

24 January 2003



Rt. Hon. Patricia Hewitt M.P.  
Secretary of State  
Department of Trade and Industry  
1, Victoria Street  
London SW1H 0ET

and Rt. Hon. Clare Short M.P.  
Secretary of State for International Development  
Department for International Development  
1 Palace Street  
London SW1E 5HE

Dear Ministers,

**Integrating intellectual property rights and development policy**  
**Report by the Commission on Intellectual Property Rights**

The purpose of this letter is to let you know the broad view of CBI members towards the Commission's report and to request the industry's views are fully taken into account when the Government announces its own response to the Report.

CBI members' primary concern is that the Commission's Report does not give sufficient recognition of the beneficial role of intellectual property rights (IPR) in encouraging innovation and development. On the contrary, the Report gives disproportionate prominence to arguments, not supported by evidence, that IPR is an impediment to development.

Most IPR is owned and developed by business, and the funding of R & D and the development and launch of new products, from which all countries and the economy and society at large benefit, crucially depends on the recognition of IPR.

Whilst we entirely support the importance of striving to reduce poverty and disease and to promote development in poor countries, including programmes to improve health education and the environment, the CIPR report wrongly appears to treat the proper exploitation of IPR by industry as an impediment to these objectives.

Over 95% of the medicines on the World Health Organisation's Essential Medicines List are out of patent cover, yet 30% of the world's population has no access to them. The situation of poor countries stems from far more grave and damaging factors than exploitation of IPRs, essentially a mixture of economic, political, cultural and climatic and many other factors in most cases. The Commission's report fails to put IPR into a context that takes account of these factors.



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The CIPR Report also fails to recognise that poor countries gain far more from the existence of IPR, through new products and product development and such as new and improved medical solutions, than they lose by the effects of IPRs on affordability.

The copyright industries in membership of CBI feel equally strongly that the Report wrongly fails to recognise the benefits to developing countries of strong IPRs in their field.

There have been suggestions that international conventions should be able to sanction the disapplication or lack of recognition of IPR, and the message from the CIPR Report seems to indicate some support for this stance. We would strongly take issue with any such proposals. CBI members wish to see adherence to and implementation of the WTO TRIPs Agreement, itself only achieved after much lengthy and detailed negotiation. The problems of poor countries, and in particular difficulties over access to medicines, can and should be addressed and tackled without the need to overrule or impinge on IPR rights.

Attacks on IPRs are dangerous in undermining the major incentive to produce medicines and other products, and distract the WTO members from other negotiations and agreements to assist the world economy and poor countries in particular.

Since the Report fails to do so, we urge the Government to set the record straight in its response to the Report and expressly acknowledge that, without the incentives created by IPR, as well as the income it generates, funds for research and development will be cut and the supply of new products for the benefit of everyone, not just poor countries, will suffer. We also urge the Government to disassociate itself from the general impression given by the Report that developing countries should adopt the lowest standards of IPR protection consistent with their international obligations.

We are pleased to note that the recent DFID Working Group Report to the Prime Minister on increasing access to essential medicines in the developing world gives better recognition of the value of IP to developing countries.

We shall be pleased to discuss the issues further with you if this will be helpful, as you consider the Government's response to this Report.

A handwritten signature in black ink, appearing to be 'Digby Jones', written over a horizontal line.

Digby Jones  
Director-General