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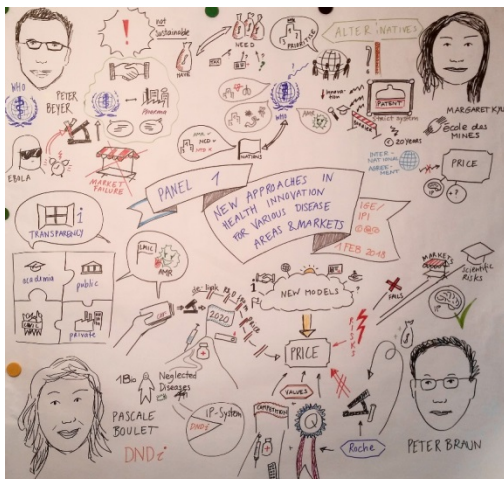
## Retrospection on the stakeholder discussions on innovation, availability and affordability of medical products at IPI on 1 February 2018

On 1 February 2018, two panel discussions on innovation, availability and affordability of medical products took place at the IPI. The objective of the stakeholder discussions was to assist in particular the various agencies from the Swiss administration, to better understand the different scenarios in order to define Switzerland's priorities in these topics in relevant international fora.



The central question to the discussions was whether there is a discrepancy between health innovation, based on the intellectual property incentive system, and the affordability and availability of medical products or whether a more differentiated view was needed.

**THE FIRST PANEL** looked at the pros and cons of the current innovation system and



how gaps in the innovation system could be addressed to better respond to different types of diseases while catering to various markets and patient segments.

**Peter Braun (Roche)** pointed out that the success of the research-based pharma-

ceutical industry can be attributed to a predictable and stable system and intellectual property (IP) as a platform for drawing big investments. For Peter Braun, the challenge lies in making these innovations available to as many people as possible. Hereby IP only plays a small role within this challenge. He said that there is a need for countries to prioritise their public health systems. When talking about access it is

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important to consider the public awareness of an infectious disease, the diagnostic capabilities in place, the existing healthcare capacities to address the disease as well as access to healthcare itself.

**Pascale Boulet (DNDi)** presented the Drugs for Neglected Diseases initiative (DNDi) as an accessible approach for

*DNDi is as an accessible approach for helping to close the treatment gap.*

helping to close the treatment gap of the approximately one million people affected each year by neglected tropical diseases (NTDs). DNDi aims to develop 16-18 new treatments by 2023. It is funded by a variety of institutions, governments, non-profits and private foundations. Currently, DNDi is aiming at developing new, effective and safe treatments for diseases such as Chagas disease, paediatric HIV, and hepatitis C. The organisation has also moved into the field of antimicrobial resistance (AMR), working with WHO, as there is a lack of research in this area.

The challenge for **Peter Beyer (WHO)** is how to create a system that is sustainable and attracts sufficient funds for developing new antibiotics and medical products to treat neglected tropical diseases (NTDs) in

the long run. For companies the antibiotic

**How can a larger amount of the public healthcare budget be diverted to areas that have so far been neglected?**

market isn't very attractive as there is generic competition, treatment courses are short and new antibiotics should be used conservatively to preserve them as long as possible. According to Beyer, there is a lot of money available in the current system for spending on certain areas of public health. Switzerland, for instance, spends approximately 78 billion USD per year on public health spending. If just 1 billion USD went towards neglected research areas, this would make a big difference. The question is how these funds can be diverted to areas that have so far been neglected.

**Margaret Kyle (École de Mines, Paris)** said that the patent system as an incentive system works for some areas but not for others, such as NTDs. According to Kyle, too

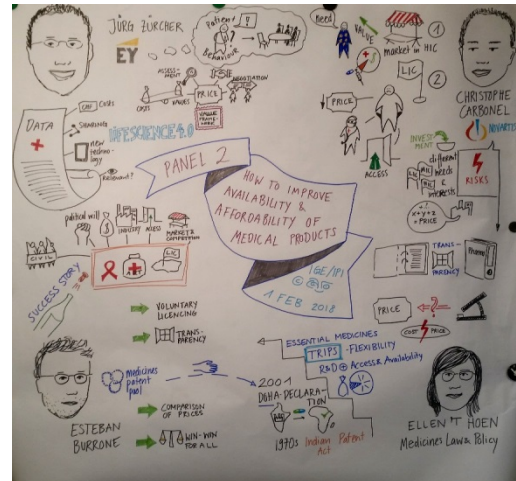
**Patents receive too much credit for innovation and too much blame when it comes to access.**



much attention is put on the use of patents. In other words, they receive too much credit for innovation and too much blame when it comes to access.

While Kyle supports the use of patents as a "blunt policy tool", she is not convinced of granting secondary patents for innovation, as they can inhibit generic entry. Kyle also

questions whether patents are necessary for academic research and the implications they could have for future technologies wanting to make use of patented research tools. The questions are how the system can be fixed for areas in which patents do not work and how all institutions and stakeholders can be brought to work together.



**THE SECOND PANEL** looked at how the availability and affordability of medical products could be improved. Different concepts for improving the availability and affordability of medical products in different markets were looked at as well as how these concepts differ between more mature markets and low-income markets. Further, value-based drug pricing and the link between R&D and prices was also discussed.

**Esteban Burrone (MPP)** and **Ellen 't Hoen (Medicines Law and Policy)** underlined the astronomical progress in the field of HIV and how this experience can be used as a precedent for other disease areas. Exemplary for achieving improved availability and affordability of medical products has been patent pooling, in particular through the Medicines Patent Pool's (MPP) work in



the area of HIV. Currently there is an attempt to replicate the MPP's success model to cancer. However, it was also stressed that such charity models have their limitations as the cooperation between the various stakeholders operates

***Charity models have their limitations as the cooperation between the various stakeholders operates on a voluntary basis – new & innovative solutions are needed.***

on a voluntary basis. Hence the importance of creating new and innovative solutions to improve the availability and affordability of medical products.

For **Ellen 't Hoen** the use of TRIPS agreement's flexibilities is still of primordial importance for bringing down the prices of medical products. The use of these flexibilities should be supported. According to 't Hoen there have been various attempts by

***The use of the TRIPS flexibilities is of primordial importance for gaining access to affordable medical products.***

the pharmaceutical industry as well as certain high-income countries to undermine these efforts. Free trade agreements containing so-called "TRIPS-plus" provisions constituted a further hindrance to these flexibilities.

According to **Christoph Carbonel (Novartis)**, the availability and affordability questions largely vary between more mature markets and low-income markets. He

***The "value requirement" should be harmonised.***



spoke in favour of managed entry agreements as these allow addressing a large variety of payers with different perspectives while allowing for R&D investments in global markets. Carbonel advocated for harmonising the "value requirement" by referring to a new regulation by the EU ([Directive 2011/24/EU](#)).

**Peter Braun (Roche) and Christoph Carbonel (Novartis) both** clarified that prices of medical products are value-driven. They clearly stated that there is no link between the cost of R&D and final product prices.



They strongly advocated for more differentiated and nuanced pricing mechanisms

***There's no link between R&D and prices***

that reflect the value of the medicine itself.

**Jürg Zürcher (EY)** underlined that for reaching new solutions unnecessary barriers need to be removed and the focus needs to be put on improving the patients'

***Access to data will help remove barriers to access.***

health. Access to data will help to remove barriers to access and give the consumers more power to take influence on the prices of medical products.

