# **\*\*\*note: est= environmentally sound technologies\*\*\***

Even though there are limits to their effectiveness, compulsory licences are considered a valuable tool for governments to facilitate access to medicines through the prevention of patent abuses as well as the “encouragement of domestic capacities for manufacturing pharmaceuticals”. 289 According to the UNDP Human Development Report (2001), after the adoption of the TRIPS Agreement, compulsory licences were initially mainly used in Canada, Japan, the UK and the United States for products such as pharmaceuticals – particularly as a remedy to address anti-competitive practices and prevent higher prices – while no compulsory licence was issued then in developing countries largely due to pressure from Europe and the United States and the fear of long and expensive litigation against the pharmaceutical industry.290 As demonstrated in Section 5.4.1.2, in order to address developing countries’ concern, the 2001 Doha Declaration explicitly reaffirmed the right of countries to issue compulsory licences where necessary, in the interests of public health.

In order to enable countries with insufficient manufacturing capacity in the pharmaceutical sector to benefit from the compulsory licensing system, the WTO General Council adopted the Decision of 30 August 2003 on the implementation of paragraph 6 of the Doha Declaration on the TRIPS Agreement and public health (the so-called paragraph 6 system).291 This decision essentially expanded the TRIPS flexibilities, involving two waivers: (1) with respect to the exporting country, a “waiver” of obligations to use the authorised compulsory licence predominantly for the supply of the domestic market under Article 31(f); and (2) with regard to the importing country, a waiver of the adequate remuneration requirement under Article 31(h) when remuneration is paid in the exporting Member. “Where a compulsory licence is granted by an exporting Member under the system set out in this Decision, adequate remuneration pursuant to Article 31(h) of the TRIPS Agreement shall be paid in that Member taking into account the economic value to the importing Member of the use that has been authorised in the exporting Member”. 292