies to use tactics to enforce questionable patent ownership. It is interesting to

note that the EU, a strong supporter of TRIPS, has also called for clarification of the compulsory

licensing and parallel importing provisions of TRIPS.

Therefore if we tried to ask our selves about the impact of this agreement concerning public health, we

should concentrate on the infrastructure in developing countries & the issue of introduction of generic

medicines.

**Important Definitions & Abbreviations:** 

**<u>DC</u>**: Developing countries

**DSB:** Dispute Settlement Body

**EU:** European Union

**GATT:** General Agreement on Tariffs and Trade

**IMF:** International Monetary Fund

**IPR:** Intellectual property right

**ISO:** International Standards Organization

LDC: Least-developed countries

MFN: Most-favored-nation

**NAFTA:** North American Free Trade Agreement

**TBT:** Agreement on Technical Barriers to Trade

**TRIPS:** Agreement on Trade-Related Aspects of Intellectual Property Rights

**UNCTAD:** United Nations Conference on Trade and Development

**WHO:** World Health Organization

WIPO: World Intellectual Property Organization

Compulsory license

This term is used when the judicial or administrative authority is allowed by law to grant a license.

without permission from the holder, on various grounds of general interest (absence of working, public

health, economic development, and national defence).

**Counterfeit medicine** 

According to WHO, a counterfeit medicine is one, which is deliberately and fraudulently mislabeled

with respect to identity and/or source. Counterfeiting can apply to both branded and generic products

and counterfeit products may include products with the correct ingredients, wrong ingredients, without

active ingredients, with incorrect quantity of active ingredients or with fake packaging. This definition

includes intellectual property and non-intellectual property elements.

Exhaustion of intellectual property rights (see parallel imports)

This is a partial extinction of the right of the patentee - holder of the patent - consisting of the

termination of certain of his prerogatives, due to exhaustion of rights. According to this theory, the

patentee's right is exhausted when the product covered by it is put into circulation for the first time, if

this has been done with the consent of that right holder. It follows that once the product has been put on

the market, the patentee may no longer exercise control over the subsequent circulation of that product.

Generic drug

A pharmaceutical product usually intended to be interchangeable with the innovator product, which is

usually manufactured without a license from the Innovator Company and marketed after the expiry of

patent or other exclusivity rights. Generic drugs are marketed either under a non-proprietary or

approved name rather than a proprietary or brand name.

## **Intellectual property**

Intellectual property rights are exclusive rights, often temporary, granted by the State for the exploitation of intellectual creations. Intellectual property rights fall into two categories: those rights relating to industrial property (invention patents, industrial designs and models, trademarks, and geographical indications) and those relating to literary and artistic property (copyright). The Agreement on Trade-Related Aspects of Intellectual Property Rights covers the main categories of intellectual property law.

## **Most-favored-nation (MFN)**

Article 1 of the GATT of 1947 requires Member States to comply with a general obligation to apply most-favored-nation treatment. According to this Article, "Any advantage, favor, privilege or immunity granted by any contracting party to any product originating in or destined for any other country, shall be accorded immediately and unconditionally to the like product originating in or destined for the territories of all other contracting parties". In other words, it is prohibited to treat products differently on account of their origin. In order to avoid any discrimination, any advantage accorded to one country must also be accorded to all other Members of the GATT.

## **Parallel imports**

Products imported into a country without the authorization of the right holder in that country, which have been put on the market in another country by that person or with his consent. According to the theory of exhaustion of intellectual property rights, the exclusive right of the patent holder to import the protected product is exhausted, and thus ends, when the product is first launched on the market. When a State or group of States applies this principle of exhaustion of intellectual property rights within a given territory, parallel importation is authorized to all residents in the State in question. In a State that does not recognize this principle, however, only the patent holder that has been registered has the right to import the protected product.

#### **Patent**

A title granted by the public authorities conferring a temporary monopoly for the exploitation of an invention upon the person who reveals it, furnishes a sufficiently clear and full description of it, and claims this monopoly.

