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**INTERGOVERNMENTAL COMMITTEE ON
INTELLECTUAL PROPERTY AND GENETIC RESOURCES,
TRADITIONAL KNOWLEDGE AND FOLKLORE**

Fourth Session

Geneva, December 9 to 17, 2002

**REPORT ON ELECTRONIC DATABASE OF CONTRACTUAL PRACTICES AND
CLAUSES RELATING TO INTELLECTUAL PROPERTY, ACCESS TO GENETIC
RESOURCES AND BENEFIT-SHARING**

Document prepared by the Secretariat

I. OVERVIEW

1. At its third session, the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (“the Committee”) decided on the establishment of a database of contractual practices concerning intellectual property, access to genetic resources and benefit-sharing. Following this decision, the Secretariat circulated a questionnaire to Member States and a wider range of stakeholders to secure information about relevant contracts and licenses. The Secretariat has created a pilot database, incorporating responses to the questionnaire.

2. This document reports on the questionnaire and the creation of the database, and provides a preliminary discussion of some of the intellectual property aspects of the contracts covered by the database. It proposes that the process of collecting information for the database continue, with a view to developing a fully operational and more comprehensive version of the database for future consideration by the Committee.

II. INTRODUCTION

3. At its first session, the Committee expressed support for the development of, “contractual practices, guidelines, and model intellectual property clauses for contractual agreements on access to genetic resources and benefit -sharing, taking into account the specific nature and needs of different stakeholders, different genetic resources, and different transfers with in different sectors of genetic resource policy.”¹

4. At its second session, the Committee considered document WIPO/GRTKF/IC/2/3, (“Operational Principles for Intellectual Property Clauses of Contractual Agreements Concerning Access to Genetic Resources and Benefit -Sharing”). This document was largely based upon existing contractual agreements which had been analyzed or referred to in previous WIPO documents. It did not aim to present a representative sample of relevant agreements and practices.

5. In order to ensure a more wide -ranging basis for discussion, the Secretariat was requested to undertake a systematic survey of actual contractual agreements, including a questionnaire to be sent to Committee members and other stakeholders. It also suggested that this survey could serve as a basis for the systematic and balanced development of contractual practices, guidelines and model intellectual property (“IP”) clauses, which would reflect the operational principles agreed and identified by Committee members.²

6. In addition, the Committee adopted a proposal circulated by the Delegation of Australia for “Summary Checklist of Key Contractual Intellectual Property Terms on Access to Genetic Resources and Benefit Sharing.”³ This proposal entailed creating a searchable electronic database, to be published on the WIPO website, and hyper -linked to the website of the Clearing House Mechanism (“CHM”) of the 1992 Convention on Biological Diversity (“CBD”). The Committee decided that the results of the proposed questionnaire would be compiled into an electronic database, and could serve as a resource on contractual practices, guidelines and model IP clauses for contracts concerning access to genetic resources and benefit-sharing.

7. At its third session, the Committee considered a suggested structure for the proposed database, and a draft questionnaire.⁴ Both were approved, subject to several modifications to the scope of the questionnaire.⁵ The Committee further noted that the questionnaires should be disseminated as widely as possible to a range of relevant stakeholders.

III. QUESTIONNAIRE WIPO/GRTKF/IC/Q.2

8. Comments made by the Committee at its third session were reflected in a revised questionnaire, WIPO/GRTKF/IC/Q.2 (“Questionnaire of Contractual Practices and Clauses Relating to Intellectual Property, Access to Genetic Resources and Benefit-sharing”). This document was subsequently disseminated by the Secretariat to Committee participants, and to

¹ See document WIPO/GRTKF/IC/1/13, paragraph 128.

² See document WIPO/GRTKF/IC/2/3, paragraphs 131 to 134.

³ Document WIPO/GRTKF/IC/2/12, *Proposal for the Compilation of Contractual Terms for Access to Genetic Resources and Benefit -Sharing*

⁴ Document WIPO/GRTKF/IC/3/4

⁵ See WIPO/GRTKF/IC/3/17, paragraphs 31 to 61.

a considerable number of stakeholders in the public and private sector with practical experience of contractual practices and agreements relating to IP, access to genetic resources and benefit-sharing. It was sent, for instance, to members of the Expert Panel on Access and Benefit-Sharing that had been convened by Member States to the Convention on Biological Diversity (“CBD”) and that had been instrumental in drawing up the recently adopted “Bonn Guidelines on Access to Genetic Resources and Fair and Equitable Sharing of the Benefits Arising out of their Utilization,”⁶ and was disseminated on the world wide web through BIOPLAN, an electronic Biodiversity Communication Network maintained by UNEP.

9. By Friday, October 11, 2002, the Secretariat of WIPO had received twenty replies to Questionnaire WIPO/GRTKF/IC/Q2,⁷ and had compiled eleven further model or actual contracts concerning IP, access to genetic resources and associated benefit-sharing that had been previously published or provided to WIPO, with the understanding that they could be referred to in future publications or documents.

