



# **Intellectual Property Monopolies Block Vaccine Access**

Tust before the World Health Assembly (WHA) in 2020, an 18 May open letter by world leaders and experts urged governments to ensure that all COVID-19 vaccines, treatments and tests were patent-free, fairly distributed and available to all, free of charge.

#### **Pious Promises**

Leaders of Italy, France, Germany, Norway and the European Commission called for the vaccine to be 'produced by the world, for the whole world' as a 'global public good of the 21st century', while China's President Xi promised that a vaccine developed by China would be a 'global public good'.

The United Nations Secretary-General also <u>insisted</u> on access to all when

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available. The WHA <u>unanimously</u> <u>agreed</u> that vaccines, treatments and tests were global public goods but was <u>vague</u> on the implications.

As COVID vaccines become available, nearly seventy poor countries would be left out. Many more people would be infected and might die without vaccinations, warned the People's Vaccine Alliance, which advocates equitable and low-cost access.

As the rich and powerful secured access, poor countries would <u>leave</u> out most people, as only one in ten could be vaccinated in 2021, making a mockery of the Sustainable Development Goals' overarching principle of 'leaving no one behind'.

## Waiving WTO Rules

The authors of 'Want Vaccines Fast? Suspend Intellectual Property Rights' argued that IPRs were the main stumbling block. Meanwhile, South Africa and India proposed that the World Trade Organization (WTO) temporarily waive its Trade-Related Aspects of Intellectual Property Rights (TRIPS) rules limiting access to COVID-19 medicines, tools, equipment and vaccines.

The proposal—welcomed by the WHO Director-General and supported by nearly 100 governments and many civil society organisations around the world—went beyond the Doha Declaration's limited flexibilities for national emergencies and circumstances of extreme urgency.

But Brazil, one of the worst-hit countries, opposed the proposal, together with the US, the EU, the UK, Switzerland, Norway, Canada, Australia and Japan, insisting that the Doha Declaration was sufficient.

## The Empire Fights Back

The US insisted that IP protection was best to ensure 'swift delivery' while the EU claimed there was 'no indication that IPR issues have been a genuine barrier ... to COV-ID-19-related medicines and technologies'; the UK dismissed the proposal as 'an extreme measure to address an unproven problem'.

The Federation of Pharmaceutical Manufacturers and Associations Director-General claimed it 'would jeopardize future medical innovation, making us more vulnerable to other diseases', while *The Wall Street Journal* denounced it as 'A Global Covid Vaccine Heist', warning that 'their effort would harm everyone, including the poor'.

Citing AstraZeneca's agreement with the Serum Institute of India (SII) and Brazilian companies, other opponents asserted that voluntary mechanisms should suffice, insisting that the public-private COVAX initiative ensured fair and equitable access.

But the <u>US refused to join COVAX</u>, part of the WHO-blessed, donor-funded Access to COVID-19 Tools Accelerator (<u>ACT-A</u>), which was ostensibly committed to 'equitable global access to innovative tools for COVID-19 for all'.

## **Intellectual Property Fraud**

The Doha Declaration covers only patents, ignoring proprietary technology that could safely manufacture vaccines. Meanwhile, there was not enough interest, let alone capacity, among leading pharmaceutical companies to produce enough vaccines safely and affordably for everyone before 2024.

Despite the Doha Declaration, developing countries were still under great pressure from the EU and the US. The rules allowing 'compulsory licensing' are very restrictive, with countries required to separately negotiate contracts with companies for specific amounts, periods and purposes, deterring and thus often bypassing those with limited financial and legal capacities.

South Africa cited the examples of Regeneron and Eli Lilly, which had already committed most of their COVID-19 antibody cocktail drugs to the US. In India, Pfizer legally blocked alternative pneumococcal vaccines from Médecins Sans Frontières (MSF). In South Korea, Pfizer forced SK Bioscience to stop producing its pneumococcal conjugate vaccine (PCV).

To be sure, <u>patents are not necessary for innovation</u>, with the *Harvard Business Review* showing that IPR law actually <u>stifles it</u>. Meanwhile, *The Economist* has condemned <u>patent trolling</u>, which has reduced venture-capital investment in start-ups and R&D spending, especially by small firms.

#### **Public Subsidies**

Like most other life-saving drugs and vaccines, COVID-19 vaccines and treatment technologies owe much to public investment. Even the Trump administration provided USD 10.5 billion to vaccine development companies.

Moderna's vaccine emerged from a partnership with the National Institute of Health (NIH). Research at the NIH, Defense Department and federally funded university laboratories were crucial for rapid US vaccine development.

Pfizer received a <u>USD 455 million German government grant</u> and nearly USD 6 billion in US and EU purchase commitments. AstraZeneca received more than <u>GBP 84 million</u> (USD 111 million) from the UK government, and more than USD 2 billion from the US and EU for research and via purchase orders.

But although public funding for most medicine and vaccine development is the norm, Big Pharma typically keeps the monopoly profits they enjoy from the IPR they retain.

## Voluntary Mechanisms Inadequate

COVAX sought to procure two billion vaccine doses, to be shared 'equally' between rich and poor countries, but reserved only 700,000 vaccine doses, while the poorest countries, with 1.7 billion people, could not afford a single deal. Meanwhile, rich countries secured six billion doses for themselves.

Thus, even if and when COVAX procured its targeted two billion vaccine doses, less than a billion would go to poor countries. If the vaccine required two doses, as many—e.g., <u>Gavi</u>, the Vaccine Alliance—then assumed, this would only be enough for less than half a billion people.

Meanwhile, ACT-A's diagnostics work sought to procure 500 million tests, only a fraction of what was required. Even if fully financed, which was not the case, this was only a partial solution at best.

But with the massive funding shortfall, even these modest targets would not be reached. By December 2020, only USD 5 billion of the USD 43 billion needed for poor countries in 2021 had been raised.

## **Profitable Philanthropy**

As of mid-October 2020, while eighteen generic pharmaceutical companies had signed up, not a single major drug company had joined WHO's COVID-19 Technology Access Pool (C-TAP) to encourage industry contributions of IP, technologies and data to scale up worldwide sharing and production of all such needs.

Meanwhile, a <u>few companies had</u> 'voluntarily' given up some IPR, if only temporarily. Moderna promised to license its COVID-19 related patents to other vaccine manufacturers and not enforce its own patents. But its pledge was limited, allowing it to enforce its patents 'post pandemic', as defined by Moderna.

Besides profiting from licensing in the longer term, Moderna's pledge would enable it to grow the new mRNA market its business is based on, by establishing and promoting a transformational drug therapy platform, yielding gains for years to come.

AstraZeneca announced that its vaccine, researched at Oxford University, would be available at cost in some locations, but only until July 2021. Meanwhile, Eli Lilly agreed, with the Gates Foundation, to supply—without demanding royalties from low- and middle-income countries—its (still experimental) COVID-19 antibody treatment, but did not specify how many doses.

Indeed, as Proudhon warned almost two centuries ago, 'property is theft'.

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