The Honorable Joseph R. Biden  
President of the United States  
The White House  
1600 Pennsylvania Ave NW  
Washington, DC 20500

cc: Ambassador Katherine Tai

May 18, 2022

Dear President Biden:

Please find enclosed a document describing the changes necessary to deliver on your righteous goal of removing intellectual property (IP) barriers to increase global access to COVID-19 vaccines relative to the text that the World Trade Organization (WTO) Secretariat submitted as an alternative to a waiver.

The Secretariat’s alternative text does not waive even the patent barriers necessary to deliver the increased vaccine production that you rightly identified as necessary to save lives from the extraordinary threat of the pandemic. It simply reiterates existing flexibilities in the text of the WTO Agreement on Trade-Related Aspects of Intellectual Property (TRIPS). Indeed, the WTO Secretariat text even added new obstacles and conditions limiting countries’ use of the flexibilities already established in the existing WTO text.

The enclosed mark-up of the WTO Secretariat text reflects only the changes necessary to alter that text in order to deliver the “IP waiver” for COVID-19 vaccines that you called for on May 5, 2021.

However, as noted in the letter sent to U.S. Trade Representative Katherine Tai by over 175 U.S. civil society organizations on May 9th of this year, combatting the pandemic effectively also requires waiving IP barriers to COVID treatments and diagnostic tests. As you proclaimed during your 2022 State of the Union address, the way forward on COVID in the United States must be “test and treat.” This is equally true for the rest of the world. Since your May 2021 announcement of support for a TRIPS waiver for vaccines, effective treatments like Paxlovid have been developed. These treatments can be a game changer in saving lives. That is why prominent academics, leading generic medicine producers and public health experts have all urged you and leaders from the 100-plus countries that support a TRIPS waiver to ensure it also covers treatments and tests.
Reports from Geneva indicate that the WTO process for considering the Secretariat text (IP/C/W/688) is being organized to foreclose opportunities for amendments to address most of the proposal's shortcomings. Rather than allowing member countries to bring amendments to ensure that IP barriers are lifted, negotiations are being structured so as to only address narrow questions related to a non-waiver approach.

To be clear, the WTO Secretariat’s text — by not waiving intellectual property barriers necessary to get more shots in arms and by adding new constraints on existing WTO flexibilities — is worse than having no WTO text on IP barriers related to the COVID pandemic. This view is shared uniformly throughout U.S. civil society and by our counterparts in South Africa, India and the scores of other countries that support a WTO waiver. We are all committed to your mission, which we also share, to save lives and livelihoods from the COVID crisis. That is why we oppose the Secretariat’s text, which seems mainly designed to convey that the WTO is not entirely irrelevant, if not damaging, so as to try to save the WTO’s reputation.

We respectfully urge you to try your utmost leading up to the WTO’s 12th Ministerial Conference, slated to begin June 12th, to achieve these necessary changes to the Secretariat text. We know this is extremely difficult because the European Union has been entirely inflexible in its opposition to any waiver of WTO IP monopolies and thus, to date, has blocked the rest of the world’s countries seeking to remove WTO obstacles from access to medicines. We also urge you to join the many countries insisting that a real waiver of IP barriers also apply to test and treatments.

Sincerely,

Citizens Trade Campaign
NETWORK Lobby for Catholic Social Justice
Oxfam America
Partners In Health
Public Citizen
ReThink Trade
Trade Justice Education Fund
Treatment Action Group

How to Transform the WTO Secretariat’s May 3 Counterproposal into the Actual Waiver for COVID-19 Vaccines that President Biden Promised

In May 2021, President Biden announced support for a temporary waiver of World Trade Organization (WTO) intellectual property barriers limiting access to COVID-19 vaccines. In October 2020, South Africa and India had tabled a broader waiver text to suspend pharmaceutical corporation monopolies over vaccines as well as other COVID-19 health products and technologies, including treatments and tests. Today more than 100 countries support a waiver, but the European Union, UK and Switzerland have blocked it. In May 2022, the WTO Director General submitted a counter proposal that European officials described as similar to their non-waiver approach of relying on existing WTO “flexibilities” that have proved ineffective in the COVID-19 pandemic context.

Prominent academic experts, public health advocates and generic manufacturers from South Africa, India and the rest of the world have made clear that the Secretariat’s text will not result in greater global access to vaccines, tests and treatments. Former Secretary-General of the United Nations Ban Ki-Moon and Dr. Tedros Adhanom Ghebreyesus, head of the World Health Organization, have stressed the importance of achieving a full waiver of intellectual property rules on COVID-related technologies.