10. It is apparent that relevant agreements do exist in many different jurisdictions and in many different sectors.⁸ Moreover, it seems highly likely that contractual arrangements concerning IP, access to genetic resources and associated benefit-sharing will become more common in the future. In particular, many countries either have developed, or are in the process of developing, national legislation on access to genetic resources and benefit-sharing. Several national legislative frameworks, which are currently in force, provide for the use of contractual agreements as a tool for implementing the requirement of mutually agreed terms in determining access to genetic resources under their jurisdiction.⁹ Furthermore, reports proposing the establishment of such national frameworks foresee the use of contractual agreements.¹⁰ Additionally, model laws which would govern access to genetic resources are

⁶ See Decision VI/24 of the sixth Conference of the Parties of the CBD. The Bonn Guidelines, *inter alia*, encourage WIPO to make, “rapid progress in the development of model intellectual property clauses which may be considered for inclusion in contractual agreements when mutually agreed terms are under negotiation”.

⁷ Twelve of these replies were from Member States stating, in effect, that they had no information on this topic.

⁸ See, for example, “Element of Commercial Biodiversity Prospecting Agreements,” by Michael Gollin, “Biodiversity and Traditional Knowledge; Equitable Partnerships in Practice,” edited by Sarah A. Laird, Earthscan (2002). The clauses cited in this article were drawn from the following agreements: A Cooperative Research and Development Agreement for Drug Discovery and Biodiversity Conservation in Africa; Agreement between the University of Arizona and American Cyanamid; Agreement between the University of Arizona and Pontificia Universidad Católica de Chile; Agreement to allow Collection, Transfer, Export, and Use of Biological Materials between the Smithsonian Institution and Autoridad Nacional del Ambiente, Panama; International Cooperative Biodiversity Grant Collaborative Research Agreement between INBIO and Cornell; International Cooperative Biodiversity Grant Collaborative Research Agreement between Virginia Polytechnic Institute and Missouri Botanical Gardens; and an Agreement between Strathclyde and the University of South Pacific (Fiji). The clauses are available electronically at: <http://www.rbgekew.org.uk/people/plants/manuals/biological/annexes2.htm>.

⁹ See, for example, the access legislation of the Philippines: Philippines Executive Order 247 and its Implementing Rules and Regulations (IRR).

¹⁰ See, for example, the Report of the Commonwealth Public Inquiry on Access to Biological Resources in Commonwealth Areas of the Commonwealth of Australia (2000), which proposes an access scheme under which, “either the owner, or holder of resources in the particular

or have been developed by regional integration organizations, such as the Organization of African Unity (OAU),¹¹ and the Andean Community, which, in Decision 391, established a “Common System on Access to Genetic Resources.”¹² Such model law tends to envisage, as an implementing tool for national access legislation, the use of contractual agreements between a national authority, the applicant or collector and, where applicable, the concerned local community or communities.¹³

11. Accordingly, since it seems likely that additional examples of relevant agreements do exist, or are in the process of being developed, Committee Participants may need more time to disseminate Questionnaire WIPO/GRTKF/IC/Q.2 more widely in order to access such agreements. In particular, Member States may need more time to liaise with others active in this area at a national level, over and above those active in the field of IP alone; for instance:

- (a) appropriate government authorities, such as the CBD Focal Point for each country, ministries or departments concerned with agriculture, environment, indigenous affairs, and justice, and any national commissions on genetic resources;
- (b) relevant national associations of industry or professionals, such as associations of legal professionals, technology licensing professionals, and the pharmaceutical and biotechnology industries;
- (c) holders of traditional knowledge and access providers to genetic resources, such as associations of healers, indigenous peoples or local communities, peoples’ organizations, traditional farming communities; and
- (d) *ex situ* collections of genetic resources, such as universities, botanical and microbial collections and gene banks.

12. For this reason, it is suggested that the Committee approve an extension of time for Questionnaire WIPO/GRTKF/IC/Q.2 to be further disseminated, and followed up, by Committee Participants and by the Secretariat of WIPO, and for receipt of answers, to Friday,

Commonwealth area, is empowered to negotiate a benefit-sharing contract with the proponent (bioprospector). The contract will be based on a model contract to be developed and agreed by industry, Indigenous organizations and other stakeholders. The model contract will include provisions for benefit sharing through non-monetary and monetary benefits, such as fees, milestone payments and royalties, from sources including... intellectual property rights.” (p.1).

¹¹ See the OAU African Model Legislation for the Protection of the Rights of Local Communities, Farmers and Breeders, and for the Regulation of Access to Biological Resources.

¹² Formerly known as the Cartagena Accord and previously commonly referred to as the Andean Pact. The following countries make up the Andean Community: Colombia, Venezuela, Peru, Ecuador and Bolivia.

