## 1

#### CP: Member nations of the WTO should create a two-part hybrid scheme to protect clinical data as Gulatta describes.

Gulatta, Lea M. 2018 “**Pharming Out Data: A Proposal for Promoting Innovation and Public Health through a Hybrid Clinical Data Protection Scheme.” https://eds.a.ebscohost.com/eds/detail/detail?vid=1&sid=db4adde5-9f42-4248-8469-6510e5a1cb52%40sdc-v-sessmgr02&bdata=JnNpdGU9ZWRzLWxpdmU%3d#AN=134133646&db=a9h**

As such, this Note proposes a two-part, hybrid scheme to protect clinical data. **First, the originator company receives one year of traditional data exclusivity after obtaining marketing approval, during which no generic manufacturer may rely on the originator’s data. After the year is up, a cost-sharing system takes over, allowing generic competitors to rely on the originator’s data for a price proportionate to the actual cost of generating the data.274 The cost-sharing system endures for an additional four years, at which point the data become publicly available to anyone.** The first stage functions much as data exclusivity currently functions under TRIPS and other similar agreements. The beneficiary of the exclusivity does not need to take any affirmative action in order to receive protection. Rather, exclusivity attaches automatically, with each country’s regulatory agency prohibited from giving approval to a competitor drug that relies on the originator data for a period of one year. **The benefits of this are** twofold—**first**, **it is a system with which developed countries are already familiar, and to which they are partial. Second, providing a standard, nonnegotiable period of protection would assure pharmaceutical companies that they would have at least a year to recoup costs without significant competition on the market. Given that most pharmaceutical companies are located in powerful, industrialized nations, it is important to have them on board to implement any new global sch**eme. The second phase, cost sharing, requires a generic company to fairly compensate the originator company for the right to rely on its data**. In order to accomplish “fair” compensation, the originator company must document its actual costs incurred to generate the data, and disclose those costs to the national regulatory agency**. To best facilitate the process, originator companies must provide these disclosures with their materials for initial market approval. In that way, any disputes over expenditures may be able to be resolved before the cost-sharing period begins, allowing efficient entry of generic products into the market. Once the cost is disclosed and the cost-sharing period commences, any generic company wishing to rely on the originator data must pay a portion of that cost. The cost to share in the data depends on the size of the market the generic company plans to enter, and the number of generic competitors relying on the data. To illustrate, assume a company obtains approval to market a drug.275 It discloses that it spent $100 million to generate the data needed to bring the drug to market. If a generic competitor wanted to rely on that data to market a drug in Saudi Arabia, which represents 1 percent of the global pharmaceutical market,276 it must pay 1 percent of the originator company’s costs spread out over the four-year costsharing period—$1 million in total, or $250,000 per year. Now assume the same generic company wanted to market the drug in China, a country that comprises 10 percent of the global market. The generic manufacturer would be responsible for paying 10 percent of the originator’s costs, amounting to $10 million in total, or $2.5 million each year. These costs would be defrayed both by additional generic competitors entering the market around the same time as the originator company, and by generic companies entering the market later in the four-year cost-sharing period. If a second generic manufacturer also enters the Saudi Arabian market relying on the originator company’s data, the annual costs for both generic companies are cut in half, because there is another actor to share the costs. Additionally, generic companies are only responsible for the annual payments: if a generic manufacturer entered the Saudi Arabian market two years into the cost-sharing period, it would only have to pay $500,000—for the remaining two years of the cost-sharing period at $250,000 annually—rather than the $1 million total fee. In order to ensure that originator companies are not needlessly overcompensated, there are additional caps on how much the originator may recoup. This Note proposes that once the originator company has recovered fifteen times what it cost to develop the drug, the cost-sharing period ends, even if that occurs before the typical fouryear term. A fifteen-fold return on investment is more than even the most successful pharmaceutical companies can boast currently—for example, in 2013, Pfizer, a large, US-based drug company, spent $6.6 billion on research and development, while its total revenue was $51.6 billion, less than an eight-fold return. 