## TRIPS plus

The term 'TRIPS plus' is used to cover two different types of consequences in this paper. TRIPS confers on its Members a discretion to implement "more extensive protection" than is conferred by TRIPS standards (see Article 1.1). TRIPS also allows members to qualify the operation of some standards, to choose amongst standards or to choose when to adopt standards ('option-creating standards'). So, for example, Article 27.3 allows Members to qualify the standard of patentability in Article 27.1 by excluding some subject-matter from patentability and Article 27.3(b) gives Members a choice as to how to protect plant varieties. The transitional provisions in Articles 65 and 66 create entitlements for developing countries, former centrally planned economies and least-developed country members as to the timing of the adoption of TRIPS standards.

## A bilateral agreement that

- (a) Requires a Member to implement a more extensive standard; or
- (b) Which eliminates an option for a Member under a TRIPS standard,

## **Part One**

## The Global IPR Architecture

WHY, HOW AND WHEN INTELLECTUAL PROPERTY PROTECTION ISSUES GOT ON THE AGENDA OF THE URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS?

To answer this question, it is necessary to revisit briefly the important events that triggered the mentioning of intellectual property rights (IPRs) in the context of the Multilateral Trade Negotiations (The Uruguay Round) and the specific developments that determined the time of the commencement of the actual negotiations which produced the TRIPs Agreement.

# A. The backdrop to the introduction of intellectual property rights issues at the launching of the Uruguay Round:

The Uruguay Round of multilateral trade negotiations which was launched at Punta del Este, Uruguay in 1986, took place in the background of the claim by American industries that they were suffering from heavy losses from the absence of adequate protection of their intellectual property rights abroad. In 1987 a survey by the United States International Trade Commission (ITC) confirmed, on the basis of public hearings held and questionnaires administered, that the United Stated firms were loosing some 50 billion dollars, owing to lack of protection abroad of the intellectual property. The conclusion was that something had to be done, and the idea of taking up the issue of protection of intellectual property rights (IPRs), within the General Agreement on Tariffs and Trade (GATT) framework, began to receive support from the United States.

Accordingly, the developing countries resisted the idea of making the question of intellectual property rights protection a subject for discussion under the multilateral trade negotiations with such strong industry influence and specific agenda. They considered intellectual property an issue that belonged exclusively within the competence of the World Intellectual Property Organization (WIPO) and pointed out their own initiatives in the 1970s to revise the Paris Convention on the Protection of Industrial Property. The developing countries were thus worried about the link that may be established between the TRIPs Agreement under the GATT Forum and the existing intellectual property rights conventions such as the Bern Convention for the Protection of Literary and Artistic works, the Rome Convention for the Protection of Performers, Producers and Broadcasting Organizations, and the Treaty on Intellectual Property in Respect of Integrated Circuits.

## What is TRIPS for?

While the original purpose of the agreement on IPRs at the Uruguay round was to prevent the trade in 'counterfeit goods'<sup>3</sup>, the resulting agreement turned out to be much more ambitious than this<sup>4</sup>. Since it is very difficult to judge the success of the agreement or evaluate its future prospects without clear idea of its objectives.

<sup>&</sup>lt;sup>3</sup>Please revise the definitions part of this paper, page 5.

<sup>&</sup>lt;sup>4</sup>In fact, it was agreed to delete the reference to counterfeit goods from the title of the agreement.

The preamble affirms the desire of member states to take into account the need to promote effective & adequate protection of intellectual property rights, while recognizing the underlying public policy objectives of national systems for the protection of intellectual property, including development & technological objectives. There is little doubt that effective implies enforceable. But whether IPR protection is adequate depends largely on what the systems of rights are supposed to achieve.

Article 7 of the agreement sets the objectives of the agreements, as it states that the protection & enforcement of intellectual property right should:

- Contribute to the promotion of technological innovation
- To the transfer & dissemination of technology
- To the mutual advantage of producers & users of technological knowledge
- In a manner conducive to social economic welfare
- To a balance of rights & obligations.

In addition article 8.1 allows member states implementing their IPR regulations to adopt measures necessary to protect human health & nutrition, & to promote the public interest in sectors of vital importance to their socio-economic & technological development. These measures are not obligatory but, again, they highlight the socio-economic welfare implications of IPRs. On the other hand, the proviso that such measures be consistent with the provisions of TRIPS appears to narrow their possible scope quite considerably.

