Intellectual Property and Public Health

Reporting from the Indian Experience

Thanks to Kajal Bharadwaj for use of slides

Background

TRIPS

Access to medicines (Doha and flexibilities)

 India as 'pharmacy of developing world' is ground zero.

Increasing Use of TRIPS "Flexibilities" + Strong Patent Law in India Since 2001, 2005

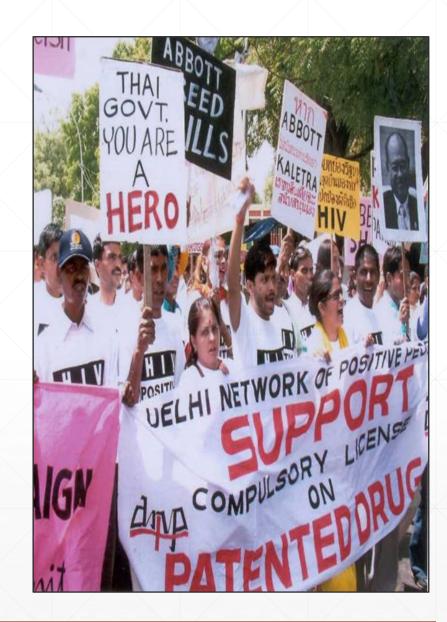
TRIPS flexibilities before the grant of a patent:	ant of a TRIPS flexibilities after the grant of a patent:		
 Pre-grant Patent Oppositions 	Compulsory Licenses		
 Patent exclusions and exemptions 			
TRIPS flexibilities in Enforcement of patents:	Working the patent system (national):		
Special courts	 Licenses 		
 Injunctions and other orders 	 Patent office 		

THE THAI COMPULSORY LICENSES 2006-2007:

- Clopidogrel (Heart Disease)
- Efavirenz (HIV)
- Lopinavir/Ritonavir (HIV)

2008:

- Letrozole (Cancer)
- Docetaxil (Cancer)
- Erlotinib (Cancer)



RELATED KEYWORDS: BMS Rejected | AIDS Patients



A phial and pack of herceptin are seen in London June 9, 2006.

So everything is fine?

ONE DOES NOT SIMPLY



TAKE IP FROM MORDOR

Implementing TRIPS Flexibilities – A Reality Check: <u>Litigation</u>

- Novartis v. India
- Roche v. Cipla
- Bayer v. India

- Pfizer v. Philippines
- Pharma v. South Africa
- Pharma v. Brazil
- Pharma v. Argentina

Implementing TRIPS Flexibilities – A Reality Check: Lobbying, Trainings, Etc.

- US and EU/MNC organised trainings:
 - Training of judges
 - Training of patent examiners, officers
 - Training of customs officials, police

- Lobbying with law and policy makers
- Trade sanction threats: USTR, Special 301

Lobbying and Training

Pfizer tie-up for India meet a mistake: US patent office

JOE C MATHEW New Delhi, 17 March

The United States Patent and Trademark Office (USPTO) said it made a "mistake" by allowing US-based drug maker Pfizer to co-sponsor a public discussion programme on sensitive issues related to intellectual property rights in India last year.

In response to a blog post that talked about a "USPTO-Pfizer collaboration

US patent office to train Indian judges on IPR-related issues

and is a key reason for keep JOE C MATHEW ing India, among several oth-New Delhi, 13 September er nations, in the US govern-THE United States Patent ment's "priority watch list" and Trademark Office (USP- that indicates the level of TO) will train Indian law en- IPR protection offered by the forcement officials and trading partners members of the judiciary on The Special 301 Report of asues related to intellectual the Office of the United property rights (IPR) from States Trade Representative released in May complained this week. The five-day workshop, be- that India continued to have nning September 15, will be a weak legal framework, and eld in Mumbui in association an ineffective IPR enforce with the Maharashtra Judicial ment system. The report Academy. It would have a wanted India to take action three-day session on IPR and on its draft optical disc law a two-day training session on and combat widespread optical disc digital piracy. piracy. an academy THE FIVE-DAY It had alofficial said. so sought WORKSHOP BEGIN This is the improvement first time the SEPTEMBER 15. of India's state judicial will be held in Mumbai in IPR regime academy is association with the by providing joining hands for stronger Maharashtra Judicial with USPTO patent pro-Academy. It will have a to conduct tection, to three-day session on IPR address con and a two-day training cerns such grammes for as provisions session on digital piracy members of of India's the judiciary. "The IPR session is patent law that limit the planned for district and ses- patentability of potential ston judges. For digital pira- beneficial innovations, such cy workshop, public prose- as temperature-stable form cutors, CBI officials and law of a drug or new means of enforcers, including police drug delivery. It also wanted India t personnel, will be included," take steps to improve the ef the official added. The academy, the first of ficiency of judicial proceed its kind in Maharashtra, was ings, and strengthen its criw opened two years ago to train inal enforcement regime, b the judicial members in the encouraging the imposition of deterrent-level sentence USPTO, an agency under for IPR violations and by giv the US government's de- ing prosecution of IPR of partment of commerce, runs ' fences a greater priority The Special 301 Repor similar training programmes world over primarily has stated that the US look through its Global Intellec- forward to increased en tual Property Academy. gagement with India to ad IPR violations is one of dress these and other mat the major concerns of the US ters