277 Such a cap would allow pharmaceutical companies to adequately compensate for research costs for products that did not make it to market. This hybrid system may seem novel, but it is not wholly unheard of. The United States uses a combination of data exclusivity and cost sharing for approval of agricultural chemicals in the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).278 Under FIFRA, covered chemicals receive ten years of exclusivity, during which the underlying data may not be relied on by other parties who want to register the same chemical with the Environmental Protection Agency.279 For the next ten years, generic competitors may rely on the originator’s data for a fee.280 This system has successfully been in place since 1975, and has generally run smoothly.281 **This proposed hybrid scheme has several benefits and resolves many outstanding issues with clinical data protection. Currently, clinical data is often protected longer than is truly necessary to recover costs and incentivize innovation.** Regardless of exactly how long it takes for a pharmaceutical company to begin to profit on a particular product, it is obvious that indiscriminately offering the same amount of protection to all clinical data necessarily means sometimes offering too much protection. **By offering a set period of pure data exclusivity followed by a tailored cost-sharing system, originator companies are only compensated as much as they need to be. Further, the burden of fairly compensating the originator is shared between multiple generic companies, eliminating monopolies and passing fewer costs to the consumer.** The cost to generic manufacturers to rely on the originators’ data is relatively modest when compared to the cost of developing a drug from start to finish, which can be as high as $53 million.282 Allowing generic companies affordable access to originator data after one year means generic drugs will make it to market much sooner and much more affordably than under the current system, increasing access to affordable and necessary medications in developing countries. And importantly, this scheme accomplishes all this with an easy-to-administer system through which the beneficiary need take no action other than properly disclosing its costs when applying for market approval. Some may argue that this system would lead to bad incentives for pharmaceutical companies. Just like lawyers may be tempted to run up legal costs if they get paid by the hour, drug developers may see a benefit to delaying drug development or spending more money than necessary in order to receive higher compensation from generic competitors for their clinical data. However, under the cost-sharing scheme, there is no real incentive to artificially inflate costs, because the originator company can only recoup up to fifteen times what it spent. The one-year data exclusivity period might allow the originator to recover some of the artificially high costs, but not enough to encourage companies to intentionally spend more money. There is also the additional pressure of the economic market—if a company spends an exorbitant amount during drug development, it will need to charge more for its product to ensure it will recover its costs. The originator company cannot rely entirely on the cost-sharing mechanism, because there is no guarantee that any generic company will want to rely on its data. Should a competitor enter the market without having to rely on the originator’s data, and the competitor is able to price its product more affordably, the free market will punish the higher-priced medicine. Additionally, clinical data protection essentially only applies to products that are successful. There is significantly reduced need to shield data that stemmed from a product that was ultimately never approved. Because so few compounds actually make it to market, pharmaceutical companies would be playing a very dangerous game if they chose to artificially inflate costs of developing all their drugs in the hopes of longer protection for the data generated in creating the rare successful drug.