¹³ For instance, Article 32 of Decision 391 states that an access contract must be signed between the Applicant and the State. For indigenous organizations, this contract should also include those organizations in whose territories the resources are located, and who are the guardians of associated knowledge. Of the five countries that make up the Andean Community, “Ecuador and Peru have not approved contracts, because they do not have regulations to implement the Decision. Venezuela has not promulgated this regulation either, but due to the Decision and to their recently approved Biodiversity Conservation Law, it has approved 15 access contracts, four of them [with] foreigners. Colombia also has several approved contracts and Bolivia, which approved the Regulation in 1996, has approved one of three applications”: see Factsheet: Access to Genetic Resources in the Andean Community by Patricia Molina - Foro Boliviano sobre Medio Ambiente y Desarrollo (FOBOM ADE) at: <http://www.biowatch.org.za/pmolina.htm>

March 28, 2003. This would enable the Committee, at its fifth session, to consider a more broadly-based version of the draft database, and to consider a longer-term approach to its development, use and management.

IV. AMENDMENTS TO THE PROPOSED DRAFT STRUCTURE OF THE DATABASE

13. As a result of the responses received, the proposed structure of the electronic Contracts Database was further amended to reflect the technical and practical realities of incorporating these responses into an electronic format in a user-friendly manner as possible. For instance:

(a) These search tools have been considerably simplified and made more relevant to the type of information that an end-user may wish to retrieve. It is now possible to search by:

- Browsing or scrolling through a list of all responses contained in the database;
- Carrying out a text search of all contract information contained in the database; and
- Selecting the specific kind of contractual clause, or combination of contractual clauses, to be retrieved by the search; for instance, a user could elect to search all contracts that have clauses on patents, or all contracts that have clauses on patents, confidentiality and dispute resolution, etc.

(b) The layout of the so-called Contract Checklist Page has been clarified by inserting, as standard information at the top of each page, the following information for each contract in the database:

- Contract Title;
- Subject Matter;
- Summary of Use(s);
- Purpose or Background;
- Contract Language; and
- Contact Details.

(c) The Contract Checklist Page, as agreed at the third session of the Committee, also included a list of relevant specific contract clauses and information relating to: Intellectual Property; Other Clauses (such as ownership, confidentiality, transfer to third parties, etc.); Applicable Law; and Practical Advice. This page has now been modified to include individual hyper-links which directly connect to the relevant clause in the contract itself, or the completed questionnaire, (whichever has been provided), rather than by transposing each specific answer, or each specific clause in a contract, into a separate text box, as had been suggested in document WIPO/GRTKF/IC/3/4;

14. An outline of the revised layout is provided as the Annex to this document. This revised Contract Checklist Page, together with a sample of the Contracts Database itself, will shortly be available for view on the WIPO website at:

<http://www.wipo.int/globalissues/>

15. A livedemonstrationofthepilotversionoftheContractsDatabasewillbegivenatthe fourthsessionoftheCommittee,beheldinGenevafromDecember9to17,2002.

V.CON TRACTUALINFORMATIONRECEIVED

16. Averybroadrangeofmodelandactualagreementshasbeensubmittedforinclusionin theContractsDatabase.Mostrespondentsenclosedtheactualtextofacontract,eitherinstead of,orinadditionto,comple tingthequestionnaire.Whileconfidentialinformationhasbeen removed,someagreementshavedisclosedveryspecificcommercialinformation,suchas agreedroyaltypercentagerates.

17. MostcontractssubmittedhavebeendraftedintheEnglish languageonly.Inanyevent, itisproposedthat,atthecurrentpilotstage,thecontractualtextshouldremaininthelanguage inwhichitwasreceivedbyWIPO,sinceotherwise thereis aconsiderableriskthatcomplex contractualprovisionsmaybemisc onstrued,once translated,orsimply mistranslated.In furtherversionsofthedatabase,onceitsgeneraloperationhasbeenassessedandapproved, thecontractinformationmaybetranslatedintosomeorallofWIPO'sofficiallanguages, dependingonthe allocationofresourcesforthefuturedevelopmentofthisproject.

18. Thefollowingssampleofcontractsreceivedillustratesthebreadthofinformation concerningIP,accessandbenefit -sharingthathasbeencollectedbyWIPO,andthatwillb e containedintheContractsDatabase:

(a) A CornInbredReleaseandLicensingAgreementbetweenAgricultureand Agri-Foods,Canada(AAFC)andcommercialcorncompanies;

(b) A ModelAgreementbetweentheNationalInstituteforPharmaceuticalResearch andDevelopment,NigeriaandaConsultantHerbalist;

(c) StandardConditionsforProjectAgreementsbetweentheAustralianCenterfor InternationalAgriculturalResearch(ACIAR)andtheCommissionedOrganization;