## Transitional arrangements:

The developing countries & the former centrally-pllaned socialist states were allowed a period of five years from the date of entry into force of the WTO agreement to apply the full provisions of TRIPS i.e.

1 January 2000. But developing countries that are required to extend patent protection to areas of technology not hitherto covered in their laws are permitted to delay such extension until 1 January 2005. The least developed countries (LDCs) are allowed to delay such extension until 1 January 2006 to apply TRIPS in full- (recently the TRIPS council, by a decision on the 27<sup>th</sup> of June 2002, had

decided to extend this transition period till 1 January 2016, do not have to provide patent for pharmaceuticals.)<sup>5</sup>.

## Institutional arrangements: final provisions

Article 68 (Council for Trade Related Aspects of Intellectual Property Rights) sets out the role of the WTO council for TRIPS. The council is responsible for the following:

- Monitoring the operations of TRIPS, & in particular members' compliance.
- Affording members the opportunity to consult on matters relating to trade-related IPRs.
- Assisting members in the context of dispute settlement procedures.
- Carrying out other duties assigned to it by the members.

## **Part Three**

## **Intellectual Property Rights & Public Health**

Patent rights are being extended around the world through the provisions of TRIPS. The intensive use of patent system by corporations is intended to protect their competitive edge and markets by keeping out their competitors. This strategic use of patents is sought to be justified on grounds that the negative effect of monopoly rights will be outweighed by the incentive for creativity, innovation and R&D. But this trade-off is beginning to be questioned because the prices and competition costs have been very high. In the health and pharmaceuticals sector, this trade-off often comes with life or death consequences.

The implementation of TRIPS agreement will give rise to factors that can put access to medicines out of reach for millions of people in developing world especially that it had been estimated by WHO that already about one third of the world population lacks access to essential medicines. As it is feared that patent protection for pharmaceutical products and processes will reduce or eliminate competition from generic production of medicines allowing pharmaceutical companies to keep prices of drugs high during the protection period which has a minimum of 20 years, consequently the domestic manufacturing of pharmaceutical products in developing countries will come to a stand still, even the domestic production capacity may never be developed.

<sup>&</sup>lt;sup>5</sup>Please refer to WTO press releases, council for TRIPS, 28 June 2002.

As a result, public criticism is mounting, civil society groups and a number of NGOs have called for amendments in the TRIPS to ensure a proper balance between the protection of private rights and corporate interests and the promotion of public interest including that of public health.

Admittedly, TRIPS provides safeguards in that use of patent's subject matter without the patent's holder authorization (referred to as compulsory licensing) and this is permitted even without prior negotiation in the case of a national emergency or other circumstances of extreme urgency or in the cases of public non-commercial use and TRIPS specify that this must be predominantly for the supply of the domestic market. This is in addition to other safeguards provisions that are believed by the proponents of this agreement to be adequate, yet they aren't adequate for its opponents.

It should be understood that even without patents it would be still difficult for any poor people to acquire cures for the illnesses that disproportionately afflict them. 80% of the population of the developing world can't afford to buy pharmaceuticals. Even in India, where pharmaceutical products can't be patented (& will not have to until 2005), & with a large generic drug sector that has a lot of expertise in medicinal chemistry, for the figure is only 10% lower than the developing country average. With respect to diseases that still do not have effective remedies (or for which the existing remedies are losing their effectiveness), the problem is that only 4.3% of pharmaceutical R&D expenditure is the targeted at the health problems that mainly concern low & middle income countries. Most companies consider it unfeasible to spend large sums on developing remedies for poor people. In consequence many people in developing countries continue to rely mainly or exclusively on traditional remedies such as herbal formulations.

## **TRIPS-related development at the WTO:**

## \* SEATTLE-ministerial conference:

In the future historians of trade may point to year 1999 as a year that marked a shift in the balance of power at the WTO. While the Quad counties (USA, EU member states, Japan, Canada) were still disproportionately powerful, developing countries became more proactive and assertive. More than half of the 250 proposals submitted to the WTO General Council during the preparations of the Seattle ministerial conference came from developing countries. And while many factors contributed to the collapse of this

conference, criticisms by many developing countries that they were being excluded from the key negotiations probably contributed to its failure to launch a new trade round or even agree on a declaration at all.