#### Functionally competitive: it is possible to have data exclusivity with patent, the plan says it is one or the other. 2. text competitive: because generics pay, it increases on NB.

#### Solve the aff: a) increases access to generics proportionate to the market for generics. If people want the data, they’ll play for access. b) drug prices will go down because generic companies pay for data, letting innovation happen faster.

#### NB is innovation:

## 2

#### Orphan drug legislation is specifically key to stimulate research into rare diseases

Horgan et. al 20 D, Moss B, Boccia S, Genuardi M, Gajewski M, Capurso G, Fenaux P, Gulbis B, Pellegrini M, Mañú Pereira M, M, Gutiérrez Valle V, Gutiérrez Ibarluzea I, Kent A, Cattaneo I, Jagielska B, Belina I, Tumiene B, Ward A, Papaluca M: Time for Change? The Why, What and How of Promoting Innovation to Tackle Rare Diseases – Is It Time to Update the EU’s Orphan Regulation? And if so, What Should be Changed? Biomed Hub 2020;5:1-11. doi: 10.1159/000509272 [https://www.karger.com/Article/Fulltext/509272#](https://www.karger.com/Article/Fulltext/509272) //sid

The European Union’s (EU) Regulation (EC) No. 141/2000 on orphan medicinal products (OMPs) (referred to as “the regulation” in this paper) states that “patients suffering from rare conditions should be entitled to the same quality of treatment as other patients,” and concludes that “it is therefore necessary to stimulate the research, development and bringing to the market of appropriate medications by the pharmaceutical industry” [[1](https://www.karger.com/Article/Fulltext/509272#ref1)]. Rare diseases had already been identified as a priority area for Community action within the framework for action in the field of public health [[2](https://www.karger.com/Article/Fulltext/509272#ref2)], and the regulation’s stated aim is – “to provide incentives for the research, development and placing on the market of designated orphan medicinal products.” It set up a mechanism to ensure that “orphan medicinal products eligible for incentives should be easily and unequivocally identified,” with the condition that “objective criteria for designation should be established” [[3](https://www.karger.com/Article/Fulltext/509272#ref3)]. The core incentive of the regulation is the granting of 10 years (+2 years for paediatric orphan medicines) of marketing exclusivity and a range of financial and scientific provisions granted via the European Medicines Agency to support product development and application for Marketing Authorisation. Nearly two decades later, the success of the measure has been demonstrated. Investment both from public research funders and from companies of all sizes in rare disease research has resulted in the approval of more than 150 orphan drugs – compared with just eight therapies for rare diseases available before the adoption of the regulation. That translates into a lot of patient benefit. With clinical research stimulated by the legislation, the EU sees some 2,000 clinical trials providing still more innovation or hope for treatments in the current R&D pipeline [[4](https://www.karger.com/Article/Fulltext/509272#ref4)]. But over the intervening years, the limitations in the functioning of the legislation have become apparent too, and these merit attention if the beneficial effects for patients and caregivers are to be maximised [[5](https://www.karger.com/Article/Fulltext/509272#ref5)]. This paper explores the successes and limitation of both the regulation and its implementation mechanisms in the current regulatory context, and suggests some improvements that could maximise its benefits and boost rare disease research even further. The discussion needs to be precise if it is to be effective. Review of the functioning of the regulation may coincide with a period of more intense scrutiny and concerns over containing the rise of expenditure to ensure sustainability of healthcare systems, with a particular focus on expensive innovation which are often developed within the orphan conditions. While there is undoubted importance in the wider but distinct debate over healthcare costs, it does not bear directly on reviewing the orphan medicines regulation [[6](https://www.karger.com/Article/Fulltext/509272#ref6)]. At the same time, economic questions do, however, have relevance to the debate on orphans, since patients’ access to the medicines that become available is conditioned by the national arrangements for reimbursement or listing of products: there is an increasing tension between the potential access to agents that can modify or even cure rare diseases, and the models for reimbursement available to European payers. Part of this hesitancy can be ascribed to the novelty of the challenges presented by many innovative treatments, which by their nature present unknowns to payers. Clearly, there is also a need to deal with uncertainty with regard to value demonstration, especially when value or values are perceived not to be sufficiently demonstrated. The risk is that such powerful economic reservations can have a cumulative negative impact on the motivation for pursuing research into rare disease treatments – thus running counter to the guiding principle of the legislation itself [[7](https://www.karger.com/Article/Fulltext/509272#ref7)]. Current value assessment rules across Europe for orphan drugs remain largely inadequate and can become a real fourth hurdle to effective patient access to those treatments [[8](https://www.karger.com/Article/Fulltext/509272#ref8)]. The regulation’s stimulation of new product development has also helped promote the development of EU biotech companies. The last two decades have witnessed the emergence of more than 150 small and medium enterprises (SMEs) focusing on rare diseases. No wonder that one of the prominent Members of the European Parliament over this period, Francoise Grossetête, emphasised the importance of the regulation in addressing “real medical needs” and generating “therapeutic breakthroughs” [[9](https://www.karger.com/Article/Fulltext/509272#ref9)]. The underlying strength of the concept of providing incentives for R&D in areas of unmet need is confirmed by the fact that Germany and other Member States are now exploring whether OMP-type incentives could contribute to solving the major risks of antimicrobial resistance (AMR), through promoting development of new anti-bacterials even where simple market economics do not provide sufficient motivation for investment [[10](https://www.karger.com/Article/Fulltext/509272#ref10)]. Thanks to increased investments and the associated efforts thus made possible, some rare diseases now benefit from effective treatments. There are leading examples in the area of haemophilia, paroxysmal nocturnal haemoglobinuria (PNH), and some lysosomal storage diseases such as Gaucher. The full list of conditions for which “orphans medicines” have been launched in Europe is too extensive to reproduce here, but by way of illustration it ranges from rare cancers to rare variants of common diseases (pulmonary hypertension, neonatal diabetes) and to rare congenital, mostly childhood-onset disorders (Gaucher, cystinosis, inherited hyperammonaemias) [[11](https://www.karger.com/Article/Fulltext/509272#ref11)]. However, these tales of success should not lead to any delusions that the process has been – or is becoming – easy. Successes in developing innovative treatments are hard-won. Without consistent and determined effort, innovation does not happen – and innovation in rare diseases is all the more challenging. The key elements of the innovation process are well documented, but the nature of the challenges is perhaps not always fully appreciated by those outside the healthcare sector, being seen as costs and not as investments. Rare diseases are categorized as “orphan diseases” because their occurrence in a small number of patients means that, despite apparent high unmet medical need, there is limited scientific understanding, making it difficult to justify the development risk and investment to develop new treatments. The OMP regulation was developed explicitly to support efforts in this field of innovation [[12](https://www.karger.com/Article/Fulltext/509272#ref12)].

