EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

The Honorable Henry A. Waxman
U.S. House of Representatives
Washington, D.C. 20515

JAN 17 2007

Dear Congressman Waxman:

Thank you for your letter concerning the Thai Government's announced intention to issue a compulsory license on the AIDS drug efavirenz.

The Administration's trade policy continues to advocate strong protection of intellectual property rights as an essential element in fostering innovation in the development of life-saving medicines, including those medicines necessary in the global fight against HIV/AIDS. Countries like Thailand, facing major public health crises, need to play a role in and benefit fully from the development of new and more advanced treatments. Strong protection of intellectual property, including through patents, remains a vital part of that process.

The Administration also remains fully committed to the flexibilities established within global and national intellectual property regimes enabling countries to address effectively significant public health emergencies. As recognized in the 2001 Doha Declaration, these flexibilities include recourse to the issuance of compulsory licenses. We are continually striving to strike the right balance between strong intellectual property protection as a means of promoting innovation, and appropriate use of flexibilities to address urgent situations. These objectives are both achievable.

With respect to the recent announcement of the Thai Government, we have taken care to respect fully the Thai Government's ability to issue compulsory licenses in accordance with its own law and its obligations as a member of the World Trade Organization (WTO). We have not suggested that Thailand has failed to comply with particular national or international rules. We have indicated that it would be appropriate for the Thai authorities to respond to any requests for direct discussions by concerned stakeholders, including, among others, the patent holder; we have not sought to insert the U.S. Government into any such discussions.

Our trade policy dialogue with Thailand will continue to emphasize the importance of effective intellectual property protection as an element in that country's effort to strengthen its investment climate and promote economic development. We will stress the importance to Thailand of abiding fully by its WTO obligations, but -- as we have done to date -- within the context of a full respect for the Doha Declaration and for Thailand's ability to make appropriate use of the flexibilities embodied in WTO rules.

Again, thank you for your letter and for your views on this important and sensitive issue.

Sincerely,

Susan C. Schwab