(d) AnAccessandBenefit -SharingAgree mentbetweentheLebaneseAgricultural ResearchInstitute,TalAmara,Rayak,LebanonandTheBoardofTrusteesoftheRoyal BotanicGardens,Kew,Richmond,Surrey,TW93AEUnitedKingdom;

(e) AnAgreementpertainingtothetestingofplantextractsbetwe entheCompany andtheUniversity(SriLanka),datedJanuary1,2000;

(f) A SampleLicensingAgreementsubmittedby MichaelA.Gollin, VENABLE AttorneysatLaw,1201NewYorkAvenue,N.W.,Suite1000,Washington,DC20005- 3917 UnitedStatesofAmerica;

(g) A ResearchAgreementbetweenSyngentaCropProtectionAG,Basel, SwitzerlandandHUBEIAcademyofAgriculturalSciences,Wuhan,China;and

(h) A KnowHowLicencingAgreementbetweenTheTropicalBotanicGardenand ResearchInstitute,Kerala,India (TBGRI)andTheAryaVaidyaPharmacy(Coimbatore)Ltd, Coimbatore,India.

19. Even within this shortlist, the contracts submitted relate to a wide variety of contract parties (government, private sector, public research institutions and/or individual healers etc) and contract objective. As to their IP aspects, although the majority of contracts relate to research on either plant or microbial genetic resources (as opposed to animal genetic resources, or research associated with traditional knowledge or know-how), the IP aspects of even this small sample of agreements are largely distinct, and may often be truly explicable only with a fuller understanding of the underlying project and the negotiating history between the parties to the agreement.¹⁴ For this reason, it is not proposed to try to analyze each response received in this present interim document.¹⁵ Nonetheless, the following common issues arising from the contracts may be of particular interest.

A. Intellectual Property

20. Intellectual property elements of the contracts cover a range of issues, for instance:

(a) Requirements or limitations concerning the obtaining and management of IP rights, (such as limitations on IP rights claimed over the licensed material, requirements to seek and maintain IP rights, approaches for determining the ownership of any IP rights on technological developments based on the licensed material, etc.); and

(b) Licensing of IP rights (such as mechanisms to ensure licensees use technologies based on the materials provided, licensees use IP-protected technology for specific purposes such as non-commercial research, and licensing of improvements to technology).

21. The IP aspects of the contracts tend to be diverse, and some clauses may only be truly explicable with a fuller understanding of the underlying project and the project parties etc. The majority of contracts tend to focus on IP in a general sense, or more specifically on patent rights (as opposed to other specific areas of IP such as copyright, trade secrets and IP protection of traditional knowledge). Access to IP-protected technologies may form part of the sharing of benefits under a contract. The following clauses may illustrate the diversity of contract provisions:

¹⁴ The Contracts Database includes contact details (E-mail, telephone and facsimile) of the individual or institution which submitted the contract information, thereby enabling end-users to address specific queries directly to the originator of the information.

¹⁵ For a comprehensive review of intellectual property-related clauses in certain contractual arrangements, see working document WIPO/GRTKF/IC/2/3 entitled, "Operational Principles for Intellectual Property Clauses of Contractual Agreements Concerning Access to Genetic Resources and Benefit-Sharing."

Intellectual Property (general)

(a) A Material Transfer Agreement (Germplasm and Unregistered Lines) between the Department of Agriculture and Agri-Foods, Canada (AAFC) and several public breeding institutions:

“The Recipients shall own the progeny or germplasm which are not essentially derived from the Material. The Recipient agrees that it:...

‘(d) shall not seek intellectual property rights over the Material or related information which could act to the detriment of the continuing availability of the Material for agricultural research and breeding purposes’.”

(b) Standard Conditions for Project Agreements between the Australian Centre for International Agricultural Research (ACIAR) and the Commissioned Organisation (extracts from Clause 10 which focuses on Intellectual Property):

“10.6 Recognising that it will be desirable to use or exploit advances or discoveries that may be made in the course of the Project, the Parties agree that ownership of all Intellectual Property in the Material will in Australia a, vest in the Commissioned Organisation, and will in the Collaborating Country, vest either in the Collaborating Institution or an authority designated by the Collaborating Institution.

10.7 The Commissioned Organisation agrees that it will enter into equitable arrangements with the Collaborating Institution in relation to the following matters:

- (a) the allocation of ownership of Intellectual Property in the Material between the Commissioned Organisation and the Collaborating Institution in countries other than Australia and the Collaborating Country;
- (b) the terms of any licences between the Commissioned Organisation and the Collaborating Institution to use or exploit the Intellectual Property referred to in clause 10.3 and paragraph (a);
- (c) the terms of any licences of other Intellectual Property owned or licensed by either the Commissioned Organisation or the Collaborating Institution which are necessary for the utilisation of the Material; and
- (d) the allocation of costs relating to the application for and maintenance of the Intellectual Property rights between the Commissioned Organisation and the Collaborating Institution.