THE TIMES OF INDIA

SC judge under attack from health activists

TNN | Sep 6, 2011, 08.28 AM IST



EW DELHI: Two years ago, Justice Markandeya Katju of the Supreme Court had withdrawn from hearing a patent dispute vitally concerning pharmaceutical majors. Justice Dalveer Bhandari, the head of the bench that has since been dealing with the case, is now under attack, this time from health activists.

Though he did not himself give any reason for it, Katju's recusal in 2009 from the appeal filed by Novartis was then widely attributed to an article written by him in a legal journal conceding, much to the embarrassment of multinational companies, that "many of the medical drugs available in the market are too costly for the poor people in India" and that "ways and means should therefore be thought out for making these drugs available to the masses at affordable prices".

In what seems virtually a reversal of the situation, the health activists demanded on Monday, on the eve of the next hearing of the case, that the government should seek Justice Bhandari's recusal as he had participated in at least two international conferences for judges organized by the US-based Intellectual Property Owners Association (IPOA), whose members include Novartis, among a host of pharmaceutical and IT giants.

In a victory for U.S. pharma, India pledges to abandon compulsory licensing, trade group says

by Tracy Staton | Mar 8, 2016 11:26am



Has India given up the compulsory license fight? According to a U.S. trade group, officials have privately promised not to grant any more of the licenses, which force branded drugmakers to allow generics companies to knock off their on-patent drugs.

As *Reuters* reports, the U.S.-India Business Council assured the U.S. Trade Representative that it's no longer open to compulsory license requests from domestic drugmakers. The disclosure came in a USIBC submission to the trade rep, which is working on an annual report about international trade barriers.

Under Indian law--and World Health Organization protocols--the government is allowed to open the door to early generic competition when a medicine is too pricey for local use, but important to public health.



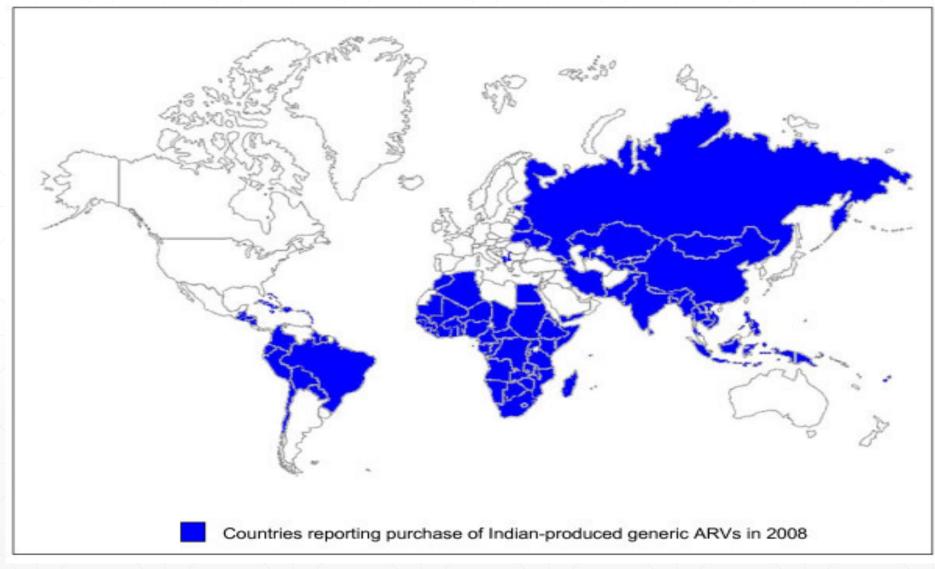
The threat of compulsory licensing became all too real in 2012, when

Indian Generic Industry: Merged and Acquired

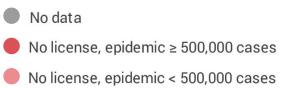
Target company	Acquirer	Country of origin	year	Amount (USD)
Matrix lab	Mylan Inc	US	August 2006	\$736 million
Dabur Pharma	Fresenius Kabi	Singapore	April 20, 2008	\$219 million
Ranbaxy Laboratories Limited	Daiichi Sankyo	Japan	June 11, 2008	\$4.6 billion
Shantha Biotech	Sanofi Aventis	France	July 27, 2009	\$783 million
Orchid Chemicals (injectible business)	Hospira	US	December 16, 2009	\$400 million
Piramal Healthcare (domestic formulation)	Abbott Laboratories	US	21 May 2010	\$ 3.72 billion