#### Orphan diseases require time intensive care and affect millions.

**Lancet 19** [Lancet, 2-1-2019, accessed on 9-6-2021, The Lancet Diabetes & Endocrinology, "Spotlight on rare diseases", https://www.thelancet.com/journals/landia/article/PIIS2213-8587(19)30006-3/fulltext]//sid

Feb 28 is Rare Disease Day, the theme of which this year is “bridging health and social care”. This 12th annual [Rare Disease Day](https://www.rarediseaseday.org/page/news/theme-2019)highlights the need for better coordination of medical, social, and support services to lessen the burden that rare diseases—often complex, chronic, and disabling—have on the everyday lives of patients, their families, and carers. As a recent [Europe-wide survey](http://download2.eurordis.org.s3.amazonaws.com/rbv/2017_05_09_Social%20survey%20leaflet%20final.pdf)found that 80% of patients and carers had difficulty completing daily tasks, 70% found organising care time-consuming (with 60% finding it hard to manage), and 67% felt that health, social, and local services communicated poorly with each other, the theme of Rare Disease Day 2019 is timely. More than 6000 [rare diseases](https://globalgenes.org/rare-diseases-facts-statistics/) (80% with a genetic component) affect more than 300 million people worldwide. While an individual disease might be classed as rare (defined as affecting less than 1 in 2000 of the general population in the European Union or fewer than 200 000 people in the USA), the sheer number of rare diseases means that the overall numbers quickly stack up: 3·5 million people in the UK, 30 million across Europe, and 30 million in the USA are affected. Whether a single rare disease affects thousands or just one person, the impact on the affected individual and those around them can be devastating: 50% of rare diseases affect children, 30% of whom will die before age 5 years. Rare diseases present myriad challenges for patients, their families, and caregivers, including the time it takes to obtain a correct diagnosis for many patients. In a [survey](https://globalgenes.org/wp-content/uploads/2013/04/ShireReport-1.pdf) of patients and caregivers in the USA and UK, patients reported that it took on average 7·6 years in the USA and 5·6 years in the UK to get a proper diagnosis, during which time patients typically visited eight physicians (four primary care and four specialist) and received two to three misdiagnoses. As there is no approved treatment for 95% of rare diseases, a diagnosis can be a crushing reality check for patients and their families, rather than bringing hope and reassurance. As such, rare diseases impose a considerable emotional toll on patients and their caregivers. Other challenges include a lack of information and resources, the financial cost of care, and difficulty in accessing appropriate medical expertise, which is compounded by a lack of specialist training programmes for medical professionals. In this issue of The Lancet Diabetes & Endocrinology, we publish a call-to-action to address the [unmet need for subspecialty training](http://dx.doi.org/10.1016/S2213-8587(18)30369-3) in adult rare (inherited metabolic) diseases, which is crucial given that 50% of rare diseases present in adulthood and children surviving rare diseases eventually transition to adult care.

