

THE PATENT SYSTEM IS A BOTTLENECK FOR MEDICINES



INVESTMENT

RESEARCH

PATENTS

REGULATORY

SUPPLIERS

DELIVERY

ACCESS

Investors see patents as a signal of value, so patents can influence the direction of innovation. When patents are improperly granted on trivial inventions, as in the case of Theranos, they can reduce research investments targeting important health advances.

When filing patents, drugmakers cast the widest net possible to fence off research in a particular area. For example, a patent on the main compound of the cancer drug Imbruvica covered more than one hundred possible uses of the drug.

The Patent System is a bottleneck to getting lifesaving medicines to the people who need them

The FDA requires biosimilar and generic manufacturers to clear all patent litigation before approving a drug for marketing. Litigation is often used by drugmakers to delay or block entry of competing FDA approved products, such as the 7 year delay for Humira.

When generic competitors get tied up in patent disputes with branded companies, prices stay high. For antipsychotic drug Latuda, five generics were blocked for at least two years due to patent disputes, keeping the price at \$1,620 instead of the \$90 Canadians are paying.

“Product hopping” is a tactic used by drugmakers to block generic competition. Suboxone is a drug for opioid addiction recovery. As exclusivity was ending on the tablet, the drugmaker introduced a dissolvable film formulation to block the generic tablet from being used.

A single drug can be protected by more than 100 patents. These “patent walls” block competition and keep prices high for longer than the 20 years intended by law. The cancer drug Revlimid has 109 patents and has delayed competition for at least a decade.



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We won't fix the drug pricing crisis until we solve the drug patent problem.