

'Patents are Monopolies'

According to 'Inside US Trade', the US Chamber of Commerce is gearing up for a fight to limit the access of developing countries to Environmentally Sound Technologies (ESTs). They fear that international climate change negotiations, taking place under the auspices of the United Nations, will erode the position of corporations holding patents on existing and future technologies. Developing countries such as Brazil, India, and China have indicated that if—as expected in the next few years—they are going to have to make sacrifices to reduce carbon emissions, they should be able to license some of the most efficient available technologies for doing so.

Big business is worried about this, because they prefer that patent rights have absolute supremacy. They want to make sure that climate change talks don't erode the power that they have gained through the World Trade Organization (WTO).

The WTO is widely misunderstood and misrepresented as an organization designed to promote "free trade." In fact, some of its most economically important rules promote the opposite : the costliest forms of protectionism in the world. The WTO's rules on intellectual property (Trade-Related Aspects of Intellectual Property, or TRIPS) are the most glaring examples. These are designed to extend and enforce US—style patent and copyright law throughout the world.

Patents are monopolies, a restriction on trade that creates inefficiency in exactly the same way that tariffs, quotas, or other trade barriers do. The economic argument for relaxing patent rules is therefore the same as that for removing trade barriers, only times 50 or 100, or even 1000—since the average tariff on manufactured or agricultural goods is quite small compared to the amount by which patent monopolies raise the price of a pharmaceutical drug.

It took years of struggle by non-governmental organizations to loosen the big pharmaceutical companies' stranglehold on the WTO, to the point where the organization's 2001 "Declaration on TRIPS and Public Health" reaffirmed the rights of member countries to produce generic versions of patented drugs in order to promote public health. But this was just a first step, and seven years later these rights have been applied almost exclusively to anti-retroviral drugs for the treatment of AIDS, in just a handful of developing countries. The power of the pharmaceutical companies, with their governments in the United States and Europe as advocates, still keeps life-saving medicines priced out of reach for hundreds of millions of the world's poor.

But big business doesn't want to take any chances. On May 20, they launched a new coalition called Innovation, Development and Employment Alliance (IDEA). Members include General Electric, Microsoft, and Sunrise Solar; they reportedly are also concerned with intellectual property claims in the areas of health care and renewable energy.

Ten years ago environmentalists played a major role in exposing the built-in prejudice of WTO rules, which tend to strengthen commercial interests against environmental regulation. A tipping point was reached when they helped

organize large-scale protests that shut down the WTO negotiations in Seattle in 1999, raising alarm bells and building opposition worldwide. No doubt environmental awareness and a sense of urgency with regard to climate change are much more broadly shared today. Unless more Seattles occur multinationals will do everything possible to thwart the developing countries' efforts to have access to environmentally sound technologies.

Struggle against 'monopoly patent' in life-saving medication area is urgently needed but the left in this country never goes beyond their routine modes of agitation. Their anti-imperialist stance is anything but abstract. There is every possibility to make it concrete by specifically fighting the drug multinationals.
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