

ACCESS TO MEDICINES AFTER TRIPS

Is compulsory licensing an effective mechanism to lower drug prices? A review of the existing evidence



ABOUT ME

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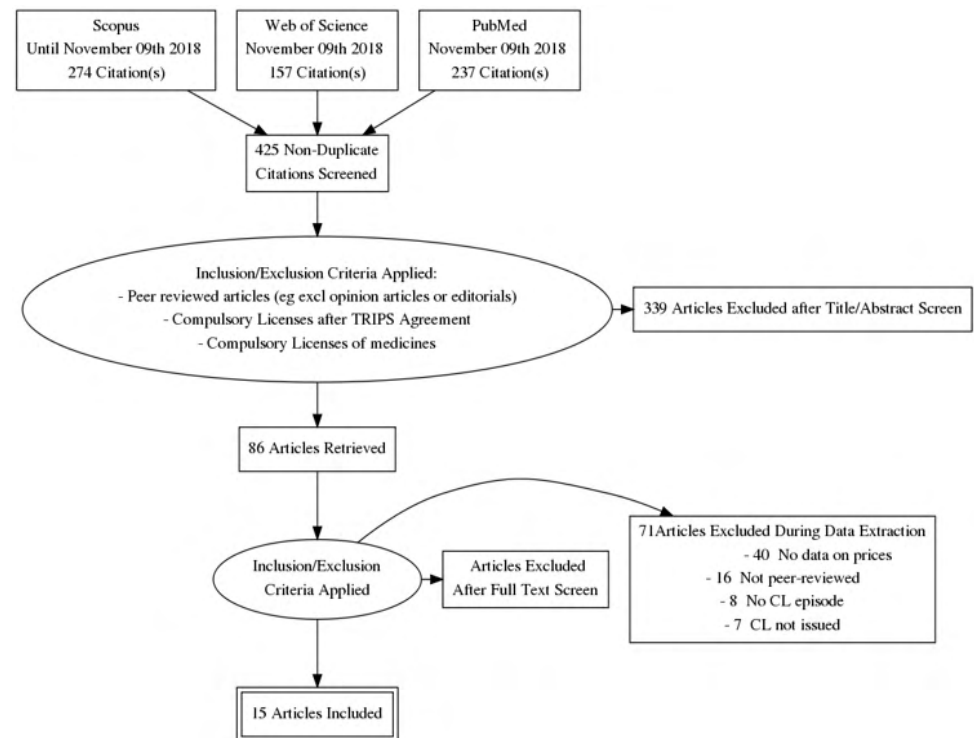
CONTEXT

- Patent protection usually translates into higher prices
- Trade Related Aspects of Intellectual Property Rights (TRIPS) made patent protection for pharmaceuticals required to all WTO members
- TRIPS included provisions to promote access, including compulsory licensing
- To what extent is the use of compulsory licensing effective in improving access to medicines?

METHODOLOGY

Systematic search

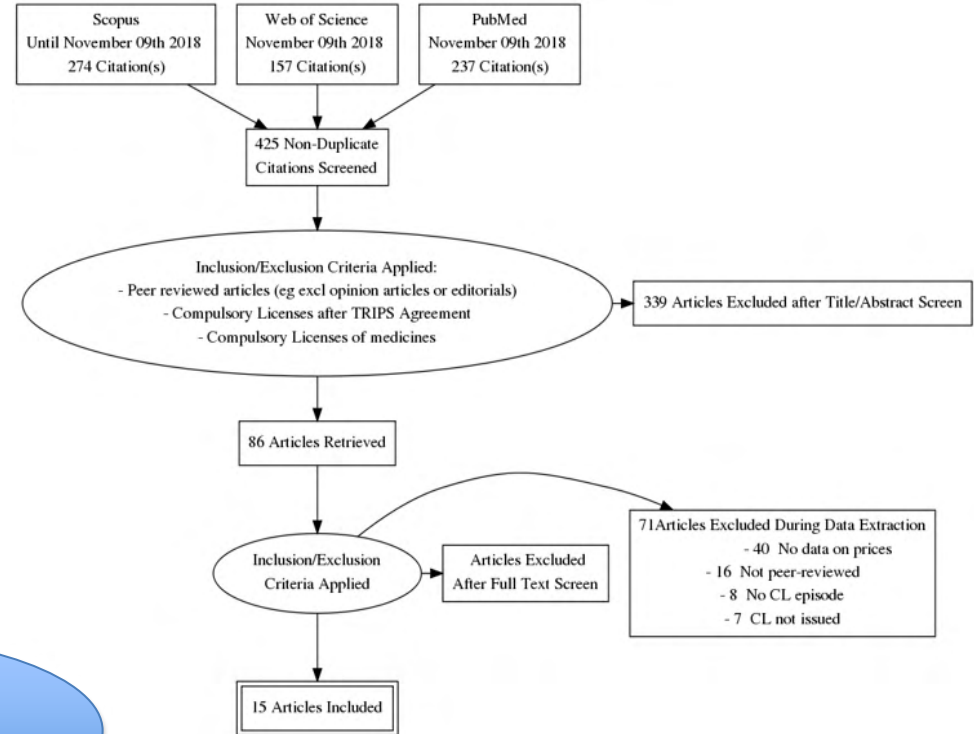
- Web of Knowledge, PubMed and Scopus
- CL granted after TRIPS
- Price data available



