

# **TRIPS-Plus IP demands from EU could halt South American trade deal**

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Negotiations for a trade agreement between the EU and South American trade bloc Mercosur are approaching yet another impasse, just a year after re-launching the talks.

Free trade negotiations between the EU and the Latin American trade bloc Mercosur (Argentina, Brazil, Paraguay and Uruguay) are stalled, in part because of demands from the EU that Mercosur introduce tougher measures to protect intellectual property rights.

In the light of Brazil becoming more self-sufficient in pharmaceutical production and Argentina enforcing bans on drug importation, Mercosur's opposition to the EU proposals for 5 year patent extension for drugs and 10 years data exclusivity does not come as a surprise.

In fact should Mercosur accept the conditions of the EU's Intellectual Property (IP) text, the impact on local companies would be entirely negative, as it would affect competition and restrict the number of medicines on the market. In addition, generic companies would be unable to manufacture many medicines until the patent or data protection expires.

Disagreements over intellectual property rights are also adding to the stalemate. Mercosur does not wish to accept the EU proposal for rules on copyrights and patents that are stricter than those stipulated by the WTO's Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement.

These intellectual property concerns relate to an EU requested 5 year extra patent protection to compensate for delays in registering a drug as well as to data exclusivity.

Moreover, the EU wants Mercosur countries to adopt border control measures that allow customs officials to detain imports, exports and in transit goods suspected of IP infringement. Brazil fears further restrictions will inhibit their production of generic drugs and their ability to break patents in the occasion of national health crises.

Certainly the EU would stand to benefit from such measures, since Mercosur is an increasingly important market for the EU. However Argentina and Brazil are pumping up their national industries to reduce dependence on imports.

Should the EU's IP measures be adopted, public health would suffer severely as medicine prices and social security expenses would rise. Adopting TRIPS measures would also make it difficult to access generic versions of new antiretrovirals.

The next round of talks between the EU and Mercosur are set to take place in Brussels in

July 2011, followed by negotiations scheduled for November in Uruguay. HAI Europe will monitor any developments.

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