

-
- restrictions on fields of use;
 - volume limitations;
 - sources and prices of purchased inputs;
 - restrictions on distribution channels;
 - quality control;
 - acquisition of competing technologies;
 - rights to related new technologies;
 - provisions for training local personnel;
 - duration of the arrangements;
 - rights of use after termination of the agreement.

In the view of many developing countries, the unequal bargaining power of the transferor of technology suggests that terms and conditions actually arrived at have often been discriminatory and restrictive. Some conditions are seen as anti-competitive extensions of the scope of intellectual property rights exercised by private companies, especially multinational enterprises. Others, such as restricted export market terms, are viewed as extensions of protectionist policies. In either case, in multilateral debate, the label of "restrictive business practices" has taken on expanded meaning for developing countries, to include the perceived effect that such practices may have on their economic development and trade.

On the other hand, the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, adopted by the UN General Assembly in December 1980 and administered by UNCTAD's Group of Intergovernmental Experts on Restrictive Business Practices, is generally couched in the framework of familiar competition policy concepts. These non-binding principles reflect concern over limitations on access to markets and over undue restraint of competition. UNCTAD is now engaged in taking these principles one step further, through the preparation of a model law on restrictive business practices. It is intended that this model law be based on broadly agreed on principles of competition. Thereby, it would provide a general framework available to countries in devising appropriate legislation to combat improper, anti-competitive behaviour. To the extent that principles in the model law would be consistent with the general lines of competition policy already reflected in the legislation of Canada and other Western market economies, the rudimentary beginnings of a reasonably uniform framework for the conduct of international business could be envisaged.

A conference to consider revisions to these Equitable Principles and Rules has been called for 1985, at the insistence of developing countries. Canada will seek to participate constructively in that exercise, but we have a number of concerns. Attempts to broaden the notion of restrictive business practices to include practices consistent with intellectual property rights but not having serious adverse effects on competition, would not, in our view, assist economic development. On the contrary, restrictions necessary to protect the legitimate intellectual property rights of suppliers must be maintained, for unless the innovator is assured of protection for his invention, he will have little encouragement either to go on inventing or to transfer it. Host countries, rather than home countries or an international body, should remain responsible for monitoring restrictive practices within their respective territories. Thus, whereas the development of a model law may be considered a type of "technical assistance" to developing countries in assisting them to control restrictive business practices, attempts to make the set of