10.8 The Commissioned Organisation agrees that the arrangements referred to in clause 10.7 will be made taking into account the following factors:

- (a) the intellectual contributions of the Commissioned Organisation and the Collaborating Institution;
- (b) the financial contributions of the Commissioned Organisation and the Collaborating Institution;

- (c) the contribution of pre-existing Intellectual Property, materials, research effort and preparatory work of the Commissioned Organisation and the Collaborating Institution;
- (d) the facilities provided by the Commissioned Organisation and the Collaborating Institution; and
- (e) such other relevant considerations as the Commissioned Organisation and the Collaborating Institution may mutually determine.”

Patents

- (c) A Model Memorandum of Understanding (MoU) between the Developmental Therapeutics Program Division of Cancer Treatment and Diagnosis National Cancer Institute, United States of America (DTP/NCI) and a Source Country and Source Country Organization (SCO).

“Both [SCO] and DTP/NCI recognize that inventorship will be determined under patent law. DTP/NCI and [SCO] will, as appropriate, jointly seek patent protection on all inventions developed jointly under this MOU by DTP/NCI and [SCO] employees, and will seek appropriate protection abroad, including in [Source Country], if appropriate. Application for patent protection on inventions made by [SCO] employees alone will be the responsibility of [SCO]. Application for patent protection on inventions made by DTP/NCI employees alone will be the responsibility of DTP/NCI.

With respect only to those compounds that have been determined to possess such significant anti-cancer potential as to be scheduled for clinical trials by DCTD, the U.S. Government shall have a royalty-free, irrevocable, non-exclusive license to manufacture and/or use by or for the U.S. Government the invention(s) claimed in any patents that [SCO] may have or may obtain on such compounds or on a process for use of such compounds. However, this license will apply only to [SCO] patents that rely upon data generated by DTP/NCI or DTP/NCI testing laboratories. This license shall be only for medical research purposes related to or connected with the therapy of cancer. The term "medical research purposes" as used herein shall not include treatment of patients outside of clinical trials or commercial distribution of the compounds.”

- (d) An Agreement pertaining to the testing of plant extracts between the Company and the University (Sri Lanka), dated January 1, 2000:

“Should a patentable invention result from the Company’s or the University’s testing and analytical activity, the Company is free to apply for patents with regard to such invention in its name and at its expense as it wishes. Any such patents will be filed by the Company indicating the name(s) of the University, its collaborator(s) and the representative(s) of the company, as the case may be, as inventor(s). To this end, the University agrees to execute such documents and signatures as may legally be required.”

Licensing

(e) A Know How Licensing Agreement between The Tropical Botanic Garden and Research Institute, Kerala, India (TBGRI) and The Arya Vaidya Pharmacy (Coimbatore) Ltd, Coimbatore, India.

“A.4. GRANT OF LICENCE

- A.4.1 In consideration of the payment as provided for in Clause 5.1 and performance by PARTY of the covenants herein contained, TBGRI hereby grants to the PARTY the licence to utilise the KNOWHOW to make and sell the PRODUCT directly or through any marketing agency authorised by The Arya Vaidya Pharmacy (Coimbatore) Ltd.
- A.4.2 The license hereby granted to the PARTY by TBGRI is for utilisation of KNOWHOW for a period of seven years on exclusive basis commencing from the date of transfer of KNOWHOW provided that the KNOWHOW is effectively utilised within 4 years from the date of transfer of KNOWHOW.
- A.4.3 The license shall come into force from Tenth day of November One Thousand Nine Hundred and Ninety Five (hereinafter called the EFFECTIVE DATE) and shall remain valid for a period of seven years thereafter.
- A.4.4 The PARTY will produce and market the PRODUCT within 4 years from the date of transfer of KNOWHOW. If PARTY fails to do so TBGRI will have the right to cancel the licence granted to PARTY and the PARTY in turn should surrender the KNOWHOW. In such a circumstance the PARTY will not have any right to claim licence fee already paid to TBGRI.”

(f) The Uniform Biological Material Transfer Agreement (UBMTA) for the Transfer of Materials between Non-Profit Institutions :

“5.(c) Without written consent from the PROVIDER, the RECIPIENT and/or the RECIPIENT SCIENTIST may NOT provide MODIFICATIONS for COMMERCIAL PURPOSES. It is recognized by the RECIPIENT that such COMMERCIAL PURPOSES may require a commercial license from the PROVIDER and the PROVIDER has no obligation to grant a commercial license to its ownership interest in the MATERIAL incorporated in the MODIFICATIONS. Nothing in this paragraph, however, shall prevent the RECIPIENT from granting commercial licenses under the RECIPIENT's intellectual property rights claimings such MODIFICATIONS, or methods of their manufacture or their use.

