

COSMETICS SECTOR – CIMTECH (Cook Islands)

Cook Islands

Graham Matheson from the Cook Islands performed his PhD studies at the Australian University of New South Wales (UNSW) on the effects of traditional Cook Islands medicine in the treatment of bone fractures and skin afflictions.

In 2003, he addressed the Koutu Nui – a lawfully recognised council of traditional leaders under the House of Ariki Act (1965) of the Cook Islands – with a proposal for further investigation and possible future commercialisation. The two parties signed a benefit sharing agreement and became equal partners of the newly-founded companies CIMRAD (Cook Islands) and CIMTECH (Australia), the latter being created to facilitate patent applications and fund-raising. Through this arrangement, both parties share risks, responsibilities and benefits.

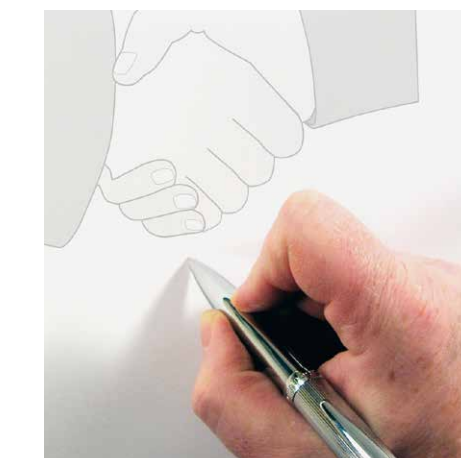
2000: Graham Matheson begins research on pharmacological effects of traditional Cook Islands medicine (plant extracts) on bone fractures and other medical conditions at the Australian University of New South Wales (UNSW)



Actors: Graham Matheson, UNSW

2003–09:

- Matheson signs benefit sharing agreement with the Koutu Nui
- CIMRAD is installed as a co-owned company in the Cook Islands
- CIMTECH is founded as a second company to apply for patents and raise funds, owned by an Australian trust



Actors: Koutu Nui, Graham Matheson, TM Ventures (Consulting company)
Funding: UNSW, public Australian funds, private investors

2010–12: Construction of a processing facility and laboratory in the Cook Islands. Plant harvest and extraction of the infused oil is undertaken in the Cook Islands. Primary processing facility also includes a quality control system.



Actors: CIMTECH

2014: The Australian company Parnell Pharmaceuticals acquires a licence for two bio-active compounds for research and development of veterinary medicine for bone fractures and skin afflictions. The licence is perpetual, exclusive and includes the possible development of human drugs



Actors: CIMTECH, Parnell Pharmaceuticals

Australia

In 2012, the skin-care product line Te Tika ("truth and integrity") was launched, the primary processing (plant harvest, extraction) is undertaken in the Cook Islands. Recently, CIMTECH sold the licence for two of its bio-active compounds to an Australian pharmaceutical company (Parnell Pharmaceuticals) which intends to develop veterinary medicine and possibly human drugs as well.

2003:

- Matheson files a proposal for investigation and potential commercialisation with the Koutu Nui who approve unanimously
- Matheson conducts a self-funded pilot study based on his own formulas



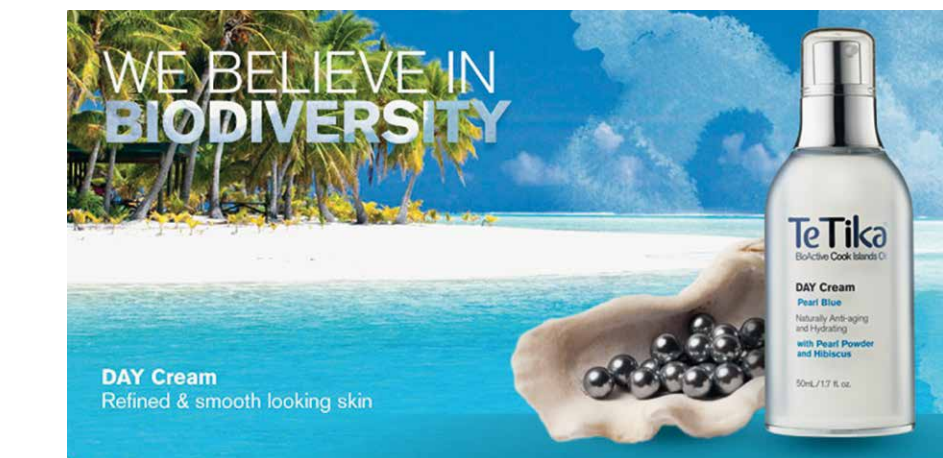
Actors: Koutu Nui, Graham Matheson

2010: Matheson finishes his PhD thesis: the plant extracts increased epithelial hypertrophy (thickness of the skin) and enhanced new bone and cartilage formation



Actors: Koutu Nui, Graham Matheson

2012: Launch of the skin-care product line Te Tika. The products are distributed via local hotel resorts and retail stores in the Cook Islands and Australia.



Actors: CIMTECH

Analysis – User and Provider Activities

Despite the non-existence of legal frameworks regarding research permits, use of traditional knowledge (TK) and intellectual property rights (IPR), the CIMTECH case fulfils several key aspects of the Nagoya Protocol. Here are possible reasons why:

Just a few actors: As only two main actors were involved in the R&D process negotiations were relatively simple.

Strong Stakeholders: Indigenous and local communities play a significant role as recognised holders of traditional knowledge and thus as partners and beneficiaries of ABS agreements. The Koutu Nui is a well-organised governance institution. Agreements were negotiated at eye level.

High Level of Trust: The parties involved were in permanent dialogue. They shared ownership of CIMTECH, intellectual property rights, risks and responsibilities and, as a consequence, had equal interest in the company's success.

High Degree of Transparency: Prior to the agreement, Matheson and the Koutu Nui discussed potential opportunities and risks and were aware of the many years between investment and actual benefits.

Integrative value chain: Harvesting the plants and the primary production are conducted in Cook Islands, while the manufacturing is completed in Australia.

OPPORTUNITIES PROVIDED BY THE NAGOYA PROTOCOL:

- Procedure:** The Nagoya Protocol could have provided for model procedures, legal certainty and, above all, competent institutions in the negotiation process.
- Graham Matheson included the Koutu Nui right from the beginning, hopefully this operating at eye level and respect for traditional knowledge will become best-practice in future ABS agreements all over the world.
- Institutionalised provisions:** CIMTECH has granted the licence for medicinal application to an Australian pharmaceutical company. This could put an end to transparency and clarity as it might be more difficult to trace the medical application with the new licence holder. Both Australia and the Cook Islands have installed national ABS focal points. However, there are no institutions and provisions (checkpoints, provisions for conflict resolution) yet to ensure compliance with the agreement, neither on the national nor on the international level. The entry into force of the Nagoya Protocol in October 2014 represents a crucial step towards establishing such compliance mechanisms.



Parnell Pharmaceuticals acquire the licence for two bio-active compounds for the treatment of bone fractures and skin afflictions from CIMTECH in 2014. In a first step the company plans on developing veterinary medicine and, later, on human drugs as well.



The healers (Taunga Vairakau) of the indigenous Maori in the Cook Islands possess a wide range of traditional medicinal knowledge, including applications for various plants. Specific plants are used for the treatment of bone fractures and skin afflictions: *Arnebia euchroma*, *Hibiscus esculentus*, *Vigna marina*, *Cocos nucifera*, *Terminalia catappa*, and others.