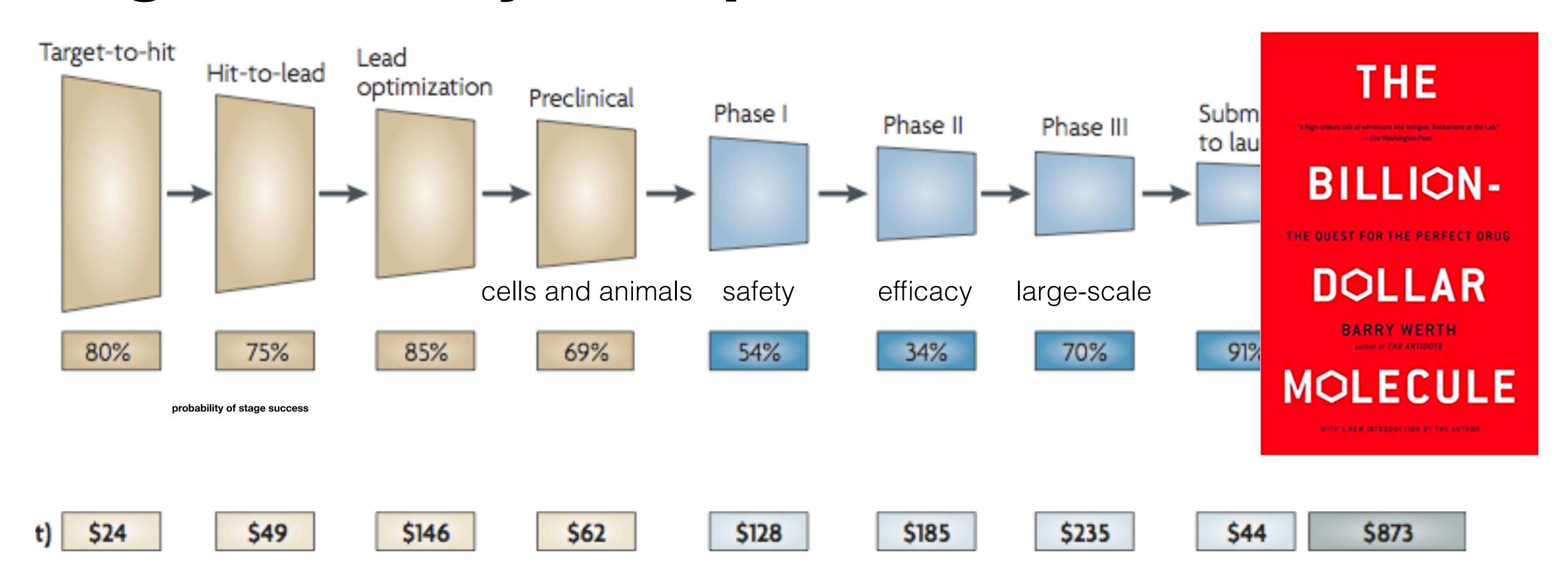
## 9/14/2022 Access to Medicines

- In this module, we will discuss
  - the pharmaceutical industry business model
    - how are drugs discovered?
    - how does it make money?
  - impact of the model on
    - research priorities
    - access to medicines
- Then we will talk about access to COVID-19 vaccines and the TRIPS waiver

## Drug discovery is expensive and often fails



Paul et al. Nat. Rev. Drug Disc. 9:203, 2010. Chodera et al. Curr. Opin. Struct. Biol., 21:150, 2011.

# Intellectual property

- Research and development much more expensive than manufacturing
- Income from drug sales
- How do we incentivize R&D (opposed to making old drugs)?
- Patents
  - must be novel, non-obvious, and useful. usually true for drugs.
  - provide monopoly on legal sales for a temporary period (in the U.S., 20 years from earliest filing)
  - need to be filed in country-by-country

## Market failures

- The current business model has paved the way for many medical advances
- However, there are major problems with
  - costs
    - for new drugs can be exorbitant, as drug makers can charge whatever they want
    - the model does not maximize access to medicines, particularly for developing countries and for poor- or middle-class people in rich countries
  - research directions
    - on profitable (erectile dysfunction and hair growth) opposed to essential medicines
    - little research in
      - rare diseases
      - diseases that primarily affect the developing world, e.g. malaria, tuberculosis,
        Chagas disease, river blindness, cholera (2% of R&D on diseases that affect 1/6 of the world's population)

