Factsheet

On 2 October 2020, India and South Africa submitted a proposal to the World Trade Organization (WTO): in view of the global extent of the Covid-19 pandemic the call for the temporary suspension of Covid-19 related intellectual and patent rights on vaccines and technology needed to produce them. Doing this, they refer to Article IX of the WTO Agreement, where it states that such a waiver is permitted in “exceptional circumstances”.¹

The US, UK, EU, Switzerland and some other industrialized nation-states oppose this proposal and this seemed to be the end of it since the WTO normally decides consensually.

The proposal gained already more than half of the WTOs member states, here an overview:²

The proposal is also support by many UN Bodies such as the UNESCO, World Health Organization and UNAIDS, and influential NGOs.³ Therefore, it will be on the Agenda of the WTOs TRIPS (Trade-Related Aspects of Intellectual Property Rights) Council on 10 March 2021. Supporters want to invoke yet another provision in Article IX, saying, that if no consensus can be achieved, a majority of three-quarters of the member states can pass such a decision.⁴

What are the arguments against the Indian and South-African Proposal? Most commonly, the following

- **“There are adequate flexibilities in the WTO framework since 2001.”** Yes, but they are very complex and technical. Moreover: In 2016 the High-Level Panel on Access to Health Technologies reported to the UN Secretary General that those flexibilities are inadequate for their intended purposes and, moreover, that governments face political and economic pressure when they try to apply those flexibilities. There are numerous indications that poor countries are not able to negotiate at eye level with pharmaceutical giants, and their refusal to be transparent about treaties suggests that they have things to hide. Therefore, in reality the much-needed waiver and the existing TRIPS flexibilities are complementary.

- **“Compulsory Licensing is better.”** No, because (1) It applies only country-to-country and product-to-product and prohibits export to nations without production facilities. (2) It is such a complex and technical procedure that some countries are overtasked, which is why the EU offers help for implementation. (3) The waiver asked for by the Indian and African proposal includes generally related technology for diagnostics and production as well as options for later possible vaccine modifications, so that no time is lost with complex and lengthy negotiations.

- **“The COVAX fund will provide all that is needed”**. “To achieve meaningful results in 2021, COVAX should have guaranteed funds in 2021 of US$20–40 billion, which it would turn into firm agreements on expanded vaccine production.” So far, nothing indicates that this amount will be provided timely. And even if money arrives: What, if no vaccine can be purchased? The new US Administration under President Biden
promised only “donating ‘surplus’ vaccines ‘once there is a sufficient supply’ to meet domestic demand.”

- “There is no adequate production and distribution infrastructure in poor countries.”
  True, not yet. But that could be vigorously modified and adapted with the help of developed countries and other donors once it is clear for which products. In Germany, BioNTech renovated a pharmaceutical facility within few weeks and started production ahead of envisaged deadline. Furthermore, the Serum Institute in India is already the leading COVID-19 vaccine producer, thereby proving that production capacities outside the most-industrialized nations do exist and can be scaled up.

- “IP issues did not obstruct the development, production, distribution... of vaccines.”
  Not true. There is ample evidence that big pharmaceutical companies’ lawyers interfered when they believed that somebody else’s findings threaten own advantages or positions.

- “A waiver will dampen private investment into research and development.”
  We are talking about a truly “exceptional situation”, calling for swift and effective action for the Common Good of All. And we must be mindful that Covid-19 related research and development was heavily subsidized with public money. Several companies even received more than one billion US$ in public subsidies.

- “Pharma companies release patents and licenses voluntarily.”
  Some companies release indeed something (e.g. Moderna, AstraZeneca), but: (1) Release of some information on the vaccine does not suffice to produce it since also technology rights are involved. (2) Other companies do not release anything, which, given the complexity, may infringe patent rights even if companies in developing countries

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9 Williams, A. /Kuchler, H. (18 February 2021) US will not send vaccines to developing countries until supply improves. Retrieved 18 February 2021 from https://www.ft.com/content/e00fe88e-263c-41da-9ac5-fdbbd71c928a


start working on those vaccines deemed to be available, endangering lawsuits.\(^{15}\) Time is of essence and we cannot wait until all relevant information is voluntarily and transparently available. How much profit is at stake illustrates the fact that BioNTech/Pfizer originally asked for 54 Euro – per single dose!\(^{16}\)

- “WTO always decides by consensus and never by vote. Let us try to secure consensus, if not at the TRIPS Council then at the General Council.” True so far. But for everything exists a first time, and we think that the pandemic justifies this procedure. And: If there is little likelihood to find consensus at the TRIPS Council, there will be little likelihood to find it at the General Council. Meanwhile, people suffer and die.

Clearly the Indian and South African initiative is the easiest, clearest, most transparent as well as the least complex approach to the pressing issue of speedy and comprehensive access of poor countries to Covid-19 vaccination.

Saying that, it is important to call for technical and financial support to accompany the release of patents, since the availability of patents alone indeed does not produce any vaccines. We are of the opinion that the millions and billions released to fight the pandemic are better invested in direct production and distribution facilities worldwide than in payment directly to those holding patents and selling their products at their price.

"If anyone should be given preference, let it be the poorest, the most vulnerable, those who so often experience discrimination because they have neither power nor economic resources," Pope Francis told the United Nations on 26 September 2020.\(^{17}\)

The words of the pope should ring loud with those obstructing both the temporary waiver and the voting mechanism: They are just the very same countries securing most of the produced vaccines for their own population, putting the rest of the world on the waiting list! Waiving patent would open up more potential to provide vaccines also to emerging and least developed countries.\(^{18}\)

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\(^{18}\) According to the Lancet Commission, by 9th February 2021, 148.08 million COVID-19 vaccine doses had been delivered, of which 115.67 million were delivered in the USA (43.21 million), China (40.52 million), the EU (18.36 million), and the UK (13.58). Very few if not none in some cases, have reached Africa, Latin America or Asia. Quoted in: Priorities for the COVID-19 pandemic at the start of 2021: statement of the Lancet COVID-19 Commission [https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)00388-3/fulltext#bib22](https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(21)00388-3/fulltext#bib22). Detailed and continually updated data on the website: Corona Virus (Covid 19) Vaccinations: [https://ourworldindata.org/covid-vaccinations](https://ourworldindata.org/covid-vaccinations).
Challenging times require bold moves. Perhaps also in the WTO some new beginning is possible with the newly appointed WTO Secretary General Ngozi Okonjo-Iweala. In one of her first interviews, she warned on 16 February of “vaccine nationalism” and reiterated: “No one is safe until everyone is safe.”

The previous reflects the current debate as of 22nd February 2021

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Shalal, A. (16 February 2021) WTO chief Ngozi Okonjo-Iweala on vaccine nationalism: ‘No one is safe until everyone is safe’. Retrieved 18 February 2021 from https://www.weforum.org/agenda/2021/02/world-trade-organisation-head-vaccine-nationalism-covid-19