Indeed, the Secretariat’s text would likewise fail to fulfill President Biden’s narrower ambition of waiving Trade-Related Aspects of Intellectual Property (TRIPS) Agreement barriers only for COVID-19 vaccines. For the United States to deliver on its stated objective and achieve a waiver of WTO barriers for COVID-19 vaccines to help end the pandemic, U.S. trade negotiators must fight for these baseline changes to the Secretariat’s May 2 text:

Changes Needed to the WTO Secretariat Text – TRIPS COVID-19 – 03 May 2022 (IP/C/W/688)

1. Notwithstanding the provision of patent rights under its domestic legislation, [the obligation of] an eligible Member1 may limit the rights provided for under Article 28.1 of the TRIPS Agreement (hereinafter “the Agreement”) [shall be waived in relation to] by authorizing the use of the patented subject matter of a patent or a patent application2 required for the production and supply of COVID-19 vaccines without the consent of the rights holder to the extent necessary to address the COVID-19 pandemic, in accordance with the provisions of Article 31 of the Agreement, as clarified and waived in paragraphs 2 to 6 below.

   [For the purpose of this Decision, all developing country Members are eligible Members. Developing country Members with capacity to export vaccines are encouraged to opt out from this Decision.] [For the purpose of this Decision, developing country Members who exported more than 10 percent of world exports of COVID-19 vaccine doses in 2021 are not eligible Members.]

2. For the purpose of this Decision, it is understood that ‘subject matter of a patent or patent application’ ‘patented subject matter’ includes ingredients and processes necessary for the manufacture of the COVID-19 vaccine.

   These are eligibility criteria that limit which countries may use this waiver. This provision reflects political pressures to exclude certain WTO Member countries, particularly China and Russia.

   The changes reflect what is necessary to get WTO patent barriers out of the way. TRIPS Art. 28.1 imposes an obligation on WTO Members to grant a monopoly over patented products and/or processes to the right-holder. This obligation needs to be waived, not partially limited, for countries to have the “freedom to operate” necessary to produce vaccines.

   This clause must go. No “necessity” tests can be required because they limit the application of a waiver.

   Language such as “to the extent necessary” in the context of the WTO opens government actions up to second guessing, intrusive scrutiny and subjective decisions about a policy’s degree of “trade restrictiveness” and thus whether it is allowed.

To be effective, a waiver must cover products for which there are pending patent applications, which is the status of most COVID-19 vaccines, and not only products that have been granted a patent.

An actual waiver of IP barriers would not reference TRIPS Art. 31. Art. 31 pertains to the most well-known existing TRIPS flexibility, which includes compulsory licensing. The flexibility has proved to be usefully insufficient to provide countries the ability to expand access to COVID-19 vaccines, which not only have scores of patents that would require compulsory licensing but other forms of IP to which these flexibilities may not apply at all. A core flaw of the proposed text is that it doesn’t waive the underlying obligations nor do paragraphs 2–6 provide new flexibilities.

The first alternative is unacceptable because the very purpose of the waiver is to unleash global production capacity that can cover the health needs of every country, including those with insufficient or no pharmaceutical production capacity. Encouraging Members that can export vaccines to not do so defeats the whole endeavor.

The second option is also problematic as it doesn’t define which Members ARE eligible and it seems designed to exclude China but paradoxically could leave in Russia, the United States, EU countries, etc.
2. For greater clarity, an eligible Member may authorize the use of patented subject matter under Article 31 without the right-holder’s consent through any instrument available in the law of the Member such as executive orders, emergency decrees, government use authorizations, and judicial or administrative orders, whether or not a Member has a compulsory license regime in place. For the purpose of this Decision, the “law of a Member” referred to in Article 31 is not limited to legislative acts such as those laying down rules on compulsory licensing, but it also includes other acts, such as executive orders, emergency decrees, and judicial or administrative orders.

3. Members agree on the following clarifications and waivers for eligible Members to authorize the use of patented subject matter in accordance with paragraphs 1 and 2.

(a) With respect to Article 31(a), an eligible Member may issue a single authorization to use the subject matter of multiple patents necessary for the production of or supply of a COVID-19 vaccine. The authorization shall list all patents covered. In the determination of the relevant patents, an eligible Member may be assisted by WIPO’s patent landscaping work, including on underlying technologies on COVID-19 vaccines, and by other relevant sources. An eligible Member may update the authorization to include other patents.

(b) An eligible Member need not require the proposed user of the patented subject matter to make efforts to obtain an authorization from the right-holder for the purposes of Article 31(b).

