

. Brazil concerning seizures of generic medicines in transit in the EU

Brazil filed today, under the WTO Dispute Settlement Mechanism, a request for consultations with the European Union (EU) and the Netherlands concerning the seizure of generic medicines in transit.

Since 2008, EU authorities have seized a number of consignments in transit in its territory, containing medicines, under the allegation that such consignments were suspected of infringing intellectual property rights in the countries of transit. One of these seizures affected a consignment of Losartan Potassium destined to Brazil, which was seized by Dutch authorities in December 2008 and never reached its final destination.

Brazil is of the view that the seizure of goods due to alleged patent infringements in the country of transit is a clear violation of the WTO disciplines on the freedom of transit, which is one of the cornerstones of the multilateral trading system. This is even clearer when there is no doubt on the lack of patent protection for the goods either in the exporting country or in the importing country.

These measures in general have a highly negative systemic impact on legitimate commerce, South-South trade and national health policies in the developing countries. In addition, programs sponsored by international aid agencies are also being disrupted by the seizures of generic medicines.

Since early 2009, when the Losartan case was made public, Brazil raised this issue in different fora, such as the WTO General Council and TRIPS Council, as well as bilaterally with the EU.

Despite all these efforts, the Regulation 1383/2003 that provides the legal basis for the seizures remains unchanged, causing lack of predictability and increased costs of medicines at the destination markets.

Brazil has engaged the EU in a series of discussions aiming at resolving these issues. These efforts are ongoing and Brazil hopes that the consultations requested today contribute to finding a mutually satisfactory outcome