## \* DOHA-ministerial conference:

Doha declaration on TRIPS and public health ( November 2001 ) was an important step forward in the campaign for affordable medicines, as it stressed on the importance of of implementing and interpreting the TRIPS agreement in a way that supports public health, also it affirmed governments' right to use the agreement's flexibilities in order to avoid any reticence the governments may feel. Ministers, also recognized a fundamental imbalance in the TRIPS agreement and promised to find a solution before the end of 2002. This step, was due to the growing international condemnation of the excessive prices of patented HIV/ AIDS medicines especially by NGOs who had campaigned vigorously on this issue, arguing that the TRIPS agreement would exacerbate the health crisis ravaging poor countries.

Developing Countries tabled a proposal at the Doha summit, which sought to ensure that the TRIPS agreement supported rather than undermined public health. The issue dominated much of the discussions, and trade ministers finally approved a text, known as Doha Declaration on TRIPS and Public Health.

And although the wording of this declaration is not as strong as that of the original developing countries' proposal, it clearly affirms the primacy of public health over IPRs.

## The Doha Declaration on TRIPS and Public Health

Growing international condemnation of the excessive price of patented HIV/AIDS medicines finally forced trade ministers to address the thorny issue of global patent rules at the WTO Ministerial Conference held in Doha in November 2001.

The Declaration states that 'the TRIPS Agreement does not and should not prevent governments from taking measures to protect public health'. Although this wording is not as strong as that in the original developing-country proposal, it clearly affirms the primacy of public health over intellectual property rights.

The Declaration also clarified some of the key public-health safeguards in TRIPS that had been contested by the US and by large Northern-based pharmaceutical companies. It affirmed the rights of governments to:

Authorize use of a patent without the consent of the patent holder (compulsory licensing), and determine the grounds upon which such licenses are granted. These may include public-health objectives.

Determine what constitutes a national emergency – including, but not limited to, the HIV/AIDS pandemic, in which case the procedure for issuing a compulsory license becomes faster and easier.

Authorize imports of patented goods from the cheapest legitimate international source (parallel imports) without challenge.

#### **Unfinished business**

However, a crucial problem identified at Doha remains unresolved. This concerns the way in which the TRIPS Agreement restricts countries from producing and exporting cheap generic versions of new medicines. This will prevent countries without their own manufacturing capacity from finding affordable sources of new medicines to treat diseases such as HIV/AIDS, malaria, and tuberculosis. This includes the vast majority of developing countries.

Developing countries cannot afford adequate supplies of expensive patented medicines, and unlike rich countries, most cannot produce cheaper generic versions. Currently, they can buy imports of generic medicines from a handful of other developing countries that have not yet fully complied with TRIPS, such as India. Many important medicines are off patent and can be produced and sold freely.

However, vital new medicines for diseases such as HIV/AIDS that are ravaging developing countries are on patent in many countries.

## **How TRIPS restricts exports of cheap generic medicines**

TRIPS not only stops competitors producing and exporting cheap generic versions of patented drugs, its rules also say that compulsory licenses can only be granted 'predominantly' to supply the domestic market. So although India, once fully compliant with TRIPS, could issue a compulsory license to address its own health problems, it could not grant a license in order to address the health problems of other countries, however desperate their needs.

This represents a fundamental unfairness within TRIPS. Countries with their own production capacity, mainly rich industrialized countries with large markets, can override a patent to produce their own cheap generic versions of medicines if prices are too high, or supplies limited. However, the majority of poor countries will not be able to use compulsory licenses to produce their own medicines because they lack the capacity to do so. Nor will they be able to use a compulsory license to import medicines, because TRIPS stops generic-producing countries from exporting to them.

Trade Ministers at Doha recognized this problem and agreed in paragraph 6 of the Ministerial Declaration on TRIPS and Public Health that: 'We recognize that WTO members with insufficient or no manufacturing capacities in the pharmaceutical sector could face difficulties in making effective use of compulsory licensing under the TRIPS Agreement. We instruct the Council for TRIPS to find an expeditious solution to this problem and to report to the General Council before the end of 2002'. This is a commitment that it should be difficult for any country to renege on, but there were worrying signs at the March 2002 TRIPS Council meeting that this might indeed happen.

