



Current issues in IPRs and Public Health

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Patents vs. Patients?

- Is Intellectual Property a zero-sum game?
 - If not, is it possible to get a fair and mutually beneficial deal?
 - How to correctly distribute benefits and responsibilities amongst the different players in order to make it possible the “enjoyment of the highest attainable standard of health” by everyone?



Is IP a barrier to public health?

- 95% of the Essential Medicines List are off patent worldwide and up to 99% in sub-Saharan Africa.
- The differential pricing scheme allows research-based companies to sell at cost or even at loss most of the patented drugs in the LDCs. For instance, some second-line drugs from originators are actually cheaper than the generic versions.
- When they feel that their technology will be protected, many companies do grant voluntary licensing for the production of some drugs.



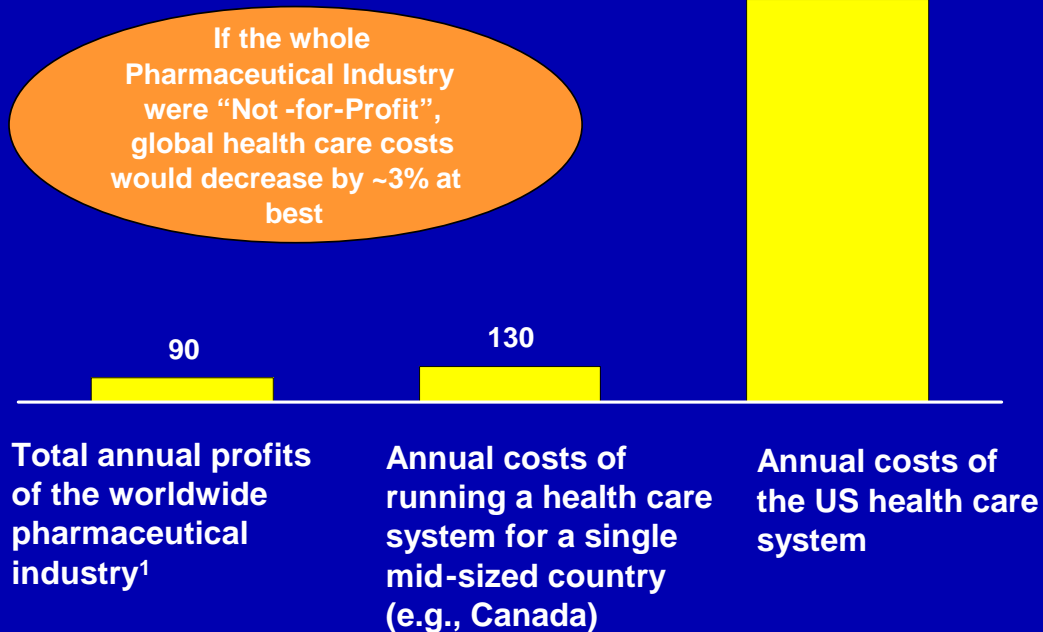
- The TRIPS has given the LDCs a large period to enforce the IPRs.
- In case a country has truly public health needs and the manufacturer is unable to supply the drugs, it can use the *ad hoc* TRIPS flexibilities to import or produce locally generic versions patented drugs.
- Is it always economically advantageous to produce locally? Is public health the main concern behind the recent IP & health debate?



Is it really either profit or access?

Even Giving Away All Profits Would Not Change the Picture

USD Billion



¹ Best Estimate

Source: Gvt websites; estimates

*IFPMA based on WHO data, Sep 2007



What can IPRs offer?

- Incentive to the R&D of new drugs
- Inspire confidence for Industry to engage in technology transfer initiatives, as well as in partnerships for the R&D of drugs without a viable market.
- Incentives for investments (both foreign and domestic) in more technology intensive industries



IPR-based R&D System Addressing Global Burden of Disease

Disease	Health Burden (% of global deaths/DALYs)	Existing treatments developed by R&D pharmaceutical industry
HIV/AIDS	4.9/5.7	All 21 drugs in 4 different classes
Respiratory Infections	6.9/6.3	All recent and effective antibiotics
Cardiovascular disease	29.3/9.9	All drugs in 8 different classes
Cancer	12.5 / 5.1	All most effective drugs in 8 classes
Depression	0 / 4.5	All recent drugs in 4 different classes



Market-based company and PPPs R&D for developing country health needs

- AIDS: 35 new ARVs, at least 6 additional pediatric formulations for ARVs and 19 vaccines
- Tuberculosis: 17 medicine projects, 2 vaccine projects
- Malaria: 18 medicine projects, 2 vaccine projects
- Other Tropical Diseases: 8 medicine projects, 2 vaccine projects