6. The RECIPIENT acknowledges that the MATERIAL is or may be the subject of a patent application. Except as provided in this Agreement, no express or implied licenses or other rights are provided to the RECIPIENT under any patents, patent applications, trade secrets or other proprietary rights of the

PROVIDER, including any altered forms of the MATERIAL made by the PROVIDER. In particular, no express or implied licenses or other rights are provided to use the MATERIAL, MODIFICATIONS, or any related patents of the PROVIDER for COMMERCIAL PURPOSES.

7. If the RECIPIENT desires to use or license the MATERIAL or MODIFICATIONS for COMMERCIAL PURPOSES, the RECIPIENT agrees, in advance of such use, to negotiate in good faith with the PROVIDER to establish the terms of a commercial license. It is understood by the RECIPIENT that the PROVIDER shall have no obligation to grant such a license to the RECIPIENT, and may grant exclusive or non-exclusive commercial licenses to others, or sell or assign all or part of the rights in the MATERIAL to any third party(ies), subject to any pre-existing rights held by others and obligations to the Federal Government.”

22. This overview should illustrate how such clauses tend to be distinctive and context-dependent. Taken out of their context within the overall contract, and the underlying transaction or cooperative partnership as a whole, these clauses may be difficult to appreciate fully. For this reason, the Contracts Database gives direct access to other clauses within the contracts that would provide the necessary context for the specific IP elements of each contract (for instance, Definitions; Ownership; Confidentiality, etc.). Contact details of the provider of the contractual information are also available, thereby enabling end-users with more detailed requests to follow up directly with the originator(s) of the IP-related information.

B. Benefit-Sharing

23. The database distinguishes between monetary and non-monetary benefits. The contracts provided so far give some evidence of a trend away from benefit-sharing perceived in exclusively financial terms, and towards a greater appreciation of the role of non-monetary benefits, such as transfer of technology, access to IP-protected technology, training of researchers locally, sponsoring of researcher to undertake post-graduate research locally and/or abroad, transfer of equipment, and exchange of information. Indeed, in some contracts, greater emphasis appears to be placed on non-monetary benefit-sharing, possibly reflecting the need to balance benefits linked to uncertain, longer-term commercial success, as against the non-monetary benefits that may be available immediately and on a more secure basis. For instance:

(a) Mr Walter Smolders of the Syngenta Intellectual Property Department, submitting information relating to Syngenta Crop Protection AG, Basel, Switzerland and HUBEI Academy of Agricultural Sciences, Wuhan notes that the agreement addresses both Monetary Benefit-Sharing (royalties) and Nonmonetary Benefit-Sharing (funding of strain collection, fermentation and prescreening activities in China, transfer of assay technologies and know-how to China, training of Chinese scientists and technicians in Switzerland);

(b) A Model Agreement between the National Institute for Pharmaceutical Research and Development, Nigeria, and a Consultant Herbalist, addresses benefit -sharing in the following way:

“16. IN CONSIDERATION of the foregoing provisions, the “INSTITUTE” shall at the point of commercialization of products derived from the “CONSULTANT HERBALIST’S” input negotiate on behalf of the “CONSULTANT HERBALIST” for some royalty of at least 10% of the net profit to accrue to the “CONSULTANT HERBALIST”.

17. IN FURTHER CONSIDERATION of the services rendered by the “CONSULTANT HERBALIST”, the “INSTITUTE” shall make payment to him as follows:

- (a) The cost of collection, travelling, shipping of samples, identification, curating and processing, literature research as may be applicable.
- (b) The “CONSULTANT HERBALIST’S” cost of work already carried out on the samples.
- (c) The “CONSULTANT HERBALIST’S” cost of specified quantities of samples delivered to the Institute upon request and such sum outstanding due before the formal execution of this agreement.
- (d) [.....] quarterly subvention to facilitate the “CONSULTANT HERBALIST’S” herbal plant collection drive, overall productivity, research and further development.”

(c) A Model Biodiscovery Benefit -Sharing Agreement prepared by the State of Queensland, Australia to facilitate the development of the Queensland biodiscovery industry illustrates that both monetary and non -monetary benefits have a role in biodiscovery. The following is a sample of some of the benefit -sharing clauses found in this Model Agreement:

“7.2 Maximising Benefits

In conducting Biodiscovery Research, the Organisation must use its best endeavour to maximise benefits (including Non -Monetary Benefits) for Queensland.

7.3 Non -Monetary Benefits

The Organisation agrees to provide the Non -Monetary Benefits (if any) specified in item 10 of schedule 1 on the terms and conditions specified (if any).

8.3 Approval of Commercialisation Plan

...

(c) In deciding whether to approve a draft Commercialisation Plan, the Department will have regard to the benefits (including Non -Monetary Benefits) for Queensland of the Commercialisation proposed to be authorised under the Commercialisation Plan.”

