This is the report of the 8th Talks on the Hill meeting organised under the Cultures & Civilisations Dialogue programme developed by the Intellectual Exchange department of the Asia Europe Foundation. This meeting was entitled “Re-writing Intellectual Property: Economic and Social policy challenges in Asia and Europe,” and began on the evening of the 7th of May 2006 and ended on the 9th.

The 4th Asia Europe Meeting (ASEM) Summit in Copenhagen (2002) stressed the need to promote “Unity in Diversity” among the various cultures represented among ASEM countries. ASEF was asked to accompany this initiative through its own “Civil Society” architecture. The Cultures & Civilisations Dialogue Programme was established with this realisation, and primarily to promote understanding between the two regions of Asia and Europe, and also facilitate leaders of civil society meeting, interacting and engaging with one another and with audiences in the opposite regions. Within this programme, ASEF initiated the “Talks on the Hill” series to allow for frank and open discussion on issues of pertinence to the two regions in a small closed-door setting.

This report highlights the major themes that arose out of the discussions during this meeting. In keeping with the ground rules of the meeting, this report does not quote nor attribute remarks, comments or ideas to specific individuals.
Preface

The 8th ASEF Talks on the Hill meeting was held from the 7th – 9th of May 2006, entitled “Re-righting Intellectual Property: Economic and Social policy challenges in Asia and Europe,” at the Asia-Europe Foundation in Singapore.

This meeting brought together 12 high-level participants from diverse backgrounds, nationalities and areas of expertise. An integral part of addressing and dealing with many of the controversial aspects or blockages in national and international negotiations on intellectual property rights is to deepen understandings of related cultural perceptions and values. In the relations between Asia and Europe in particular, contentious issues over intellectual property can be a hurdle. This may be where the successful think-tank format of this meeting will allow for further exploration of these issues leading to improved communication, understanding and sound recommendations to the governments of ASEM.

Established in 2003, the “Talks on the Hill” series utilises a think-tank style-brainstorming format of discussion. These meetings include a small number of participants with the express purpose of tackling specific and sensitive issues in an open and frank manner. The aim is to forge policy recommendations from civil society that are addressed to the governments of the Asia-Europe meeting (ASEM).

Focusing this meeting on the topic of intellectual property represented a divergence from the norm in many ways. Most significantly, most forums that work on this topic, do so in highly technical and specialised ways, while this meeting on the other hand, was organised to bring people together from diverse backgrounds in an open and frank discussion. The debate and resultant points that are elaborated on in this final report are targeted at addressing qualified individuals from a wide spectrum of backgrounds. Addressing this topic in such forums is a need that has been recognised by practitioners in this field as well, as intellectual property is increasingly recognised as a topic that cuts across many levels of society, ranging from the policy level to local humanitarian issues.

One of the cornerstones of the “Talks on the Hill” series is that it brings together individuals from diverging perspectives. While we tried to achieve this same dynamic for this group, a critical segment of the meeting that was absent was a suitable representative from an international organisation such as the World Intellectual Property Organisation (WIPO). Despite all efforts on the part of the Foundation, we were unfortunately unable to secure the participation of an appropriate individual.

The report that follows elaborates in detail on the various trends of the conversation and goes into some depth in explaining the major challenges in the field of intellectual property in various countries of Asia and Europe as well as to organisations working on this or related topics.

Some fundamental points were established in the course of the discussions;

- At a broad level, the contrasts in priorities of governments and societies with regard to intellectual property were more a function of the divide between developed and developing countries than a function of being in either Asia or Europe. However, establishing and protecting a suitable intellectual property regime remains a challenge for both developed and developing countries.

- There is a clear lack of cooperation and coordination between organisations in different sectors that work in areas either on intellectual property or are affected by intellectual property (such as health care). In particular, there seemed a clear need for increased understanding between organisations and individuals working for the promotion of intellectual property regimes and those working on issues that can be negatively impacted by the former.

