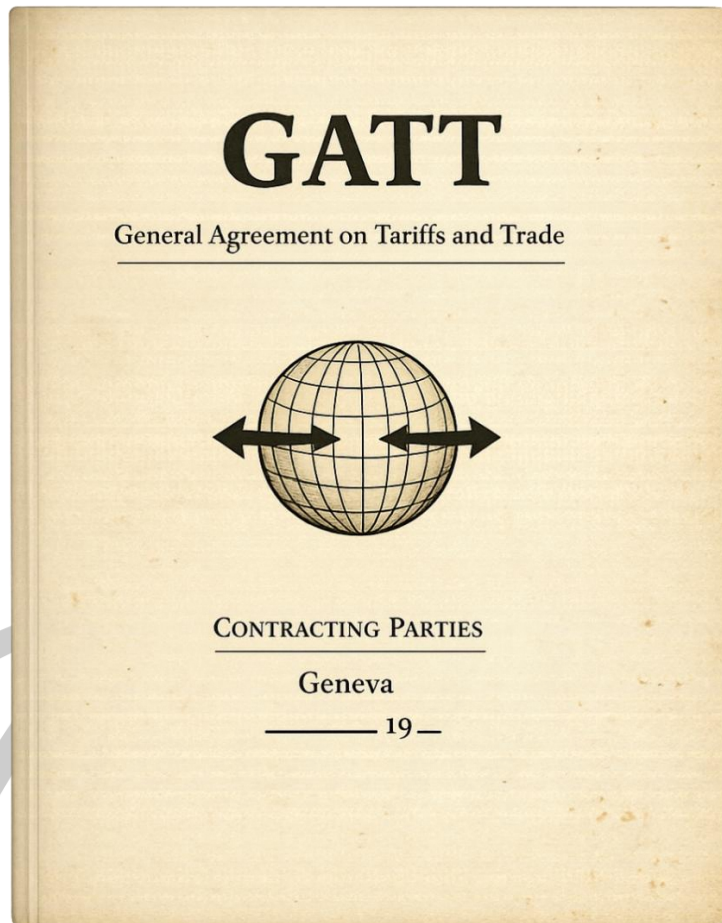


Role of GATT (General Agreement on Tariffs and Trade)

Basic Idea

- **GATT** (General Agreement on Tariffs and Trade) was an international agreement established in 1947 to promote free and fair trade among countries.



- **Its main aim was to reduce trade barriers such as:**
 - Tariffs (import taxes)
 - Quotas (limits on imports/exports)
- Later, GATT became the foundation for the World Trade Organization in **1995**.

Main Objectives of GATT

- Reducing tariffs and trade barriers
- To promote international trade cooperation
- To ensure fair competition and non-discrimination
- To create a stable and predictable trade system

Key Principles of GATT

1. Most Favoured Nation (MFN) Principle

- Countries must treat all trading partners equally

- Any trade benefit given to one country must be given to all
- **Example:** If Country A reduces tariffs for Country B, it must do the same for all GATT members

2. National Treatment Principle

- Imported goods must be treated the same as domestic goods after entering the market
- Prevents discrimination against foreign products

3. Reduction of Tariffs

- Countries agree to gradually reduce import duties
- Making goods cheaper and promotes trade

Role of GATT in Intellectual Property and Patents

- Initially, GATT focused only on trade in goods, not intellectual property.
- **However, overtime:**
 - Growth in technology and knowledge-based trade created a need for IP protection
 - GATT provided a framework for global cooperation
 - This led to the development of the
 - TRIPS Agreement under WTO

Key Roles Explained

1. Reduction of Trade Barriers

- Encouraged countries to lower import/export duties
- Made it easier to trade patented goods like medicines and technology

2. Promotion of Fair Trade

- Introduced **non-discrimination principles**:
 - MFN → Equal treatment of countries
 - National Treatment → Equal treatment of goods

3. Foundation for TRIPS

- GATT did not directly regulate patents
- **But increasing global trade created a need for:**
 - Uniform IP protection
- Result → Creation of TRIPS under WTO

4. Dispute Settlement System

- Provided a system to resolve trade disputes between countries

- Important in handling patent-related trade conflicts

Importance of GATT

- Encouraged globalization
- Increased international trade
- **Created a base for:**
 - WTO
 - TRIPS Agreement
- Help build a fair and rule-based trading system

Role of TRIPS (Trade-Related Aspects of Intellectual Property Rights)

Basic Idea

- **TRIPS** is an international agreement under the WTO, introduced in 1995, which sets minimum standards for intellectual property protection, including patents, trademarks, copyrights, etc.