# Addressing market failures?

- A global R&D agreement
  - Funding commitment to invest in R&D based on public health needs not profit
  - Financing research without relying on patents and high prices
  - Sharing knowledge between researchers
- Discuss: How else could market failures be addressed?
- https://vimeo.com/144622081

# Access to COVID-19 vaccines

- COVID-19 vaccines are effective, and the mRNA vaccines are the most effective vaccines known
- Why haven't more people been vaccinated?
  - Production limits
    - supplies
    - producers
      - IP protections addressed by TRIPS waiver
      - Practical knowledge
  - Distribution
    - purchased by governments
    - U.S. has several times more doses than population, but other countries don't have enough
  - Hesitancy/refusal

# Trade-Related Aspects of Intellectual Property Rights (TRIPS)

- International legal agreement between all WTO members (most of the world) in effect since 1995
- Minimum standards of IP protection, including
  - Patents must be granted for "inventions" in all "fields of technology" provided they meet all other patentability requirements (although exceptions for certain public interests are allowed (Art. 27.2 and 27.3)[9] and must be enforceable for at least 20 years (Art 33).
  - Copyright must be granted automatically, and not based upon any "formality", such as registrations, as specified in the Berne Convention. (Art. 9)

https://en.wikipedia.org/wiki/

TRIPS\_Agreement#:~:text=The%20Agreement%20on%20Trade%2DRelated,World%20Trade%20Organization%20(WTO) <a href="https://www.wto.org/english/tratop\_e/trips\_e/intel2\_e.htm">https://www.wto.org/english/tratop\_e/trips\_e/intel2\_e.htm</a>

## TRIPS Waiver Process

- 10/2020 India & South Africa sought waiver for patents, trade secrets, copyrights, and industrial designs related to COVID-19 vaccines, diagnostics, and therapeutics [1]
- 12/2021 Quadrilateral discussions with US & EU [2]
- 3/2022 Draft waiver [2]
- 6/2022 Agreement [3] for Low- and middle-income countries to
  - Temporarily (5 years) waive protections on COVID-19 vaccine patents
  - No waiver for trade secrets, copyrights, and industrial designs
  - Push back a decision on treatments and tests by six months

# TRIPS Waiver Response

- "It is hard to imagine anything with fewer benefits than this, as a response to a massive global health emergency." James Love, the director of Knowledge Ecology International [3]
- "A slap in the face for Pharmaceutical manufacturing firms [in Least Developed Countries]" because WTO "refused to grant an unconditional waiver beyond the next five years" [4]
- PhRMA statement on the TRIPS Waiver Agreement [5]
  - "Vaccine manufacturers have produced more than 13 billion COVID-19 vaccine doses and built capacity to vaccinate everyone in the world... last-mile distribution challenges are causing countries around the world to destroy unused vaccines and turn away donations."
  - "gave away valuable American technologies to foreign competitors, undermining the millions of American jobs supported by our industry."

## References

- [1] <a href="https://www.monitor.co.ug/uganda/business/prosper/trips-agreement-a-slap-in-the-face-for-pharmaceutical-manufacturing-firms-3923634">https://www.monitor.co.ug/uganda/business/prosper/trips-agreement-a-slap-in-the-face-for-pharmaceutical-manufacturing-firms-3923634</a>
- [2] https://www.fasken.com/en/knowledge/2022/06/breaking-news-from-the-wto-limited-trips-waiver-for-covid-19-vaccines
- [3] <a href="https://www.devex.com/news/wto-finally-agrees-on-a-trips-deal-but-not-everyone-is-happy-103476">https://www.devex.com/news/wto-finally-agrees-on-a-trips-deal-but-not-everyone-is-happy-103476</a>
- [4] <a href="https://www.monitor.co.ug/uganda/business/prosper/trips-agreement-a-slap-in-the-face-for-pharmaceutical-manufacturing-firms-3923634">https://www.monitor.co.ug/uganda/business/prosper/trips-agreement-a-slap-in-the-face-for-pharmaceutical-manufacturing-firms-3923634</a>
- [5] <a href="https://phrma.org/resource-center/Topics/Trade/PhRMA-Statement-on-the-TRIPS-Waiver-Agreement">https://phrma.org/resource-center/Topics/Trade/PhRMA-Statement-on-the-TRIPS-Waiver-Agreement</a>