

India and EU Announce Agreement on Dispute Over Seizures of Drugs in Transit

Date: 29 July 2011

Source: Infojustice.org

Link: <http://infojustice.org/archives/4582>

India's Ministry of Commerce and Industry has [announced an agreement](#) with the EU to settling their dispute over the seizure of Indian generic drugs in transit. The EU has agreed to adopt guidelines for its customs officials preventing them from seizing medicines in transit unless they have evidence that the goods will enter the European market, and would therefore infringe patent rights in the EU. In return, "India will not request the establishment of a dispute settlement panel at the WTO" as long as the understanding is upheld.

The dispute was instigated by a series of incidents where generic medicines being shipped from India to Latin America and Africa through European ports were seized by EU customs officers, even though the goods were not meant to enter into European markets. In response, India initiated a request for consultations at the World Trade Organization (the first step in the process of a formal WTO dispute). India's complaint alleged that the seizures violated many Articles of both TRIPS and the General Agreement on Tariffs and Trade (GATT). The seizures violated [TRIPS Articles 41 and 42](#) because they "create barriers to legitimate trade, permit abuse of the rights conferred on the owner of a patent, are unfair and inequitable, unnecessarily burdensome and complicated and create unwarranted delays." They violate [GATT Articles 2,3,4,5 and 7](#) because they "are unreasonable, discriminatory and interfere with, and impose unnecessary delays and restrictions on, the freedom of transit of generic drugs lawfully manufactured within, and exported from, India by the routes most convenient for international transit."

Keywords: India / EU / Drugs / TRIPs