This report contains policy recommendations to governments, but it could also be a good source of information for civil society practitioners involved in this topic.
Introduction

The first session of the meeting opened with the participants given the opportunity to re-assess the agenda, lay out their viewpoints and priorities for the meeting as well as make changes or adaptations to the agenda if necessary. This exercise highlighted the need for all members of the group to “own” both the process as well as the results of this meeting.

Very quickly, the participants came up with several strong points to include in the agenda or as general guidelines to keep in mind as the discussions progressed. These were largely both relevant to the sessions specific to this meeting as well as to any framework of discussions on intellectual property in general.

A member of the group noted that while it is important to share ideas from diverse cultural perspectives, it is also important for the discussions to approach this subject from a multidisciplinary perspective. The important point to be made here was that the focus-areas of different professions and industries on this subject are very different and often narrow, and that it is necessary for increased communication and understanding between the groups.

Further, we were reminded that discussions on intellectual property too-often focus on the situations in developing countries, to the exclusion of very real problems that continue to exist in the developed world. Several participants from Europe in particular, pointed out that their countries continue to grapple with problems of enforcement and policy–building on this topic, while philosophically, understandings and the growth of intellectual property as a concept continue to be challenged and debated. It was also noted that individuals from the developed world were often the “buyers” of counterfeit goods in developing countries, and therefore implicit collaborators to some of the negative practices that are perceived in developing countries.

As a balance between producers and consumers, one participant suggested to keep discussions in the framework of balancing access with protection. The solution – if any – to this problem would ultimately lie in providing appropriate levels of incentives to innovators, while ensuring accessibility of the goods and services to consumers.

Finally, a participant suggested that we include suggestions for cooperation in our discussions, as there is a perception that there is very little cooperation and alignment between the numerous international organisations as well as non-governmental organisations (NGO’s) and governments on these issues.

Following a short break, participants were invited to share their personal views, experiences, and philosophical and cultural understandings on the topic of intellectual property. This is usually done in the context of their respective countries, but may include historical accounts as well as other experiences. This exercise was important in introducing the particular cultural nuances of this topic, exposing the diversity of perspectives as well as serving as a general introduction and basis for the rest of the discussions.

Cultural Understandings of Intellectual Property Rights

It was generally agreed that cultural understandings on this topic are very diverse.

From an Asian perspective, two points were significant, and should be seen through the lenses of the Asian experience with colonisation as well as the sometimes exploitative impact that foreign companies have had in some Asian countries. It may be also important to note that the economic disparities in many Asian countries are (or have been) very wide, often with deep-set resentments against the “elite” who control much of the business, and are perceived to be benefiting by serving the interests of “westerners.” These have in many ways clouded the Asian view of intellectual property implementation and enforcement. This argument takes a two-pronged approach;
When copying is a good thing...

A participant explained how cultural backgrounds and old traditions can impede the implementation of intellectual property laws in some countries.

In some Asian cultures – particularly those influenced by Confucian ideas, the ability to copy an established artist was considered a great skill when, and as long as, the copying was made for non-commercial purposes. In fact, the closer in likeness that one was able to create his copy to the original, the greater the recognition of the skill of the copier.

In the European context, the group noted that in copyright law, there’s a divide between author’s rights systems, in France, Spain, Portugal, Italy, Netherlands and Germany and the copyright systems, which is in the UK. The former recognises the author’s personality by providing protection against distortions of the work or by not allowing a transfer of rights, while the latter is more inclined towards protecting the rights of the investors through the copyright.

It was further argued that the perceptions of consumers about where their money is going or who really benefits from the prices of many of the goods is that big businesses benefit. In many cases – particularly with books or music – the general feeling in the group was that consumers would be more willing to pay if they thought the original artists or authors would directly benefit instead of the record companies or publishing houses. This is linked to perceptions of consumers that the costs are inflated artificially.