Source: compiled from various news reports

India: "Pharmacy of the Developing World" (Original Reach)



Curtailed Reach



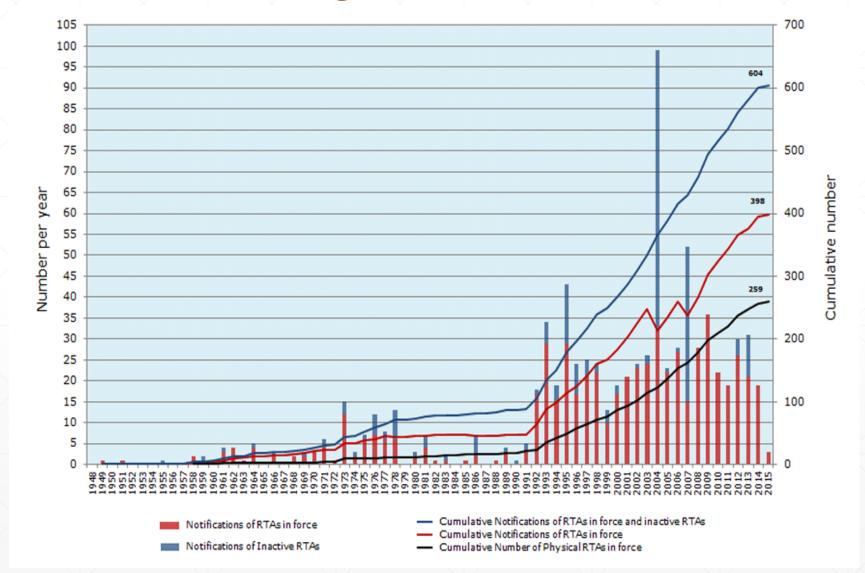
- License, epidemic < 500,000 cases
- License, epidemic \geq 500,000 cases

License coverage – Daclatasvir BMS (Hep C)

FTAs:

- IP: Demands for provisions well beyond TRIPS i.e. TRIPS-PLUS.
- Investment: Allowing companies to sue governments in private arbitration for pro-health policies.
- Restrictions on using health safeguards; no protections of domestic industry from takeovers; decreased revenues for government health programmes?

Free Trade Agreements in Force



Patent Term Extension – Delays in Patent Grants

TRIPS:

Patents only have to be for 20 years

TRIPS+:

- Patent term extension for patent office delays
- Patent term extension for marketing approval delays
- A study in Thailand in 2010 concluded that spending on medicines would increase by \$822 million if the patent term extension was 5 years.

Data Exclusivity: Creating an Entirely New Monopoly on Medicines

- Data exclusivity ->
 Even if patent is rejected, clinical trials data cannot be used to show bio equivalence. Hence non challengeable monopoly.
- Jordan (2012):
 - 110 new drugs registered in Jordan between 2000 and 2004
 - No Patents but over 70% had no competition because of DE

Intellectual Property Enforcement

TRIPS:

Patents are private rights

- Person who infringes to be sued
- Customs officials should be empowered to act on imports of goods infringing trademarks and copyright

TRIPS+:

- Patent enforcement to be paid by tax payer money – drug regulator, police, customs, judges
- "Third party liability"
- EU seizures (patents, in-transit, exports)

Intellectual Property as Investment

TRIPS:

- Treaty between two countries if one country sues the other (WTO EU v. Canada)
- For companies, they sue governments in local courts (Novartis case)

TRIPS+:

- Companies sue governments for treaty violation
- International arbitration
- Includes intellectual property as investment
- Arbitration panels do not look at human rights or constitutional rights
- Awards against governments in the 100s of millions of dollars

Theory: Weak Basis for Increasing IP Restrictions in Developing Countries

- Growth, depends on knowledge. (since Solow, 1958)
- For developing countries, the most important determinant of growth is the pace of closing the knowledge gap.
- Knowledge is a good that is inherently non-rival.
- Implication: global social welfare maximizer would minimize impediments to knowledge transfer.
 - Abolish intellectual property restrictions that hamper such transfers especially when the knowledge has already been produced.
 - Argument about 'absorptive capacity' overstated. Indian generics producing drugs for 40 years before originator in India
 - But—returns to IP large. IP royalties to US from developing countries -> USAID transfers to developing countries.



Innovation, Intellectual Property, and Development:

A BETTER SET OF APPROACHES FOR THE 21st CENTURY.

Dean Baker, Arjun Jayadev and Joseph Stiglitz

July 2017





