



Trade Negotiations between the European Union and the Philippines

EU Proposal on Intellectual Property Rights (IPR)

Explanatory note - February 2017

This factsheet gives a general overview of the European Union's (EU) proposal for a chapter on Intellectual Property Rights in the Free Trade Agreement (FTA) envisaged between the EU and The Philippines. The text of the EU proposal was presented to the Philippine Government experts shortly in advance of the negotiating round and is now available on the [website](#) of the European Commission.

Why do we negotiate rules on intellectual property rights?

The goal of defining the provisions on intellectual property rights (IPR) is to make sure that both Europeans and the Philippines are encouraged to continue creating and innovating, so that citizens and consumers can benefit more quickly and more effectively from innovative and creative products and services.

The IP rights allow companies and individuals who create, invent or promote new brands or develop new products or services, to prevent their unauthorised use and ensure a reward for their related efforts and investments.

The IPR rules are designed to ensure a balance between the interests of both the holders and users of the products and services protected by these rights.

Innovation and creativity are key drivers of economic growth both in the EU and the Philippines. IPR-intensive industries account for most of EU trade.

IPRs are essential to ensure that individuals and companies that innovate and use their creativity are properly rewarded. The EU has modern rules for protecting intellectual property and guarantees the widest possible access to knowledge, cultural objects, science and technologies. The Philippines also has comprehensive rules on IPR.

There is already significant two-way trade between the EU and the Philippines in goods and services that rely heavily

on IPR. Getting closer in our respective approaches to IPR protection will make trade and investment easier and give more choice for consumers and businesses.

What do we negotiate?

We negotiate rules related to:

- patents, trademarks, designs, undisclosed information and plant varieties,
- copyright and neighbouring rights,
- geographical indications,
- IPR enforcement, including IPR border measures.

Main objectives

The EU proposal aims to:

- Contribute to additional growth and jobs, particularly in the EU and the Philippines;
- Agree on common principles and establish a permanent framework to work even more closely together in the future;
- Further approximate the two regulatory frameworks for the sake of greater predictability and to foster innovation, creativity, and production of high quality goods;
- Provide for the direct protection of geographical indications for agricultural products to boost rural development and their trade;
- Support innovative individuals and companies who make high quality products, thanks to the respect and the enforcement of intellectual property rules;
- Decrease counterfeiting and piracy via enforcement measures including border measures.

Aspects related to access to medicines

Ensuring access to medicines is very important for the EU and the Philippines. The EU has consistently sought to address the complex challenges involved and has supported its partner in reforming and strengthening its health care system.

As it is important to ensure that IPRs do not hinder access to medicines, a number of exceptions have been proposed in the IPR legislation, particularly through some of the so-called "TRIPS flexibilities" to protect public health. The "TRIPS flexibilities" include for example that the EU and the Philippines will keep the right to grant compulsory licenses and the freedom to determine the grounds upon which such licenses are granted. The EU proposal on intellectual property includes an explicit reference to the Doha Declaration that recognises such flexibilities.

Both parties will also keep the right to determine what counts as national emergency or extreme urgency. This will make it easier for them to issue a compulsory license in these special situations.

The proposal makes sure that the flexibilities granted by the TRIPS Agreement, especially regarding patents on medicines, can be fully used. This means the IPR chapter will always support the rights and flexibilities of World Trade Organization (WTO) members as recognised in the Doha Declaration.