At a more general and global level, a participant explained that it was difficult for most people to understand the severity of “stealing” intellectual property in the same way that stealing physical property is understood. This was attributed to the fact that when physical property is stolen, this act denies another individual his right to enjoy his property. However, this does not happen with intellectual property, as copying a VCD or downloading a song for example, does not prevent anyone else from enjoying the product.

The mapping out of consumer perceptions also included research industries and, in particular, the pharmaceutical industry. In this context, it is argued that, in many cases, initial research is very often funded by the government via grants and therefore conducted by private corporations using public money and so there should be no reason why the innovator of the final end of the process should be granted full and unrestricted exclusivity rights on the resulting products.

Of course, there was also brief mention of the Open Source Movement and Creative Commons - both non-profit organisations that have emerged to tackle issues relating to spiralling barriers to innovation in the copyright area. These movements signal that blind absolute protection of intellectual property rights may be counter-productive in the innovation life-cycles and therefore advocate some rights reserved as opposed to all rights reserved under the copyright regime. These organisations believe in making available copyright material that will propel or further aid innovation with royalties or other licensing fees only having to be paid when the resulting products/services are used for commercial gains. One participant also suggested that sometimes, copying products could make the product better by someone who understands the market better than the owner.
Treaties, Institutions and Actors linked to Intellectual Property

The next session of the meeting brought up the many institutions, international treaties as well as other bodies that work on intellectual property. One participant noted the need to also discuss national frameworks in this session. The intention of this session was to map out the state-of-play of the international, regional and national regulatory and developmental framework of intellectual property – and in doing so, to allow for the major challenges to emerge. Most of the discussions took place in the context of development issues and the specific topic of access to essential medicines.

While there are numerous international agreements, international organisations and other actors in the field of intellectual property rights, a few featured prominently and consistently in our discussions. They included the World Trade Organisation (WTO) and its Trade Related Aspects of Intellectual Property Rights (TRIPS) agreement. Also included were the World Intellectual Property Organization (WIPO) and the Patent Cooperation Treaty.

The World Trade Organization (WTO) Agreement on Trade Related Aspects of Intellectual Property rights which came into force in 1995, set minimum standards of intellectual property protection, which all members of the WTO have to implement. Despite international concerns about the impact of the TRIPS Agreement on development, intellectual property standards continue to increase. These strict intellectual property standards, known as “TRIPS-plus” standards, are often used in trade agreements and in WIPO treaties. Compulsory licensing is a legal requirement for the owner of a patent to let other firms produce its product, under specified terms. Countries sometimes require foreign patent holders to license domestic firms so as to improve access to the patented product at lower cost. This is permitted by the TRIPS Agreement for certain purposes, such as protecting public health.

The World Intellectual Property Organization (WIPO) seeks to "promote the protection of intellectual property throughout the world." The predecessor to WIPO was the BIRPI (Bureaux Internationaux Réunis pour la Protection de la Propriété Intellectuelle, French acronym for United International Bureau for the Protection of Intellectual Property), which had been set up in 1893 to administer the Berne Convention for the Protection of Literary and Artistic Works and the Paris Convention for the Protection of Industrial Property. A main criticism of the WIPO has been their promotion of TRIPS-plus standards at the expense of development concerns in its technical assistance and norm-setting activities.

The Patent Cooperation Treaty (PCT) provides a unified procedure for filing patent applications internationally. Some participants in our group argued that if a developing country decides to become a member of the PCT, it is more likely that foreigners from developed countries will remove technology from the public domain. Others argued that this would have to be discussed within the framework of the benefits of having free technology versus the benefits of the Patent Cooperation Treaty.

The impact of Intellectual Property on Development

Throughout the discussions on international bodies and treaties, the debate consistently touched upon the problems that were being faced by developing countries and the impact that intellectual property implementation had on these countries. In particular, the impact and ability for local industries to use and produce new intellectual property was particularly felt in emerging economies as their growth was being slowed down because of patent protection.

