

# Reassessing Patent Protection Through a Public Welfare Lens in Emerging Economies

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**Abstract:** Patent protection is often defended as a cornerstone of innovation-driven growth, yet its interaction with public welfare presents complex legal and ethical challenges in emerging economies. This article critically reassesses intellectual property rights by examining how patent regimes affect access to essential goods, technological development, and socio-economic equity. Through an analysis of international frameworks such as the TRIPS Agreement, landmark judicial decisions, and comparative legal practices, the paper highlights the tensions between private monopoly rights and public interest obligations. It argues that courts and legislatures in emerging economies particularly India have played a pivotal role in recalibrating patent law to prevent abuse, promote access, and safeguard public welfare. The article ultimately advocates for a development-sensitive patent framework that integrates innovation incentives with constitutional values, public health priorities, and social justice.

**Keywords:** patent law and public welfare, access to essential goods, TRIPS and emerging economies, judicial role in patent regulation, development sensitive innovation framework

## 1. Introduction

### Theoretical Foundations of Patent Protection and Public Welfare

Patent law is traditionally justified on utilitarian grounds, premised on the idea that granting inventors temporary monopolies encourages innovation by rewarding creativity and investment. This rationale is reflected in international instruments such as Article 7 of the TRIPS Agreement, which emphasizes technological innovation and social welfare as shared objectives. Courts have also recognized this incentive-based logic, particularly in jurisdictions with strong market-oriented patent regimes.

However, judicial and scholarly discourse increasingly acknowledges that patents are not absolute rights. In *Bishwanath Prasad Radhey Shyam v. Hindustan Metal Indus.*, (1979) 2 S.C.C. 511, the Supreme Court explicitly stated that patents must be granted cautiously because they create monopolies that can restrict public access. The Court emphasized that patent law must strike a balance between rewarding inventors and preventing undue restraint on trade and public use.

From a development perspective, this balance becomes even more critical. Scholars such as Amartya Sen argue that development should be measured by human capabilities rather than market efficiency alone. Applying this reasoning to patent law suggests that innovation incentives must be evaluated against their impact on health, education, and access to knowledge.

Thus, patent protection must be understood not merely as a private entitlement but as a regulatory mechanism conditioned by public welfare considerations. Courts in emerging economies have increasingly adopted this perspective, treating patents as rights subject to constitutional and social limitations.

### TRIPS Agreement and the Development Dilemma

As a landmark development in international intellectual property governance, the TRIPS Agreement introduced uniform minimum patent standards applicable to all WTO member states. For emerging economies, this marked a departure from earlier regimes that allowed weaker patent protection as a tool for industrial growth and public welfare. While TRIPS aimed to harmonize intellectual property laws, it also narrowed domestic policy autonomy, particularly in sensitive sectors such as pharmaceuticals and agriculture.

This tension was acknowledged almost immediately after TRIPS came into force. Developing countries argued that uniform patent standards disproportionately benefited developed nations with established research infrastructures. In contrast, emerging economies largely functioned as technology importers, bearing higher costs for patented goods without corresponding innovation gains. This imbalance prompted concerns that TRIPS prioritized commercial interests over developmental realities.

In addressing concerns surrounding access to medicines, the Doha Declaration on TRIPS and Public Health (2001) reaffirmed that TRIPS should be construed in a manner consistent with public health protection. It explicitly acknowledged the freedom of member states to employ tools like compulsory licences and parallel imports to secure affordable medicines, thereby influencing judicial and policy approaches in developing and emerging economies.

Indian courts have meaningfully engaged with a development-sensitive interpretation of the TRIPS Agreement. *Novartis AG v. Union of India*, (2013) 6 S.C.C., the Supreme Court made it clear that TRIPS do not require patents to be granted for insignificant pharmaceutical alterations. The Court upheld Section 3(d) of the Indian Patents Act, reasoning that domestic patent standards may legitimately prioritize public health and prevent evergreening.

Despite these legal safeguards, practical use of TRIPS flexibilities remains limited. Political pressure, trade retaliation fears, and institutional capacity constraints often

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discourage emerging economies from fully exercising their rights. This gap between formal legal recognition and real-world implementation highlights the continuing development dilemma within the global patent system.

### **Patents, Pharmaceuticals, and Access to Medicines**

The pharmaceutical sector most starkly exposes the conflict between patent protection and public welfare. Patents grant pharmaceutical companies exclusive rights that allow them to control prices, often rendering life-saving medicines unaffordable for large populations in emerging economies. This raises serious legal and ethical concerns, particularly where access to healthcare is linked to fundamental rights.

Judicial interpretation in India consistently reflects the view that patent law should not compromise the fundamental right to life. In *Novartis AG v. Union of India*, (2013) 6 S.C.C. 1, the Supreme Court affirmed that intellectual property protection cannot be allowed to impede access to reasonably priced life-saving drugs. The rejection of the Glivec patent was grounded in the Court's finding that incremental innovation without improved therapeutic efficacy does not justify exclusive rights.

A landmark assertion of public welfare came through compulsory licensing. In *Natco Pharma Ltd. v. Bayer Corp.*, Order No. 1 of 2012 (Controller of Patents, India), India granted its first compulsory license for the cancer drug Nexavar. The Controller of Patents found that the drug was priced exorbitantly and was not reasonably accessible to the public. This case demonstrated that compulsory licensing is not an anti-patent measure but a lawful tool to correct market failures.

Comparative jurisprudence reinforces this approach. In *Pharmaceutical Mfrs. Ass'n v. President of the Republic of S. Afr.*, 2000 (2) SA 674 (CC), the South African government's efforts to increase access to affordable HIV/AIDS medication were upheld despite opposition from multinational pharmaceutical companies. The case affirmed that public health concerns may justify limitations on patent rights.