(c) An eligible Member may waive the requirement of Article 31(f) that authorized use under Article 31 be predominantly to supply its domestic market and may allow any proportion of the authorized use to be exported to eligible Members and to supply international or regional joint initiatives that aim to ensure the equitable access of eligible Members to the COVID-19 vaccine covered by the authorization.

(d) Eligible Members shall undertake all reasonable efforts to prevent the re-exportation of the COVID-19 vaccine that has been imported into their territories under this Decision. All Members shall ensure the availability of effective legal remedies to prevent the importation into their territories of COVID-19 vaccines produced under, and diverted to their markets in inconsistent with, this Decision.

(e) Determination of adequate remuneration under Article 31(h) may take account of the humanitarian and not-for-profit purpose of specific vaccine distribution programs aimed at providing equitable access to COVID-19 vaccines in order to support manufacturers in eligible Members to produce and supply these vaccines at affordable prices for eligible Members. In setting the adequate remuneration in these cases, eligible Members may take into consideration existing good practices.

This is a clarification of what the text of TRIPS Art. 31 already permits, rather than a waiver of IP barriers. If a waiver is enacted, this clarification is not needed immediately. However, given some countries and many pharmaceutical firms have challenged the use of the Art. 31 flexibilities, such a clarification could be usefully included in a WTO ministerial text; however, in a form that applies generally beyond the pandemic context.

None of the IP barriers that limit medicines’ export that is actually waived. Except countries will not get to the point of exporting because none of the IP barriers that limit production are waived.

This language imposes new obligations and limitations on countries relative to the existing TRIPS Art. 31 flexibilities. This TRIPS-plus requirement must be eliminated or it would create insurmountable hurdles for countries that might even try to use the mechanism that this text incorporates. The reference to WIPO does not fix this problem. WIPO vaccine patent landscapes are complex and rapidly outdated. It’s almost impossible to know all of the patents that can be related to COVID-19 vaccines, thus this sort of listing requirement guts the use of this counterproposal. Thus, with the addition of this new requirement, countries would be better off using existing TRIPS flexibilities. Yet, these have proved ineffective for COVID-19 vaccines.

This is the only ‘waiver’ in the Secretariat text but if Art. 28.1 barter are removed, it wouldn’t be necessary to include it for the production of COVID-19 vaccines. This provision by itself might be of some limited benefit. However, the failure to waive the IP barriers limiting production greatly diminishes the benefit of making it easier to export. Abundant waivers of the IP barriers to production, this clause would mainly be useful for export of COVID treatments. (Because, in contrast to the vaccines, they are small molecule drugs with fewer IP monopolies, they would be easier to produce under a compulsory license.)

Nothing new here. WTO Members are already free under TRIPS Art. 31 to determine what’s adequate remuneration.

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This is already allowed under existing WTO rules – specifically TRIPS Art. 31. This language could be included in a general clarification but provides no new flexibilities.

This is already possible in emergencies, matters of extreme urgency and for public non-commercial use under TRIPS Art. 31.

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This paragraph is under further consideration as to whether to keep or delete.

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The waiver duration must be long enough to create incentives for countries and manufacturers to invest in developing sustainable diagnostics and treatments. There is no economic, political or moral reason to prevent low-income countries from taking measures necessary to enable the effectiveness of COVID-19 vaccines and treatments. Thus, the Biden administration should advocate for waiving IP barriers to ensure that nothing stands in the way of guaranteeing that nothing from taking measures necessary to enable the effectiveness of COVID-19 vaccines and treatments.

The Secretariat's proposal is framed as a clarification of a TRIPS obligation that requires countries to protect undisclosed test and other data submitted to obtain marketing approval of a pharmaceutical product and provides for exceptions to that rule. However, the actual text simply states that one part of the obligation (Art 3.9(b)) is not a problem without waiving the obligation. Moreover, it limits the existing exception with a “necessary test” and application only in the context of a compulsory license issued using the mechanism of the Secretariat text. To meet Pres. Biden's goal of great vaccine production, all of Art. 39 must be waived. That provision requires “undisclosed information” related to a pharmaceutical product be kept secret. Drug manufacturing information is often classified as “trade secrets” or “undisclosed information” by companies. A full Art. 39 waiver is needed so that countries are able to share information about how a vaccine is made and related test data with capable manufacturers so they can get production started promptly rather than having to reverse engineer a vaccine and do new clinical trials.

The Secretariat's text allows countries to challenge another country's efforts to use of this mechanism with a WTO tribunal empowered to decide if a country's action is allowed. (The reference to GATT Art. XXIII excludes only two specific bases for a challenge.) In contrast, the waiver text explicitly forbids any and all challenges of countries' actions taken according to its terms. The added clause comes from the original waiver text.