

## IN PERSPECTIVE

# Medicines for rich patients only?

Cost of medicines is the most debated topic even among civil society members and several heads of governments.

By Gopal Dabade

Modern medicines play an important role in saving lives and also in improving quality of life. Not many know that vast majority of people do not have access to life saving medicines. There exist many reasons for this, the most important being high cost of medicines. It might surprise most to know that the cost of medicines is the most debated topic not only among international business community members but even among civil society members and several heads of governments. Why does drug pricing attract such huge attention? Primarily because unlike other commodities in the market, the same drug in the same dose when manufactured and sold by two different companies shows huge, unbelievable price differences.

Let it be made clear by giving an example. The drug 'Sorafenib' sold under its trade name 'Nexavar' manufactured by the Germany based multinational drug company Bayer costs Rs 2.8 lakh per month for a person, whereas exactly the same drug when manufactured by the Hyderabad based Indian generic drug company Natco Pharma Limited, sold under its trade name 'Sorafenat' costs Rs 8,800 per month for a person. A huge price difference of 97 per cent! It should be noted here that the Indian generic company is also making a good profit.

Many times, the news that medicines can be made available at such affordable price has spread globally like wildfire because most governments (both developing or developed) are trying to examine as to how health-care can be made affordable. Much credit for this effort should go to the Indian generic industry. People were delighted that medicines can now be made easily available and thus more lives could be saved. But the joy was short lived because Bayer was perceptibly upset. Its chief executive officer (CEO), Marijn Dekkers issued a statement that stunned the world. He said "We did not develop this medicine (Nexavar) for Indians," adding, "We developed it for western patients who can afford it." Dekkers further called the Indian regulator's action as "essentially theft."

### Everything wrong

This statement of Bayer chief was shot down by Doctors Without Borders (Medicines Sans Frontiers - MSF) by saying that

it summed up everything that was wrong with the multinational pharmaceutical industry. MSF is an independent international medical humanitarian organisation that delivers emergency aid in more than 65 countries to people affected by armed conflict, epidemics, natural or man-made disasters or exclusion from healthcare.

Not only Bayer but all the multinational drug companies of Europe and America stood up and brought pressure on the American government to trouble Indian government with regard to India's Intellectual Property Laws. Just look at this: The US International Trade Commission (USITC) has launched an investigation to examine a wide range of Indian policies that discriminate against US trade and investment. This investigation on 'Trade, investment and industrial policies in India: Effects on the US Economy' was requested jointly by the Senate committee on finance.

Why was all this happening? To get an answer to this question we need to know about Bayer and the drug Nexavar. Bayer is globally present with companies in almost every country all over the world. Its financial powers are just beyond anyone's imagination. In fiscal year 2012, Bayer employed 110,000 people and had sales of €39.7 billion. The medicine Sorafenab has been found to be useful in treating cancer of kidney and liver. The drug was discovered by Bayer and has been patented in most countries all over the world including India in the year 2008. So Bayer held the absolute power to dictate the price of the drug till 2020. But on March 9, 2013 the government of India's patent office at Chennai (IPAB - Intellectual Property Appellate Board) issued Compulsory Licensing (CL) breaking the monopoly of Bayer.

This meant that drug could be manufactured by another company even though Bayer had patents. It is this in particular that has annoyed Bayer. Is it wrong for India to do this? An emphatic "No" says an article in the prestigious medical magazine *Lancet* of February 2014 titled, "The political origins of health inequity: prospects for change". It says "The Sorafenib case is not only a story of one drug and one country's patent law, but also a flashpoint in a long-running global political contest over how certain types of health-related knowledge are produced, and who benefits. Even countries that traditionally embrace strong intellectual property rights at times use the threat of a compulsory licence, as the USA did in 2001 for drugs against anthrax".

But then why is US bullying India now? When will the Big Brother change?

Princy.