

The urgent need to ensure the conservation of biological diversity is now widely recognised, but the role of an intellectual property rights regime as an instrument for biodiversity conservation is poorly understood and often hotly debated. This volume is a detailed analysis of the economic and scientific rationales for the use of a property rights-based approach to biodiversity conservation. It discusses the justification for, and implementation of, intellectual property rights regimes as incentive systems to encourage conservation. An interdisciplinary approach is used in the book, encompassing fields of study such as evolutionary biology, chemistry, economics and legal studies. The arguments are presented using the case study of the use of medicinal plants in the pharmaceutical industry. The book will be of interest and relevance to a broad spectrum of conservationists from research students to policy makers.



# INTELLECTUAL PROPERTY RIGHTS AND BIODIVERSITY CONSERVATION



# INTELLECTUAL PROPERTY RIGHTS AND BIODIVERSITY CONSERVATION:

an interdisciplinary analysis of the values of medicinal plants

Edited by

#### TIMOTHY SWANSON

Lecturer, Faculty of Economics, University of Cambridge and Programme Director, Centre for Social and Economic Research on the Global Environment, University of East Anglia and University College, London





PUBLISHED BY THE PRESS SYNDICATE OF THE UNIVERSITY OF CAMBRIDGE The Pitt Building, Trumpington Street, Cambridge CB2 1RP, United Kingdom

#### CAMBRIDGE UNIVERSITY PRESS

The Edinburgh Building, Cambridge CB2 2RU, United Kingdom http://www.cup.cam.ac.uk 40 West 20th Street, New York, NY 10011-4211, USA http://www.cup.org 10 Stamford Road, Oakleigh, Melbourne 3166, Australia

© Cambridge University Press 1995

This book is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press

First published 1995 First paperback edition 1998

Printed in the United Kingdom at the University Press, Cambridge

Typeset in Times 10/13 pt [VN]

A catalogue record for this book is available from the British Library

Library of Congress cataloguing in publication data

Intellectual property rights and biodiversity conservation: an interdisciplinary analysis of the values of medicinal plants/edited by Timothy M. Swanson.

p. cm. Includes bibliographical references and index. ISBN 0 521 47112 5

Biological diversity conservation.
 Intellectual property.
 Botanical drug industry.
 Medicinal plants.
 Swanson, Timothy M.
 QH75.I43 1995
 333.95'316-dc20 94-46979 CIP

ISBN 0 521 47112 5 hardback ISBN 0 521 63580 2 paperback



#### Contents

List of contributors		ix
Preface		xi
Ack	Acknowledgements	
1	Diversity and sustainability: evolution, information and institutions Timothy Swanson	1
Par	t A Plant communities and the generation of information	17
2	Chemical diversity in plants Linda Fellows and Anthony Scofield	19
3	Ethnobotany and the search for balance between use and conservation Jennie Wood Sheldon and Michael J. Balick	45
Par	Part B The value of plant-generated information in pharmaceuticals	
4	The pharmaceutical discovery process  Georg Albers-Schönberg	67
5	The role of plant screening and plant supply in biodiversity conservation, drug development and health care Bruce Aylward	93
6	The economic value of plant-based pharmaceuticals  David Pearce and Seema Puroshothaman	127

vii



viii	Contents	
Part	C The institutions for regulating information from diversity	139
7	The appropriation of evolution's values: an institutional analysis of intellectual property regimes and biodiversity conservation <i>Timothy Swanson</i>	141
8	Preserving biodiversity: the role of property rights  Ian Walden	176
Part	D The importance of cultural diversity in biodiversity conservation	199
9	Medicinal plants, indigenous medicine and conservation of biodiversity in Ghana Katrina Brown	201
10	Biodiversity and the conservation of medicinal plants: issues from the perspective of the developing world Mohamed Khalil	232
Inde	ex	254



Cambridge University Press

978-0-521-63580-6 - Intellectual Property Rights and Biodiversity Conservation: An Interdisciplinary Analysis of the Values of Medicinal Plants

Edited by Timothy Swanson

Frontmatter

More information

### Contributors

Dr Georg Albers-Schönberg

Merck Research Laboratories, Merck & Co. Inc., Rahway, NJ 07065, USA

Dr Bruce Aylward

Environmental Economics Programme, c/o Tropical Science Center, Apdo 8-3870, CP 1000, San Jose, Costa Rica

Dr Michael Balick

Institute of Economic Botany, New York Botanical Gardens, Bronx, New York, NY 10458-5126, USA

Dr Katrina Brown

CSERGE, University of East Anglia, Norwich NR4 7TJ, UK

Dr Linda Fellows

Royal Botanic Gardens, Kew, Richmond, Surrey TW9 3DS, UK Present address: Xenova Ltd, 240 Bath Road, Slough SL1 4EF, UK