#### Part four

## **Case Study**

## The Impact of implementing the patenting system in Thailand

Thailand 's first patent law was enacted in 1979. It received little attention from government because of a misunderstanding that patent law applied only to industrialized countries and created a monopoly, and therefore that it was inappropriate for an agricultural country. The intention is to give Thai and foreign inventors an alternative to intellectual property rights protection. The process of obtaining a

petty patent is shorter than that for a regular patent but the period of protection is also shorter —six years instead of twenty.

Many people advocate that the revision of the drug patent law to coincide with TRIPS should emphasize the right of the Thai people to the benefits of patented drugs. In Thailand the TRIPS agreement could lead to an increase in the price of patented drugs and in the amount of patent royalties. There could also be a concentration of drug production in industrialized countries rather than technology transfer to, or FDI in developing countries. In addition, the new WTO patent system cannot be expected to increase research or development in developing countries. However, it has been argued that the protection of pharmaceuticals will enhance the tendency to transfer technology; it's claimed that there will be an increase in FDI, benefiting developing countries; and that the increase in resources devoted to research and development by local pharmaceutical companies will lead to the development of new drugs suited to their own situations, to products of improved quality, and to an end to the brain drain in Thailand.

The potential effects of the TRIPS provisions on the pharmaceutical industry in Thailand relate to the limited terms of product and process patents, the conditions of protection, and the broad scope for compulsory licensing and enforcement procedures in the national patent system.

During the period of economic prosperity in Thailand in the late 1980s, many people could afford to purchase medicines or health services that they perceived to be of high quality, and many used imported drugs. In Thailand there is a tendency to spend more on imported drugs than on those produced in the country, and the rate of increase in expenditure on imported drugs by Thais is higher than the rate of income growth.

## Market prices of drugs

Legal means as well as non-legal mechanisms regulate market prices of drugs in Thailand. Price control is under the jurisdiction of the Ministry of Commerce, which specifies categories of drugs whose prices are to be controlled. During the 1997 –98 economic crisis it set across-the-board percentage limits on price increases. The implementation of price control laws generally targets the list prices of manufacturers and importers and the retail prices charged by pharmacies. The prices of drugs sold through hospitals and clinics are not subjected to legal control. Although private hospitals set their prices independently, retail drug prices in public hospitals are normally no greater than 15% of hospital purchase prices. Since self-medication is common, retail prices of drugs distributed through pharmacies

directly affect the affordability of drugs. However, there is no systematic evaluation of the effectiveness of government price regulation of the influence of drug prices on affordability. Wholesale drug prices are influenced by the rules governing public sector procurement and by provincial group purchasing. Collective procurement is effective in price bargaining. In addition, competition among suppliers helps to hold drug prices in check. Because of a lack of overall coordination, however, drug companies charge different prices for the same product procured by different Thai purchasers.

#### Research & secretariats recommendations

- 1. Delegate is required to revise the following documents:
- The Trade Related Aspects of Intellectual Property Rights (TRIPS Agreement)
- The Doha Declaration on TRIPS & Public Health.
  - Both, the ministerial draft declaration of the developing countries WT/GC/W/450 (proposed on 4 October 2001), & the ministerial draft declaration of the developed countries IP/C/W/313 (proposed on 4 October 2001).
- REPORT OF THE WORKSHOP ON DIFFERENTIAL PRICING AND FINANCING OF ESSENTIAL DRUGS

World Health Organization and World Trade Organization Secretariats Norwegian Foreign Affairs Ministry, Global Health Council 8–11 April 2001, Norway

(Found in the following link <a href="http://www.wto.org/english/tratop">http://www.wto.org/english/tratop</a> e/trips e/tn hosbjor e.htm )

- WTO TRIPS and pharmaceutical patents- fact sheet (found in the following link <a href="http://www.wto.org/english/tratop">http://www.wto.org/english/tratop</a> e/trips e/factsheet pharm00 e.htm)
- 2. Research shall be divided into 3 main parts:
- Research concerning the TRIPS Agreement
- Research concerning the impacts of TRIPS & the patenting system over the public health & pharmaceutical industry.
- Research concerning the involving parties, developed & developing countries, & the previously mentioned organizations.

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