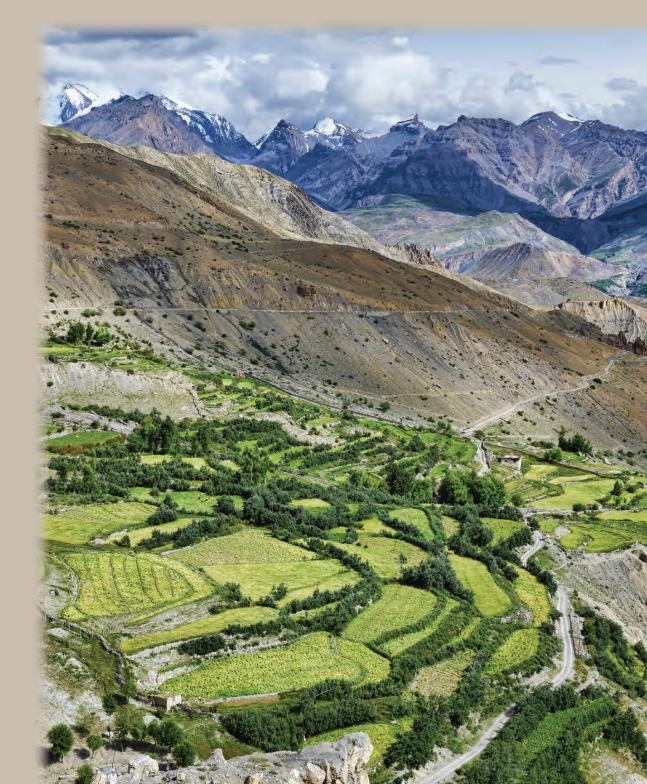
# Development Dimensions of Intellectual Property in Nepal:

Transfer of Technology, Access to Medicines, Genetic Resources and Traditional Knowledge





### **United Nations Conference on Trade and Development**

# Development Dimensions of Intellectual Property in Nepal

Transfer of Technology, Access to Medicines, Genetic Resources and Traditional Knowledge



#### Note

The Development Dimensions of Intellectual Property in Nepal: Patents and Access to Medicines, Genetic Resources/Traditional Knowledge, and the Transfer of Technology

1. Intellectual property. 2. Technology Transfer. 3. Access and Benefit Sharing. 4. Public Health. 5. Nepal

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#### Table of Abbreviations

**ABS** Access and benefit sharing

AIDS Acquired immunodeficiency syndrome

**ARIPO** African Regional Intellectual Property Organisation

API Active Pharmaceutical Ingredient
CBD Convention on Biological Diversity

CDIP Committee on Development and Intellectual Property
DDIP Development Dimensions of Intellectual Property

EPO European Patent Office
GIs Geographical Indications
GMP Good Manufacturing Practices

**GRs** Genetic Resources

**GRs/TK** Genetic resources and associated traditional knowledge

HIV Human immunodeficiency virus

**ICTSD** International Centre for Trade and Sustainable Development.

IP Intellectual PropertyLDC Least Developed Country

**MoHP** Ministry of Health and Population

PIC Prior informed consent

R&D Research and Development

SMEs Small and medium enterprises

**TK** Traditional knowledge

**TKDL** Traditional Knowledge Digital Library

TRIPS Agreement on Trade-Related Aspects of Intellectual Property

**UN** United Nations

**UNCTAD** United Nations Conference on Trade and Development

**UPOV** International Convention for the Protection of New Varieties of Plants

**USPTO** United States Patent and Trademark Office

WHA World Health Assembly
WHO World Health Organisation

WIPO World Intellectual Property Organisation

WTO World Trade Organisation

#### **Executive Summary**

The recommendations of this report have already been provided to the Government of Nepal. The objective of this report is not only to formalize those recommendations, but also to disseminate the approach, findings and recommendations that have wider applicability to other Least Developed Countries (LDCs).

UNCTAD originally developed this Report on the development dimension of intellectual property rights (DDIP) in response to a technical assistance request from Nepal. Part 1 of this Report outlines the major framework for intellectual property (IP) policy in Nepal. IP rights have differential impact on countries based on their respective levels of development, with LDCs being in a less advantageous position due to their limited absorptive capacity and technological base, among other limitations. In this context;

- The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) provides Nepal with transition periods for the implementation of the TRIPS Agreement until 2021 and for availability of pharmaceutical product patent and pharmaceutical test data protection until 2033. It also provides for inbuilt flexibilities for implementation, subject to the non-discrimination principles and the obligations under the Paris Convention and the Bern Convention.
- Further, the objectives of the various socio-economic policies of Nepal and related implementing acts and regulations, as well as institutions, may benefit from or conversely be influenced by IP rights. Striking an appropriate balance between the protection of IP and socio-economic objectives should be the key goal of IP legislation and implementation.

Considering its level of development, IP policy makers in Nepal needs to consider the importance of and the factors that facilitate indigenous learning activities and the adaptation of technologies, through incremental innovation in vital and promising sectors of the economy. Part 2 of the Report recommends a number of legislative, policy and practical steps to facilitate and enable the technological and innovation functions of IP protection. Part 3 of the Report examines the access to medicine regime of Nepal and recommends for Nepal to implement the transition period for the protection of pharmaceutical product patents and pharmaceutical test data that lasts until 2033. Part 4 of the Report analyses Nepal's access and benefit sharing regime, the interface between IP and biodiversity, and options for defensive and positive protection of genetic resources (GRs) and traditional knowledge (TK).

The recommendations of this Report on the framework for IP policy in Nepal and on each specific area examined have legislative and institutional dimensions that require capacity building, and, in some cases, additional studies to develop specific action plans for implementation. This Report serves as a good basis for identifying Nepal's priority needs for technical and financial cooperation.

Among the legislative reforms, the recommendation for the exclusion of pharmaceutical products from patentability and the protection of pharmaceutical test data can be prioritised, possibly without waiting for the full amendment of the 1965

Patent, Design and Trademark Act 2022 (Industrial Property Act). Other recommendations will require the IP Office to adopt and implement rules and procedures. Revisions to Nepal's Industrial Property Act should be made keeping in mind the ultimate objective of IP rights, in accordance with Article 7 of the TRIPS Agreement, to:

- Ensure that IP laws contribute to innovation and technology transfer to vital sectors of the economy and facilitates indigenous learning and adaptation;
- Build mutual supportiveness of IP laws and laws and policies for the protection of GRs/TK, public health, others; and
- Ensure access to technological goods and services by the Nepalese public at large, including access to medicines and educational material by the use of TRIPS flexibilities.

Finally, the IP system and IP policy will cover subject matter and laws/regulations that involve various Ministries. In the mid to long term, an effective institutional structure will need to exist in order to ensure effective coordination and policy coherence. Much of the analysis and recommendations of this Report are not limited to Nepal. LDCs and other developing countries face similar challenges in technology transfer, access to medicines, and the protection of GR and TK. Consequently, this Report may provide them with useful guidance.



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