In discussing this topic, some in the group suggested that this was a matter of addressing issues of how to balance rights, limits and interests at various stages of development. It was strongly noted by the group that it is counter productive to push countries to higher artificial levels of intellectual property adherence if they are not ready. It also brought up the broader question of whether it would better serve the public interest to distinguish between patent-protection for products according to their socio-economic significance for society unlike the TRIPS, which establishes that all fields of technology must be equally treated. For example, should levels of patent protection be more flexible for medicines and other essential products as opposed to luxury goods?
Capacity Building and Technical Assistance

Many of participants of our group brought up the practices of technical assistance and capacity building programs that are carried out by the WIPO. The contention by most in the group was that capacity-building programmes should be tailored to aid the development needs of the countries rather than the usual practice of “blindly” promoting the enforcement of Intellectual Property in these countries. Related to this, is the use of “model laws” which are given to nations in helping them formulate laws and implement their intellectual property framework. It is important to note, that many of these “model laws” are written according to a TRIPS-plus standard of protection, which in general – unbeknownst to the recipient country – ties them to higher obligations than necessary had they adhered just to the basic TRIPS agreement.

Several important points were made

- Some in the group advocated that technical assistance training should be multi-sectoral in the sense that the training opinions and curricula offered during these sessions should be done by a diverse representation of people instead of only WIPO sanctioned individuals. It was suggested for example, that representatives from the medical care sector and NGO’s should also be able to offer their insights into the impact that Intellectual property law can have.

- Linked to the above point, countries needing the technical assistance (recipient countries) should send a broader representative group of people to receive this training instead of just government bureaucrats that are working in the national intellectual property office. This is due to the increased need for capacity to deal with these new laws that are being introduced to many developing countries. This cuts across many sectors such as the courts, the knowledge and understanding of the judges, training of police etc. It is in the interest of the governments to take a more integrated approach to IP than just a business-oriented approach, as they will deal also with the other related issues such as health care.

- Developing countries should be assisted in making an informed choice about the nature of this training, and one way would be to send the local governments the Terms of Reference (TOR) of the trainers, which will enable them to choose the most appropriate persons.

- In general, technical assistance should be tailored to the individual needs of the country, and it should aid countries in prioritising intellectual property in their overall development agenda.

Case Study: The Health Care sector, pharmaceuticals and access to medicines

Many of the points above on the issues specific to developing countries, were applicable to the session on health care and access to medicines, which provided an acute case study and point-of-analysis of these problems.

The session began with some participants speaking briefly about their personal experiences with the issues of access to medicines in various countries – but primarily in Southeast Asia. In doing so, several participants narrated stories of experiences where pressure was applied to developing countries by developed countries (the United States in particular) when the developing countries were thinking of implementing policies or measures that were not in line with the priorities of the developed countries. An example of this would be if the developing country intended to issue compulsory licences – a measure that is compliant with TRIPS.

In general, there was a definite impression among many participants in the group, that a lot of strong-ararming and pressure has been put onto developing countries by both big pharmaceutical companies as well as other governments to comply with intellectual property standards beyond what they need to. This practice was strongly
discouraged by the group as it precisely stunts the ability of these countries to deal fairly with the domestic challenges.

Some of the Asian participants spoke about experiences that their countries have had in dealing with pressure-tactics from pharmaceuticals and other countries. Specifically, it is very important for the countries to have sound legislation in place in order to be able to use their court system in particular, to counter the pressure. The option of the utilisation of the judicial process seemed one of the most effective and legitimate ways to encourage better terms in negotiations. This includes using legislation such as anti-trust laws and compulsory licensing.

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Participants shared some further ideas on ways for countries to continue to control pressures particularly in the area of guaranteeing access to medicines. One such example is the attempt by the United States under FTA/ TRIPS-Plus to eliminate one of the world’s most efficient drug procurement system, the Pharmaceutical Benefit Scheme (PBS), used by Australia. This is done purely for the benefit of multinational drug companies and to inhibit other countries from adopting the Australian model. Under this scheme, acceptable prices for medication are calculated according to the health and economic benefits of the new drugs compared to existing treatments. Health benefits are measured in terms of gains in life expectancy and quality of life, and economic benefits in terms of the reduction of treatment costs. This calculation is one of the criteria for setting a maximum price for medicines that are to be financed by the public health system.

