

# Coalition Letter Supporting Innovation and Intellectual Property Rights in Brazil

14 March, 2022

Dear Members of Congress,

We write you as concerned organizations for the future of Brazil's innovation ecosystem. Robust intellectual property rights are the foundation of this system, allowing human capital, university research systems, and private enterprise to flourish.

Repealing the vetoes of bill PL n° 12/2021 would be another serious blow to this system which is a vibrant source of competition and innovation in Brazil. In fact, restoring these sweeping measures will significantly damage the IP ecosystem in Brazil at a time when it is needed the most.

The articles in question broaden the definition of compulsory licensing to require test data, trade secrets, biological specimens, all technical information, and know-how related to a patent subject to a compulsory license to be handed over. No other country has similar legislation that makes such an open-ended claim to property.

Intellectual property rights have been an indispensable component of Brazil's response to the COVID pandemic. Left intact these rights have allowed licensing agreements between innovators and domestic manufacturers to produce millions of vaccines for Brazil. Such agreements allow natural exchanges of know-how and technical expertise between firms.

Keeping these rights protected has connected Brazil to competitive global supply chains. New estimates forecast that in 2022 global production capacity of COVID vaccines will reach 20 billion doses, three times the amount necessary to achieve the WHO call to vaccinate 70 percent of the world's people and provide boosters. An achievement only possible without encroaching on these rights.

Expanding compulsory licensing to include forced technology transfers would significantly freeze these important relationships and undermine Brazil's innovative pharmaceutical sector which is already under threat. For instance, last year the Brazilian Supreme Court found Article 40 of the Brazil Patent Law unconstitutional and singled out approximately 4,000 pharmaceutical patents to be retroactively invalidated.

These developments illustrate Brazil's downward spiral in international rankings. On the [International Property Rights Index](#) it has plummeted from 55<sup>th</sup> to 74<sup>th</sup> since 2018 and on the [International Trade Barrier Index](#) from 77<sup>th</sup> to 83<sup>rd</sup> since 2019. Adopting further legislation to weaken intellectual property rights will cause the fundamental indicators to plummet further jeopardizing future innovation and production capacity in the country.

Signed: **Beatriz Nóbrega de Sá**, President, Instituto Livre Mercado, **Vladimir Maciel**, Coordinator, Centro de Liberdade Econômica Mackenzie; **Lucas Berlanza**, President, Instituto Liberal; **Ornella Di Lorenzo**, President, Instituto Atlantos, **Daniel Coelho**, President, Frente Parlamentar pelo Livre Mercado; e **Lorenzo Montanari**, Executive Director, Property Rights Alliance

