

# ICORD CONFERENCE

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## Commission on Intellectual Property Rights, Innovation and Public Health (CIPRH)

- “...where the market has very limited purchasing power, as is the case for diseases affecting millions of poor people in developing countries, patents are not a relevant factor or effective in stimulating R&D and bringing new products to market...For developing countries where the demand is weak – not the need — there is little incentive to develop new or modified interventions appropriate to the disease burden and conditions of the country” (p. 34-36).

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- Alternative schemes to promote pharmaceutical innovation

# Market exclusivity

- “Orphan drug” scheme- US Orphan Drug Act of 1983.

- Direct State subsidies



# Prizes for the development of medicines

- “The international community could get together and say we will provide a prize for those who come up with a vaccine or cure for the kinds of diseases that afflict those in developing countries. With that prize there would be incentives for drug companies and researchers all over the world... But then, once the cure or the vaccine has been developed, we would use the force of the competitive marketplace” (Joseph Stiglitz, 2007)

# Advance purchase commitment

- guarantees the future purchase of certain quantities of a product to be developed at an agreed price, with further reduction after a period of time.
- best scenario: a molecule has already been identified and the risk involved in R&D is relatively low

# Open source schemes

- Identification of new candidate molecules
- Early phases of the R&D cycle of pharmaceuticals



# Public-private partnerships

- Drugs for Neglected Diseases initiative (DNDi)



# WHO Working Group (WG)

- Voluntary business and consumer contributions
- Taxation of repatriated pharmaceutical profits

# WHO WG: Indirect tax

- A 10% tax on the arms trade market (about \$5bn per annum).
- Digital tax or 'bit' tax: Internet traffic.
- Tax on bank account transactions (0.38%)
- Airline tax (around \$660m over 2 years)

- What role for R&D institutions in developing countries?



The background is a solid teal color. In the lower half, there is a faint, semi-transparent image of two hands shaking, symbolizing an agreement or treaty. The text is centered in the upper half of the image.

International treaty on medical research, a basis for sustainable funding for R&D in pharmaceuticals?