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Activists say powers back out of AIDS drugs pledge@

By Robert Evans

GENEVA (Reuters) - Anti-AIDS campaigners accused the European Union and the United States Monday of backing out of a key pledge to ensure that poor countries could get cheap drugs to fight the epidemic.

At the same time the 15-nation EU announced it was proposing a formula at the World Trade Organization (WTO) that it said would ease problems faced by AIDS-hit states that cannot produce medicines at home.

The controversy flared as diplomats at the 144-member WTO prepared for three days of discussion this week on reshaping the 1994 Trade-Related Intellectual Property agreement, better known as TRIPS, which covers pharmaceutical patents.

"The rich countries made important pledges on access to essential medicines in Doha but now the reality is that they are backsliding," Ruth Mayne of the British-based aid group Oxfam told a news conference.

The pledge was made, after a year of acrimonious debate at the WTO in Geneva, at a ministerial conference of the trade body in the Qatari capital last November which also agreed to launch a new round of global trade liberalization negotiations.

Diplomats from some developing countries say the AIDS promise - that the rich powers would not insist on patent rights in health emergencies - was a key element in persuading them to support a new round.

"The whole point of the Doha Declaration on TRIPS and public health was to shift the balance in TRIPS away from purely commercial considerations in favor of public health," said Mayne.

ROLL BACK GAINS

"Unfortunately, parts of the pharmaceutical industry are trying to persuade rich countries to weaken and restrict proposed new measures, which would effectively roll back the public health gains made at Doha," she added.

Other groups, such as the Brussels-based Medecins Sans Frontieres, the Third World Network of Penang, Malaysia, and the Washington-centered Consumer Project on Technology, agreed.

In a statement in Brussels, the EU said its new plan would allow a company in countries not yet subject to TRIPS, like India and China, to fulfill compulsory license drug orders from poor countries which have signed up to the pact.

India, a major producer of so-called generic drugs, copies of drugs largely developed and patented by big international pharmaceutical firms based in Europe and the United States, has until 2005 to start observing the accord.

Although TRIPS allows countries facing major epidemics to force these firms to grant licenses for local production of their often very expensive drugs, poorer countries feared before Doha that such action could face challenge in the WTO.

The Doha Declaration removed most of these concerns, but left open how poor states with no drug industry but subject to TRIPS could take advantage of this without fearing that big

powers might start a WTO case against them.

The EU plan, aimed at delivering on the Doha promise, would add to the TRIPS accord an exception under which WTO countries could extend a compulsory license to foreign firms.

But an official summary said the exception would be "clearly circumscribed" and would include safeguards to prevent generic drugs being diverted to third countries.

Oxfam said the EU had played a key role in getting the Doha Declaration agreed but was "letting itself be blown off course by the industry lobby, one-sided legal arguments, and opposition by some EU member states."

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