

# Tax breaks for the promotion of technology transfer under Article 66:2 of the TRIPS Agreement

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# Concept of Technology Transfer in International Public Law

- United Nations definition: transfer of systematic knowledge for manufacturing of a product or provision of service (not specific)
- TRIPS Agreement – no definition of technology transfer

# Article 66:2 of TRIPS

Developed country Members **shall** provide incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to least-developed country Members in order to enable them to create a sound and viable technological base.

# Legal obligation to technology transfer in Article 66:2 TRIPS

- Article 66:2: a positive legal obligation
- Not an obligation to transfer technology, but to provide incentives for transferring technology
- Very little technology transfer to least developed countries conducted so far

# Conclusion

- Lack of definitional clarity in regards to “technology transfer” and “least developed country”
- A threshold to eliminate ineffective technology transfer incentives is essential
- Necessity to incorporate definition of technology transfer into TRIPS Agreement

Thank you for your attention