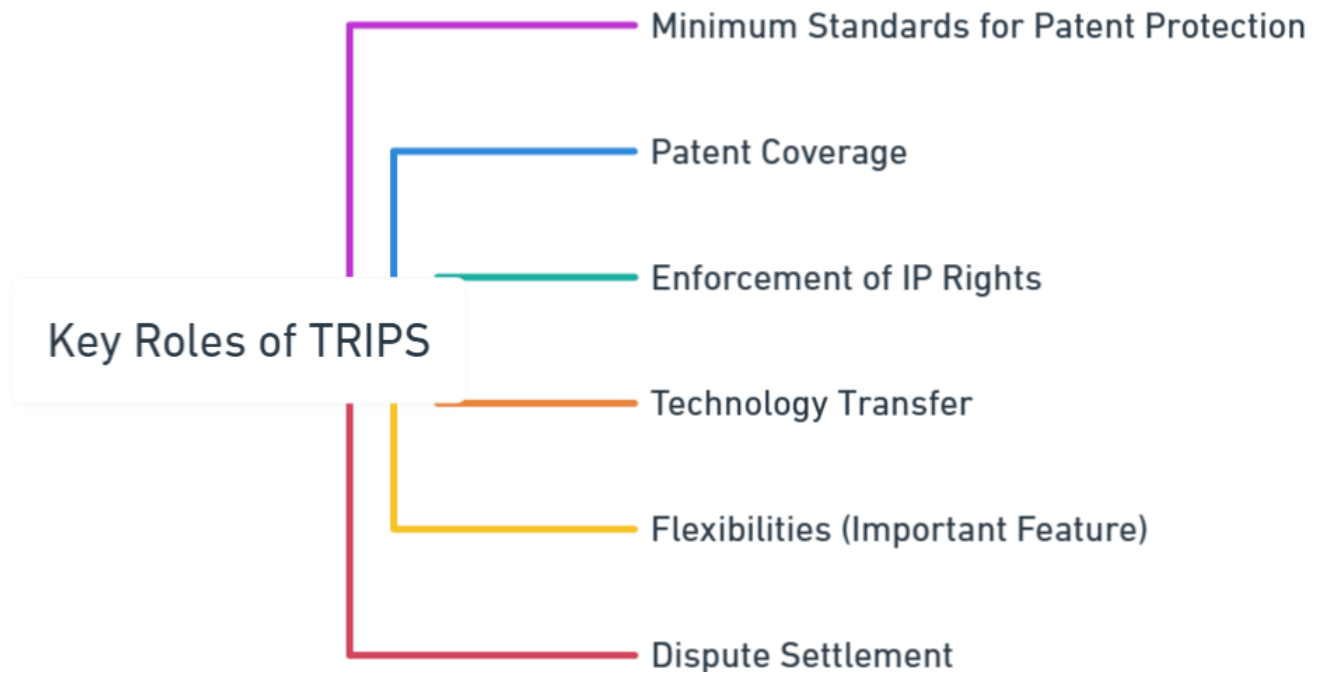
Why TRIPS Was Needed

- **Before TRIPS:**
 - Different countries had different IP laws
 - Some countries had weak or no patent protection
- **This caused:**
 - Copying of inventions
 - Losses to inventors and companies

Main Objectives of TRIPS

- To standardize IP laws globally
- To protect rights of inventors
- To promote innovation and technology transfer
- To reduce trade conflicts related to IP

Key Roles of TRIPS



1. Minimum Standards for Patent Protection

- All member countries must:
 - Provide patents for inventions
 - Give protection for at least 20 years

2. Patent Coverage

- Patents must be available for:
 - Products
 - Processes
 - All fields of technology (including pharmaceuticals)

3. Enforcement of IP Rights

- Countries must provide:
 - Legal systems to protect patents
 - Penalties for infringement

4. Technology Transfer

- Encourages sharing of technology between developed and developing countries.

5. Flexibilities (Important Feature)

- TRIPS allow some flexibility, especially for developing countries:

Compulsory Licensing

- Government allows someone else to produce a patented product without permission.
- Used in emergencies (e.g., life-saving drugs).



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