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PRESS CONTACT

Ben Lilliston,
+1 (612) 870-3416
ben@iatp.org

Patents Could Play Major Role in Global Biofuels Market

Next Generation Biofuels Likely to be Dominated By Globalized Patents

MINNEAPOLIS — As the fast-growing biofuel market goes global, national and international rules governing patents will play an increasingly important role in how the industry develops and who benefits, finds a new paper by the Institute for Agriculture and Trade Policy.

The paper, “Patents: Taken for Granted in Plans for Global Biofuels Markets” by IATP Senior Policy Analyst Steve Suppan, examines how patents covering biofuel feedstocks and processing are being used by large agribusiness, biotech, financial and energy companies. Read the full report at: www.iatp.org.

“Patent law didn’t start the biofuel gold rush, but it will influence its future,” said Suppan. “Understanding patent policy is crucial for strategizing how biofuels technologies might aid or hinder sustainable development.”

Billions of dollars are going into the development of new biofuels’ feedstocks and processing to find the next generation of cellulosic biofuels. Global corporations are taking advantage of low patent standards in the U.S. and at the global level to patent new genetically engineered crops for biofuels, as well as enzymes to be used in processing facilities to produce the biofuel, the paper found.

Biofuels have been touted as an effective development strategy in developing countries in South America, Africa and Asia. But many biofuels’ investment plans risk damaging the environment in those countries, as investors deforest land for biofuel plantations in ecologically-fragile areas around the world.

“Promoters of a globalized biofuels market promise public benefits for rural development and the environment,” said Suppan. “But the patent system excludes the public interest, even when publicly funded research leads to the development of patented products. Biofuels development receives many forms of public financial support, and the patent system needs reform to protect such investment.”

Though patents are granted by national governments, free trade agreements (such as the Central American Free Trade Agreement) and World Trade Organization agreements contain patent rules.

The paper calls for patent reform that asserts the primacy of public domain, protects traditional knowledge (for example, in plants used in biofuels) and fits within a human rights framework. Such an approach could support rigorous environmental and social performance requirements and oversight for future biofuels development.

The Institute for Agriculture and Trade Policy works globally to promote resilient family farms, healthy communities and ecosystems through research and education, science and technology, and advocacy. <http://www.iatp.org>.