

Bitter US pill on drug patents

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New Delhi, Feb. 8: The US Chamber of Commerce has advised its government to ratchet up pressure on India over intellectual property rights and prevent it from producing cheap generic versions of medicines under patent protection.

In a recommendation to the United States Trade Representative (USTR), the chamber requested it to label India as a Priority Foreign Country, a tag which is given to the worst offenders of patent rights. The only country on the list is Ukraine.

The tough stance, also backed by the US Pharmaceutical Research and Manufacturers of America, would trigger a stringent monitoring of India's trade and practices on intellectual property rights (IPR).

The Indian pharma industry as well as government officials believe the real cause of the US ire is New Delhi's move to review patented drugs by MNCs to allow the manufacture of low-cost, generic versions of drugs for the treatment of life-threatening diseases such as cancer, diabetes, hepatitis and HIV.

director of Reelabs India and former co-founder of Pean Care Pharma said, "We won't be impacted by their measures. Indians have now become generic drug manufacturers in the US. We know how to handle these pressures."

Reelabs works on stem-cell therapy for neuro-degenerative and bone and cartilage disorders and holds 15 patents for stem-cell applications. India, along with China, Russia, Argentina and Egypt, is already on the US government's priority watch list, which ensures that its IPR practices are closely monitored by the USTR for possible

CHAIN REACTION

US chamber's proposal: Label India as a Priority Foreign Country

What does it mean: It's a tag for the worst offenders of patent rights

Possible impact: More strict monitoring of India's intellectual property practices
retaliatory action. The downgrade would mean a stricter watch and more threats for litigation.
The recommendations, which were due by Friday were for a document known as a

Special 301 Report prepared annually by the office of the USTR.

In its submission, the Chamber of Commerce said, "We highlight India as a country with particular challenges with respect to intellectual property protections."

"Because India has not shown a record of engagement on these issues and the environment has deteriorated significantly since last year, we are now recommending that India be designated a Priority Foreign Country," it said.
Analysis point out that the Indian drug market is expected to be worth \$25-30 billion by 2017, making it the 11th largest in the world, according to IMS Health. India exports drugs worth \$20 billion.
The US has been unhappy over what it considers India's "misuse" of intellectual property laws to build its domestic industry at the expense of US innovators.
In December last year, Bayer's chief executive officer Martin Dalkers had said his firm had not developed a cancer medicine for Indians. We developed it for western patients who can afford it," US drug giant Pfizer last year suffered a setback with

the Supreme Court letting rival Indian drug makers sell generic versions of its kidney cancer drug Sutent.

This prompted Senator Max Baucus to write a letter to the US Secretary of State John Kerry in June last year, saying, "The misuse of patent law to hand US intellectual property to Indian companies is inconsistent with India's international obligations."
The recommendation by the US chamber comes close on the heels of the US Federal Aviation Administration downgrading India's aviation safety rating to Category 2 last month.

Patent