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24 CL events (16 drug formulations)
8 countries

RESULTS

Conflicting evidence

- Beall et al. (2015) reports a CL in Brazil (Atazanavir) that never happened
- Price discrepancies up to 5.000% (Lamivudine+Nevirapine+Zidovudine, Canada/Rwanda)
- No information on price component (e.g. landed price, wholesale selling price, retail price or dispensed price)

RESULTS

CL leads to price reductions

- Mean price reduction: 66.2% - 73.9%
- Minimum 6.7%
- Maximum 98%

RESULTS

Importing the CL drug leads to lower prices

- mean price reduction of imported medicines (n=15): 67.1% - 79.4%,
 - 71% - 85.2% if Atazanavir/Brazil is removed
- mean price reduction of drugs manufactured locally (n=10): 65%-66.8%

WHAT DO THESE RESULTS MEAN?

Compulsory licensing is indeed an effective mechanism to achieve price reduction of patented medicines, but

- It is not possible to say if CL delivers the best outcome possible in relation to affordability
- Some studies suggest that alternative approaches such as price negotiations and voluntary licensing agreements are more effective

IS CL ONLY ABOUT PRICE?

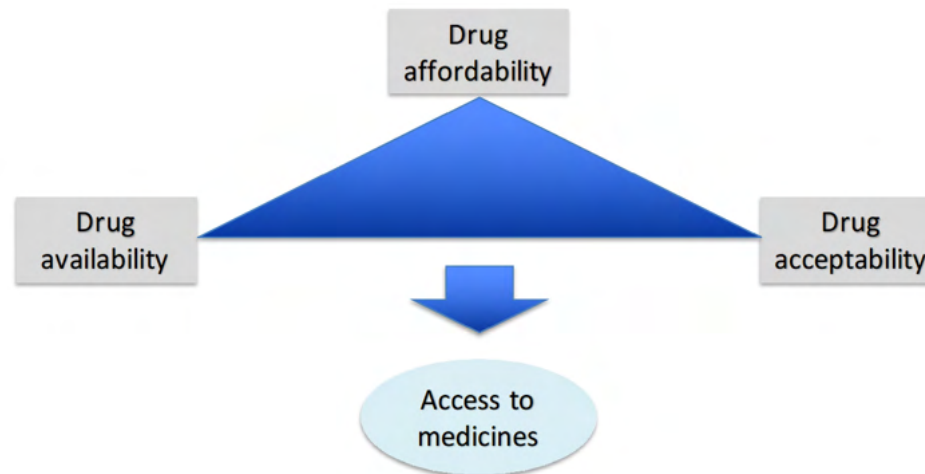
- Price negotiations and VL agreements are not open to all
- Manufacturing/technological capacity is an essential resource
 - CL can be an instrument of industrial policy

IS CL ONLY ABOUT PRICE?

Price negotiations and VL agreements are not open to all

- Manufacturing/technological capacity is an essential resource
- CL can be an instrument of industrial policy

Access to medicines is not about prices only either



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IMPLICATIONS FOR POLICY

Discussion around CL must go beyond prices

- It might be acceptable to pay (slightly) more to foster local capacity
- But transparency is essential
 - Many CL events (n=11) are not based on official sources
 - 50+ CL events for which no price data is available

IPR framework

- CL framework still infections-disease centred
- Stricter criteria => no need for CL to begin with (e.g. tenofovir in India x Brazil)

Industrial policy