A participant also brought up a new trend in intellectual property rights about how *patenting has now been extended to medical processes* – indicating that we are moving towards a situation where it will not be possible for doctors or countries to provide health care for free. The significance of this is that *intellectual property laws have broadened to include areas of access control*. However it could be argued that access control has nothing to do with the original need of intellectual property, which is to encourage creativity.

This led to a discussion on alternatives to Intellectual property to the ways that pharmaceutical companies have been utilising them. One participant put forth a proposal that *Research and Development should be thought of as a global public good, and therefore a global public funding scheme should be established for this*. Countries would contribute to the costs of research according to their economic capacity and would also have more of a hand in directing research into the areas that are a priority for them. The problem, it was felt, is that at this point nobody is directing research, and the public sector is reliant on the major pharmaceutical companies to come up with medical breakthroughs. However, these same companies are market-driven, and may choose to focus on drugs that are not as vital such as drugs for impotency or hair loss instead of life-threatening diseases that are often prevalent in developing countries. *Mechanisms were seen to be necessary in order to enable societies to set these goals.*

### Protection and Enforcement of Intellectual Property

The topic of enforcement of intellectual property was one of the most important aspects of the debate on intellectual property to address – highlighted by both research done before the meeting, and resonating strongly in the reactions from our group. The question of enforcement is one of the highest priority areas for developed countries, and a major challenge for developing countries.

As was mentioned earlier in this report, the international discussions on intellectual property have a tendency to focus first on the problems associated with developing countries, and this is especially true on the topic of enforcement. It was interesting to hear that *some Asian countries now find themselves in the dual position of being both a promoter of intellectual property as well as infringers of intellectual property*. This was seen as a natural process of economic development, where industries in developing nations evolve from being “users” to “producers” of Intellectual Property, they too begin to have a stake in intellectual property protection and
enforcement, and the development of national level their policies need to be dynamic enough to deal with these ever-growing changes.

At the outset, some participants suggested that much of the current-day obsession with enforcement is a consequence of too many laws having come into force to begin with. In many ways, the behavioural patterns in these countries have remained the same, whereas the consequences of the actions have changed. Moreover, the resources and technical capacity required for effectively managing a sophisticated IP system are inadequate or missing.

In beginning the process towards greater intellectual property enforcement, some participants emphasised the need for **adequate time to implement changes**. It seemed a point of frustration for some from developing countries, that they were constantly criticised for failing to completely protect Intellectual property, while little notice was taken of the many significant steps that they had taken in the right direction. Linked to this is the fact that the move toward greater intellectual property enforcement needs to also be a multi-pronged and multi-disciplinary path. For example, many developing countries have an underdeveloped infrastructure, which cannot support strong intellectual property regulation and protection. As mentioned earlier, training of judges, lawyers, the police and many other groups in society is needed in circumstances where resources are scarce.

The question of **educating people** on the importance of intellectual property came about, with some participants feeling that education in schools needed to also address these issues. Many other participants did not agree with this though, feeling that this was not a topic of sufficient importance that it had to be included in such a forum. However, there was a general consensus that the approach towards teaching local populations more about IP needed to be done, in a way that is tailored to the individual cultural understanding and norms of the people. For example, rather than concentrating attention only on enforcement of the music, software, movie or luxury goods segment, awareness and education can be built around counterfeit medicines or spare parts for vehicles (issues related to safety and health) which perhaps will "hit home."

At a more general level, in both Asia and Europe, there is more talk of **criminal enforcement** of intellectual property. Most in the group thought that criminal enforcement may not be the best way forward, especially in developing countries because it perpetuates feelings of foreigners benefiting at the expense of locals. In general, participants also questioned the overall usefulness of having criminal sanctions, if the punishments meted out by national legal systems were seen as an adequate deterrent to piracy and counterfeiting. Moreover, as the punishments for criminal activities are often not seen as commensurate to the crimes of piracy and counterfeiting, this could lead to further resentments and hostility towards the IP regime.

