

## EU not to seize Indian drug shipments in transit

**New Delhi, July 13:** The member countries of European Union will not seize Indian medicines passing through Europe on allegations of intellectual property right (IPR) violations, as per an understanding reached between India and the EU.

A formal 'Letter of Understanding' will be exchanged between the two sides within the next two weeks, an official said.

"EU has sent a final draft to us and we agree with the changes in their rules. It has accepted India's stand and within two weeks, both the sides will exchange a 'Letter of Understanding' regarding this," he said.

As per the understanding,

none of the customs authorities in the 27-nation EU bloc will confiscate any drug despatch meant for third 'country' destinations like Latin America or Africa.

Some of the EU customs authorities, mainly the Netherlands and France, had confiscated several Indian off-patent generic drug consignments going to Brazil via European ports and airports over alleged infringement of EU intellectual property rights (IPR).

India, together with Brazil, had filed a case against the EU in the World Trade Organisation protesting the action.

In the last couple of years,

there have been about 17 such cases where consignments belonging to reputed Indian drug manufacturers were seized.

India had argued that such seizures were against the multilateral Trade Related Intellectual Property Rights (TRIPS) agreement, as the medicines were off-patent both in India and the country where they were being exported.

Indian pharmaceutical exports about \$10 billion per annum, most of which are generic drugs.

The government wants to raise these exports to \$25 billion in the next three years and actions like the seizure of consignments can be a major irritant.

*Regulatory.*