Dr Mohamed Khalil

Advanced Centre for Environmental Studies, PO Box 32067, Nairobi, Kenya

Dr David Pearce

CSERGE, University College London, Gower Street, London WC1E 6BT, UK

Dr Seema Puroshothaman

CSERGE, University of East Anglia, Norwich NR4 7TJ, UK

Dr Anthony Scofield

Department of Biological Sciences, Wye College, University of London, Wye, Kent TN25 5AH, UK

Dr Jennie Wood Sheldon

The Institute of Economic Botany, New York Botanical Garden, 200th and Southern Boulevard, Bronx, NY 10458-5126, USA



x Contributors

Dr Timothy Swanson

Faculty of Economics, University of Cambridge, Sidgwick Avenue, Cambridge CB3 9DD, UK and CSERGE

Dr Ian Walden

Centre for Commercial Law Studies, Queen Mary and Westfield College, Mile End Road, London E1 4NS, UK



#### **Preface**

A dairy farmer once walked into the Department of Agronomy at the University of Wisconsin complaining that the prize specimens in his herd were succumbing to a weird ailment symptomised by uncontrollable internal bleeding. The department researched the problem, and the source of the mystery was traced to a plant in the animals' diet, and more specifically to a chemical substance within that plant: dicumarin. This naturally generated chemical within sweetclover was wreaking havoc upon the plant's primary predator on account of its biological activity. When further analysed, it was found to have anti-coagulant activity across a wide range of animals. When these discoveries were patented (under the tradename WARFRIN) and marketed, they resulted in massive commercial sales as both the world's major rodenticide and also as an important medical treatment for stroke victims.

This is one example, from the developed world, of the trail that is traced between the natural generation of biologically active chemicals and their ultimate commercial utilisation. Not every naturally produced chemical has so well-documented a trail or so illustrious a career (as it was WARFRIN that was used to treat President Eisenhower after his stroke), but the anecdote serves as an illustration of how nature, observant human communities, chemical researchers and patent lawyers together combine to create useful products. It is important to recognise that each and every one of these participants plays an important and often irreplaceable role in the delivery of important chemical substances to society.

The primary motivation for this volume is to draw a picture of this process: the delivery of useful chemical substances by cooperation across all of these various levels. We commence with the role of nature in developing biologically active substances. It is no accident that plants are able to work such dramatic impacts on their predators; it has been the role of evolution to select for characteristics that will aid in the survival of these plants, and one set of such characteristics is that which works specific effects on



xii Preface

animals. We then look to the role of human communities in identifying such activity. Even though plants will generally exhibit such characteristics, it is necessary for humans to discover them. This includes the role of traditional usage and the role of chemical screening and analysis; both are modes of separating out the active from the inert. Finally, it is necessary to market the substance and to allocate the rewards from discovery, and this is in part the role of the patent lawyer. In this volume we ask a series of individuals involved in researching this industry, or working within it, to describe how they see the passage of the discovery through this process, from nature's intitial contribution to its final marketing.

Another motivation for the volume is to demonstrate that the extent to which the industry is reliant upon each of these sectors for its returns, and to emphasise that the benefits from these discoveries are not flowing to all levels within this industry. This is one way to typify the problem of biodiversity conservation: contribution without compensation. We rely on this resource at the base of some of our most important industries, yet we fail to compensate it adequately for its contribution. We cannot be too surprised if the resource slowly disappears, and our industries suffer for its demise, if we are unwilling to pay for its contribution.

This is a book that brings together all of the various perspectives that are necessary to draw the complete picture of important biodiversity depletion on account of the failure to compensate it for its contribution. The volume allows each specialist to discuss in turn the role of biodiversity in its sector, and then to hand over the story to the next in line. We hope that the story it tells is just as concrete as the diaryman's dilemma related above, but far more general and sited more in the developing world. We also hope that it will aid in defusing and clarifying the hotly debated issue of intellectual property rights and biodiversity conservation

Timothy Swanson Faculty of Economics University of Cambridge



## Acknowledgements

This book is the result of a project on intellectual property rights and biodiversity conservation sponsored by the Centre for Social and Economic Research on the Global Environment, directed by Professors David Pearce and Kerry Turner. The ESRC's sponsorship of the centre and the project are gratefully acknowledged.

The editor would like to acknowledge his personal debts to Professor David Pearce who (as director of CSERGE) was involved in commissioning this project and has been supportive from its initiation, and also to the team at Cambridge University Press (Alan Crowden, Tracey Sanderson, Zandra Clarke and Carmen Mongillo) for faithfully and professionally seeing the project through to its completion. For financial support I must also acknowledge the National Westminster Bank, which institution had the foresight to endow the position I currently hold at Cambridge University and the Beijer Institute, Royal Swedish Academy of Sciences, for its support of Dr Khalil's research. Finally, the single greatest personal contribution to this volume (from a non-contributor) was received from Dr Herman J. Gorz, who provided a ready sounding board for many of these ideas. Without his long standing counsel on matters of natural science, I am certain that an interdisciplinary project such as this one would have been virtually impossible to manage. I am very grateful for his important contribution