These cases collectively illustrate that access to medicines is not merely a policy issue but a legal imperative. Patent regimes in emerging economies must therefore be structured to prevent monopolistic abuse while still encouraging genuine pharmaceutical innovation.

### **Innovation, Technology Transfer, and Emerging Economies**

A central justification for strong patent protection is its purported role in promoting innovation and facilitating technology transfer. The argument suggests that secure patent regimes attract foreign investment and encourage multinational corporations to share advanced technologies. However, the experience of emerging economies reveals that this relationship is neither automatic nor guaranteed.

Empirical studies indicate that technology transfer under patent regimes often remains limited and highly controlled. Multinational firms may retain core technologies while licensing peripheral applications under restrictive conditions.

This limits domestic learning and reinforces technological dependence rather than fostering indigenous innovation.

Judicial disputes have highlighted these structural imbalances. In *Enercon (India) Ltd. v. Aloys Wobben*, (2013) 5 S.C.C. 1, the Supreme Court dealt with issues of patent ownership and technology licensing, exposing the vulnerabilities of domestic firms dependent on foreign patentees. The case illustrated how excessive control over patented technology can stifle local industry rather than promote collaboration.

Courts have increasingly recognized that innovation depends on more than legal protection. Factors such as public research funding, education systems, and institutional capacity play a crucial role. Strong patents without these complementary conditions may entrench monopolies rather than stimulate creative activity.

Accordingly, emerging economies are reassessing the role of patent law within broader development strategies. Rather than adopting maximalist standards, a calibrated approach encouraging incremental innovation, learning, and diffusion appears more effective in aligning patents with long-term public welfare.

### **Reimagining Patent Law Through a Public Interest Lens**

Reimagining patent law through a public interest lens requires moving away from the perception of patents as absolute private property rights and recognizing them instead as state-granted privileges conditioned by social objectives. Patent protection is justified only insofar as it contributes to societal progress, technological development, and human welfare. Courts in several jurisdictions have emphasized that monopoly rights created by patents must be balanced against the public's right to access essential goods, knowledge, and innovation. This shift reflects an understanding that intellectual property law is ultimately a regulatory tool, not merely a commercial instrument.

Judicial interpretation has played a central role in embedding public interest considerations into patent law. In *Bishwanath Prasad Radhey Shyam v. Hindustan Metal Indus.*, (1979) 2 S.C.C. 511, the Supreme Court expressly cautioned that patents should not be granted lightly, as they restrict free trade and public use. The Court stressed that patent monopolies must be carefully scrutinized to prevent unjustified restraint on public access. This reasoning laid the foundation for a welfare-oriented approach that continues to influence Indian patent jurisprudence.

The pharmaceutical sector illustrates the necessity of this public interest approach most clearly. In *Novartis AG v. Union of India*, (2013) 6 S.C.C. 1, the Supreme Court refused to grant a patent for a marginally modified cancer drug, holding that patent protection cannot be used to extend monopolies without genuine therapeutic advancement. The Court's interpretation of Section 3(d) of the Patents Act reflected a deliberate effort to prevent evergreening and ensure affordable access to medicines. This case demonstrates how public interest considerations can coexist with innovation incentives within a carefully structured legal framework.

Public interest is also reflected in the enforcement stage of patent law, particularly in the grant or denial of injunctions. In **Hoffmann-La Roche Ltd. v. Cipla Ltd.**, 40 P.T.C. 125 (Del. 2009), the Delhi High Court declined to grant an interim injunction against a generic manufacturer, noting that access to life-saving drugs and public health considerations must be weighed alongside patent rights. The Court recognized that rigid enforcement of exclusivity could cause irreversible harm to patients, thereby affirming that public welfare can legitimately temper patent enforcement.

International jurisprudence further supports this approach. In **Pharmaceutical Mfrs. Ass'n v. President of the Republic of S. Afr.**, 2000 (2) SA 674 (CC), the South African government's measures to increase access to affordable HIV/AIDS medicines were upheld despite opposition from multinational pharmaceutical companies. The case reinforced the principle that patent rights must yield when they conflict with urgent public health needs. Similarly, the **Doha Declaration on TRIPS and Public Health** confirms that intellectual property rules should not prevent states from protecting public health and promoting access to medicines.

Ultimately, reimagining patent law through a public interest lens requires a shift in normative priorities. Innovation remains important, but it cannot be pursued at the cost of human dignity, access to healthcare, or social equity. By treating patents as conditional rights subject to proportionality, judicial oversight, and societal needs, legal systems can ensure that intellectual property protection serves its true purpose advancing technological progress while safeguarding public welfare. This balanced approach strengthens both the legitimacy and sustainability of the patent system in emerging economies.

## 2. Conclusion

The experience of emerging economies demonstrates that patent protection must be evaluated not only through the lens of innovation incentives but also in terms of its social consequences. Judicial decisions across jurisdictions reveal a growing consensus that patents are not absolute rights but policy tools subject to constitutional values and public interest considerations. Cases such as **Novartis AG v. Union of India**, (2013) 6 SCC 1 illustrate how courts can actively prevent misuse of patent monopolies.

International frameworks like TRIPS provide both obligations and flexibilities. While uniform patent standards have constrained domestic autonomy, instruments such as the Doha Declaration affirm that public welfare remains a legitimate priority. The challenge lies not in the absence of legal tools but in their effective and confident use by emerging economies.

Ultimately, a development-sensitive patent regime must balance innovation with access, exclusivity with equity, and private rights with social justice. Centering public interest within the intellectual property framework enables patent law to advance innovation in a manner that is not only scientifically sophisticated but also socially responsive and humane.

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