The group also spoke about the perception in some emerging countries that “public” funds and resources (via criminal or government based enforcement actions) were being utilised to enforce what is seen as individual rights of IPR holders which could enforced via civil action by the IP rights-holder. Therefore, individual corporations should budget and spend their own money to enforce their rights without international focus being unfairly targeted at developing countries that are taking measures) albeit insufficient) to enforce IPRs.

However, it was also noted that organised crime rings controlled much of the counterfeiting rackets, and of course, there was a need for criminal enforcement in this context. Some participants thought that the strategy of governments should be to target only the source of the problem i.e. the big smugglers or distributors. Others thought that there was still purpose in also targeting the smaller ones such as street peddlers because these more visible manifestations of intellectual property infringement and enforcement send a strong message to the public.

The group also discussed issues of piracy and counterfeiting more broadly, and particularly in relation to music, movies and the Internet. There was broad recognition and concern by the group on the effect that piracy is having on artists and the industry in general. Some countries have started to impose a small levy on sales of blank CD’s, audiotapes and other recordable material with the purpose of sending this money to collecting societies that distribute these returns to artists. This is, nevertheless a disputed solution, as some in the group argued that individuals and organisations that use recordable material for copying their own and non-proprietary information are unfairly forced to pay the levy as well.
A Summary of Key Recommendations

As the meeting drew to a close, participants spoke about some concrete recommendations that could be put forth to relevant government bodies as well as international organisations on facilitating a more fair system of intellectual property growth and regulation.

- **The Need for Better Awareness**
  Reducing the demand for pirated or counterfeit goods would probably be the most effective way to reduce the supply. Greater awareness (done through the lenses of cultural and developmental needs specific to each country) among people, including the young could go far in stemming the demand for such goods.

- **Allowing for greater flexibilities in using TRIPS**
  Many of the Europeans felt that their governments should be more forthcoming about telling the developing countries that it is acceptable for them to use the flexibilities that TRIPS provides. In addition to governments, companies should also start to recognise the flexibilities that are built in TRIPS – for example parallel imports.

- **Releasing the Pressure**
  The group also called upon governments and patent companies to refrain from using pressure tactics that result in developing countries adopting higher standards of intellectual property protection and enforcement than they need to or are able to.

- **Understanding the depth of Intellectual Property**
  Many of the participants from developing countries recognised the need to gain more concrete advice before signing on the treaties such as the Patent Cooperation Treaty (PCT) and indicated that their governments need to realise that intellectual property is far more important and pervasive than previously thought.

- **Distinguishing between obligations and pressures**
  Linked to this point was the need for developing countries to focus on dissecting much of the information that they are receiving from the various international organisations as well as other governments into obligations and pressures. In doing so, the countries would be better able to more positively lay out their policy in alignment with their priorities and national interest.

- **Asia-Europe cooperation on Geographical Indications**
  It was proposed that more attention be paid to multilateral processes which will enable all countries to negotiate from stronger positions – particularly at international forums. Geographical Indications were mentioned as a point of convergence for cooperation between Asia and Europe, as it is an area of intellectual property that is particularly relevant to the two regions, and where their interests are aligned.

- **Diversifying the decision-making process**
  National governments should diversify the decision-making process on treaties and other agreements linked to intellectual property. This comes with a growing recognition that this issue can no longer be limited to a few specialists. For example, professionals and decision-makers from the health sector should be involved in the discussion and negotiation of both FTA and internal policies when they are likely to have an impact on the price and access to medicines and health services.

- **Value in involving civil society at multilateral forums**
  Members of the group recognised that independent civil society has a useful role to play at the multilateral level and their involvement and views should be better taken into consideration in the decision-making processes within the WTO and WIPO.

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