C. Practical Guidance and Lessons Learned

24. Relatively few replies have been received to Part III of the questionnaire, on “Practical Guidance and Lessons Learned”. The responses that have so far been submitted do however illustrate the breadth of approaches to the practicalities of working in the area of IP, access and benefit -sharing, perhaps reflecting the tendency to develop and adapt each contractual arrangement on case -by case, according to, *inter alia*, applicable national legislation and policies, the respective interests and roles of the contract parties, and the contract objective.

25. Some examples of the replies received to the issue of whether, and how, prior informed consent (PIC) has been obtained are as follows:

(a) Dr. V. Kumar, Senior Professor of the University of Peradeniya, Sri Lanka, submitting a contract between the University and a Company setting up an arrangement to test plant extracts provided by the University, noted that “No government body has played a role. However, guidelines [are] being followed to obtain PIC”;

(b) Dr. Beat Moser, the Director-General of the Swiss Society of Chemical Industries, stated:

“We agree that companies should obtain prior informed consent in a proactive manner before gaining access to a country’s biodiversity, e.g. either through local operators (middlemen) doing the actual screening or directly in negotiation with the local government. Since the adoption of the CBD, this is a “best practice” that the Swiss companies consider to be of utmost importance. However, knowing what governmental agency is competent to give prior informed consent, and the extent to which organizations of indigenous peoples (often in conflict with their own governments) should be involved is extremely difficult. It is a serious problem that no matter how hard a company tries to act in conformity with the CBD, they almost always end up being accused of ‘biopiracy’...”

(c) Mr Walter Smolders of the Syngenta Intellectual Property Department, submitting information relating to Syngenta Crop Protection AG, Basel, Switzerland and HUBEI Academy of Agricultural Sciences, Wuhan (Provider) noted that prior informed consent was the responsibility of the providing party; and

(d) Dr. Hassan Machlab, Head, of the Department of Plant breeding at the Lebanese Agricultural Research Institute (LARI), in relation to an noncommercial Access and Benefit - Sharing Agreement between LARI and the Board of Trustees of the Royal Botanic Gardens, Kew (RBG Kew), United Kingdom replied as follows:

“The Lebanese Government, represented by the Ministry of Agriculture, has signed a separate letter in which it approves of the collaboration between LARI and RBG Kew and authorizes LARI to take all necessary action regarding the Access and Benefit -Sharing Agreement ‘providing there regulation of the international conventions are adhered to.’

“In addition, in the Access and Benefit -Sharing Agreement itself, LARI undertakes to help RBG Kew to secure the prior informed consent of any competent national and local Lebanese authorities and of any other appropriate

stakeholders to enable (a) access to the plant material; (b) entry upon the land in the Lebanon on which the project activities will take place; and (c) the carrying out of the aforesaid activities.”

26. In relation to “Lessons Learned”, the following replies clearly illustrate the perceived limitations to the current *status quo*, as viewed by two very different sectors. They also highlight the need for capacity building in this area, particularly in so-called ‘Provider Countries’ (i.e. biodiversity rich countries), as a matter of priority:

(a) Dr. V. Kumar, Senior Professor of the University of Peradeniya, Sri Lanka, commented as follows:

“Negotiations between developing country institutions and multinational corporations are not negotiations between equals. Therefore a fair contract cannot be accepted. The multinational corporation has teams of lawyers well experienced in similar contracts and negotiations. The developing country institution can rarely afford to pay for good legal advice and, even if consulted, developing country lawyers do not have much experience in such contracts.”

(b) Dr. Beat Moser, the Director - General of the Swiss Society of Chemical Industries, pointed out in the Society’s reply to WIPO that:

“...we would like to draw your attention to the fact that a lot of successful chemical and pharmaceutical screenings are taking place within Europe and in the developed world, based upon synthetic compounds produced in large numbers by combinatorial chemistry. The R&D based chemical and pharmaceutical sector in Switzerland... does not rely heavily upon biodiversity resources from developing countries. However, to the extent that local governments in the developing world create fast - track easy, reliable, access to their national resources e.g. through local focal points, it is clear that there may be an incentive for some companies to explore this option for screening further. On the other hand, the absence of clear regulations and lack of information about proper contact points in a provider country tend to render research with plant genetic resources unattractive.”

D. Model Agreements

27. When collecting and interpreting data in this area, it is necessary to distinguish between model agreements, and the actual agreements that have been settled and applied in practice. A number of the contracts submitted are model agreements. These are very useful in illustrating the range of possibilities for licensing, and the general approaches and principles that apply, for example, to the ownership and exercise of IP rights, and to benefit - sharing. However, for the purposes of study and analysis, it may be necessary to distinguish such standard documents from the clauses in the final, negotiated contracts, even where these are based on model texts. As Dr. Beat Moser, the Director - General of the Swiss Society of Chemical Industries, pointed out in the Society’s reply to WIPO:

“The Novartis example should not be understood to serve as a ‘model’ contract as we are of the opinion, that, in principle, model contracts can only serve as guidelines and would never in reality replace the need for specially designed case-by-case solutions. However, this does not mean that the Swiss chemical and pharmaceutical industry would be opposed to a set of carefully prepared guidelines of best practices which could be developed in an international context.”