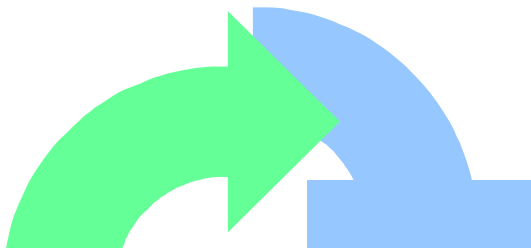
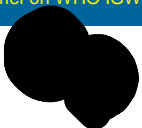
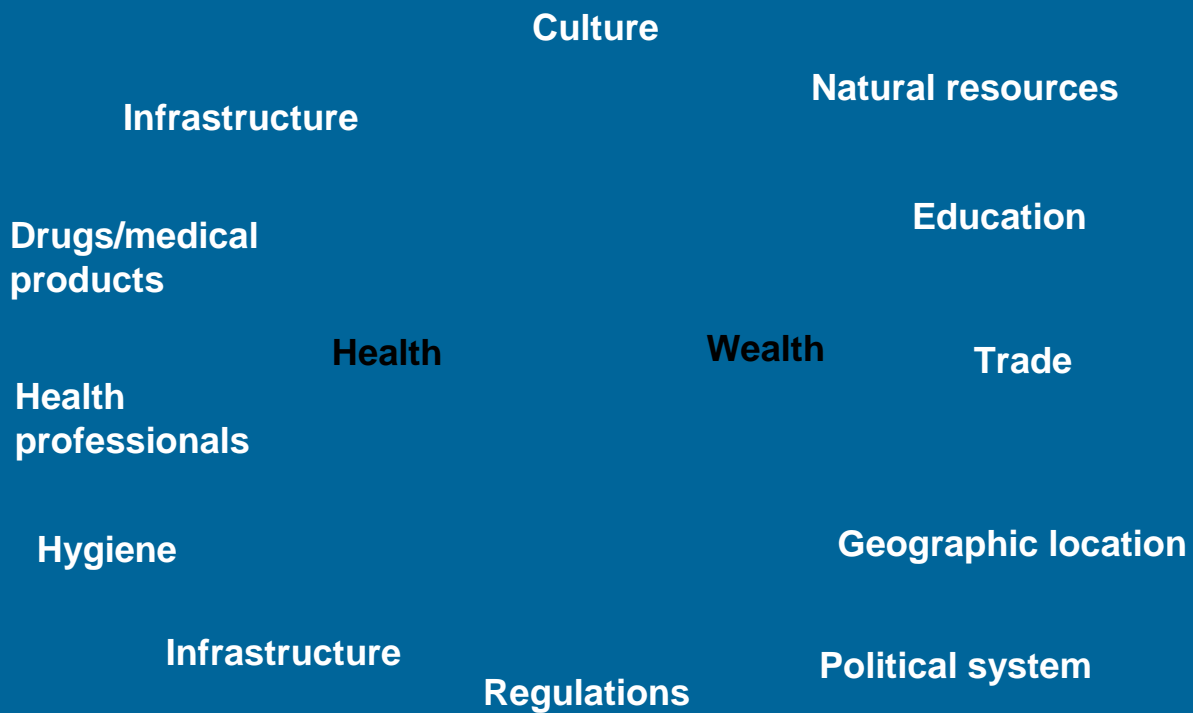
Some access activities

- Mectizan Donation Program: over 1.8 billion tablets worldwide (with an estimated value of USD 2.7 billion) and more than 530mi cumulative treatment since 1987.
- International Trachoma Initiative: 252 thousand or surgeries performed, 44mi treatments donated. Some countries are moving towards eradication.
- GAELF: 6 billion preventive albendazole treatments donated. WHO estimates that 100 million people have begun to be protected from LF.



Are IPRs enough? Are good drugs enough?

The Cycle of Health and Wealth of a Nation





Shared benefits, shared responsibilities

- All countries benefit from a new drug. It is only fair that they contribute to the financing of this process, according to their resources.
- Developing countries should not be seen as passive recipients of foreign aid, but as key partners, responsible for the health of their people.
- Developed countries should help developing countries to establish performing and sustainable healthcare systems with their expertise and some start-up finance.



Are we all doing our part?

Governments Need to Rise to the Challenge

Development aid
as % of GDP 2004

0.37

Medicine access
programs as % of 2004
sales company A

0.87

2.00

UN objectives
for developed
nations (0.7)



Source : OECD



Just the tip of the iceberg...

Price Components

Nigeria

Table 14: Example of Price components in the Private sector

Example 1: Medicine Name	Medicine Strength	Dosage Form	Target Pack Size	Dispensed Quantity	Type of Charge	Charge Basis	Amount of Charge	Price of Dispensed Quantity	Cumulative % Mark-up
Co-trimoxazole suspension	8+40 mg/ml	millilitre	70	50	Cost, insurance, freight (CIF) price	NA	NA	51.71	0.00%
					Port charges, clearance, inspection	percent	30%	67.22	30.00%
					Importer's margin	percent	20%	80.67	56.00%
					Distributor's margin	percent	10%	88.73	71.60%
					Retailers' margin	percent	30%	115.35	123.08%

Ghana

Table 12: Summary of calculated mark-ups for selected medicines

Item	Public procurement	Public patient charge	Private patient charge	Mission patient charge
Ciprofloxacin 500mg tab	25.00%	233.33%	387.59%	122.22%
Nifedipine retard 20mg tab	4.11%	177.78%	216.53%	185.71%
Cotrimoxazole suspension	53.88%	246.26%	27.35%	66.67%
Glibenclamide 5mg tablet	16.67%	233.33%	150.00%	106.25%



An “inclusive” debate

- Must ensure that policies for improving “public health” or “development” do not stifle innovation
- Thus, dialog among IP experts and those *creating* intellectual property is vital, especially with creators of IP in developing and least-developed countries
- Look at realities, not ideology



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