28. Dr. Hassan Machlab, Head, of the Department of Plant breeding at the Lebanese Agricultural Research Institute (LARI) described the development of a non-commercial Access and Benefit-Sharing Agreement between LARI and the Board of Trustees of the Royal Botanic Gardens, Kew (RBG Kew), United Kingdom:

“A draft contract was initially proposed by RBG Kew, based on a model agreement used by RBG Kew in other international partnerships, but modified to reflect the specifics of the proposed relationship between LARI and RBG Kew. This draft was then studied by LARI. Modifications were subsequently proposed by LARI, and accepted by RBG Kew.”

29. For this reason, the Secretariat has classed agreements in the database as either ‘model’ or ‘actual,’ so that they can be browsed or examined separately, with a clear understanding of whether they are illustrative models, or whether they correspond to the terms of contracts that have been actually implemented in practice.

VI. CONCLUSION

30. The contract database is not intended as a normative exercise, but rather to illustrate current practices relating to contracts or licenses relating to IP and genetic resources. This should facilitate understanding of the process of negotiating and concluding contracts in this area, potentially for the benefit of a wider range of institutions and communities with an interest in IP aspects of access to genetic resources. In future, the database could also help illustrate emerging trends or patterns, but it would be premature at this stage to attempt to draw any conclusions. The responses already received help to illustrate the wider range of possibilities for contract provisions concerning IP aspects of genetic resources and benefit sharing. Future versions of the database may develop a richer, more comprehensive and diverse source of information about practical approaches in this area.

31. In particular, should the Committee approve an extension of time for dissemination and receipt of Questionnaire WIPO/GRTKF/IC/Q2, it is hoped that the receipt of further responses would facilitate the development of the Contracts Database into a permanent, freely available WIPO resource. Such a resource could help to build capacity in this important area, particularly in the development of contractual expertise in those sectors and parts of the world with otherwise limited exposure to such know-how, and yet with increasing exposure to negotiated contractual arrangements concerning IP, access to genetic resources and benefit-sharing.

32. The Members of the Intergovernmental Committee are invited to take note of the contents of the present document; to approve an extension of time in which the Questionnaire (WIPO/GRTKF/IC/Q2) may be disseminated and answered to Friday, March 28, 2003; and to approve the further development of the Contracts Database as a permanent, freely available resource for contracts concerning intellectual property, access to genetic resources and benefit-sharing.

[Annex follows]

ANNEX

CONTRACTDATABASELAYOUT

CONTRACTTITLE:.....

SubjectMatter	<i>Indicationofthemateriallicensedunderthecontract</i>
SummaryofUse(s)	<i>Indicationofthepermitteduseunderthecontract</i>
PurposeorBackground	<i>Descriptionofthegeneralcontextorobjectiveofthecontract, e.g. throughitspreambleorrecitals</i>
ContractLanguage	<i>Languageinwhichthecontractis availableinthedatabase</i>
ContactDetails	<i>Detailsofthepersonorinstitutionsubmittingthecontract</i>

GOTOCONTRACTCLAUSES

(clickonthefollowingtogototherelevantprovisioninthecontract)

INTELLECTUALPROPERTYRELATEDCLAUSES

IntellectualProperty(general)	<i>LinkstoprovisionrelatingtoIPingeneral terms,ortoparticularformsofIPwhere specified</i>
Patents	
DistinctiveSigns	
PlantBreeders'Rights	
TradeSecrets	
CopyrightandRelatedRights	
OngoingTraditionalandCust omaryUse	
<i>Suigeneris</i> ProtectionofTraditional Knowledge	

Licensing	<i>Anyprovisionsconcerninglicensingof intellectualpropertyrights</i>
Assignment	<i>Anyprovisionsconcerninglicensingof intellectualpropertyrights</i>

OTHER CLAUSES

Definitions	<i>Link to provisions on each of these matters, when they are dealt with in the contract</i>
Ownership	
Confidentiality	
Transfer to Third Parties	
Monetary Benefit - Sharing	
Non-monetary Benefit - Sharing	
Dispute Resolution	
Governing Law of the Contract	
Contract Verification	
Termination	
Other	

APPLICABLE LAW

National Regional International Other (e.g. customary law)	<i>Link to any provision determining which jurisdiction applies to the contract</i>
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PRACTICAL ADVICE

Prior informed consent Benefit-Sharing Local or Indigenous Community involvement Legal Advice Model Contracts/Clauses Lessons Learned Other	<i>Link to any practical advice or experience, provided through the questionnaire, on any of these topics</i>
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Download Reply to Questionnaire WIPO/GRTKF/IC/Q.2 (PDF only)

Download Full Contract Text (PDF only)

[End of Annex and of document]