#### Rare diseases disproportionately affect people of color

**RDDC, No Date** (RDDC, No Date, accessed on 9-6-2021, Rare Disease Diversity Coalition, "Charting thePath Forwardfor Equity inRare Diseases", <https://3hqwxl1mqiah5r73r2q7zll1-wpengine.netdna-ssl.com/wp-content/uploads/2021/03/RDDC_Path_Forward_Final.pdf>)//sid

While the rare disease community continues to face hurdles generally, people of color face additional hurdles in their quest for care . Barriers to diagnosis and treatment for people of color often have deadly consequences . Flaws across the entire system have a compounding effect on the care that Black, Native American, Hispanic, Asian, and Pacific Islander Americans with rare diseases receive . Americans of color continue to be underrepresented in genome-wide association studies and clinical research trials, leading to a lack of understanding about effective treatments, particularly in diverse populations . Despite making up more than 38 percent of the U .S . population, people of color comprise only 16 percent of research study participants .20 On the patient side, people of color are less likely to have affordable access to health care and rare disease experts .21 To make matters worse, some rare diseases disproportionately impact people of color . For instance, sarcoidosis, sickle cell anemia, thalassemia, and some forms of lupus are known to affect minority populations at higher rates than the general population .22 And implicit bias particularly harms people of color with rare diseases .23

## 3

#### Biden’s infrastructure bill will pass through reconciliation but absolute Dem Unity is key.

* Turns Structural Violence

Pramuk and Franck 8-25 Jacob Pramuk and Thomas Franck 8-25-2021 "Here’s what happens next as Democrats try to pass Biden’s multitrillion-dollar economic plans" <https://www.cnbc.com/2021/08/25/what-happens-next-with-biden-infrastructure-budget-bills-in-congress.html> (Staff Reporter at CNBC)//Elmer

WASHINGTON — **House Democrats just patched up a party fracture** **to take a critical step forward with a mammoth economic agenda**. But the **path ahead could get trickier** as party leaders try to thread a legislative needle to pass more than $4 trillion in new spending. **In** the **coming weeks**, **Democrats** **aim to approve** a $1 trillion bipartisan **infrastructure** plan and up to $3.5 trillion in investments in social programs. Passing both **will require a heavy lift**, as leaders will need to **satisfy** **competing demands of centrists** wary of spending **and progressives** who want to reimagine government’s role in American households. The House is leaving Washington **until Sept. 20** after taking key steps toward pushing through the sprawling economic plans. The chamber on Tuesday approved a $3.5 trillion budget resolution and advanced the infrastructure bill, as House Speaker Nancy Pelosi, D-Calif., promised centrist Democrats to take up the bipartisan plan by Sept. 27. The Senate already passed the infrastructure legislation, so **a final House vote would send it to Biden’s desk for his** signature. Now that both chambers have passed the budget measure, **Democrats can move without Republicans** to push through their spending plan **via reconciliation**. Party leaders want committees to write their pieces of the bill by Sept. 15 before budget committees package them into one massive measure that can move through Congress. Committees could start marking up legislation in early September. Party leaders **face a challenge** in coming up with a bill that will satisfy centrists who want to trim back the $3.5 trillion price tag and progressives who consider it the minimum Congress should spend. As **one defection in the Senate** — **and four in the House** — **would sink legislation,** **Democrats have to satisfy a diverse range of views** to pass their agenda. “We write a bill with the Senate because it’s no use doing a bill that’s not going to pass the Senate, in the interest of getting things done,” Pelosi told reporters on Wednesday. Given the magnitude of the legislation, passing it quickly could prove difficult. To appease congressional progressives who have prioritized passage of the budget bill, Democrats could move to pass both proposals at about the same time. While Pelosi gave a Sept. 27 target date to approve the infrastructure plan, the commitment is not binding. Still, she noted Wednesday that Congress needs to pass the bill before surface transportation spending authorization expires Sept. 30. “We have long had an eye to having the infrastructure bill on the President’s desk by the October 1, the effective date of the legislation,” she wrote in a separate letter to Democrats on Wednesday. Democrats say the bills combined will provide a jolt to the economy and a lifeline for households. Supporters of the Democratic spending plan, including Pelosi and Senate Budget Committee Chair Bernie Sanders, I-Vt., have cast it as the biggest expansion of the U.S. social safety net in decades. “This is a truly historic opportunity to pass the **most transformative** and consequential **legislation for families** in a century, and will stand alongside the New Deal and Great Society as pillars of **economic security**,” Pelosi wrote to colleagues Wednesday. The plan would **expand Medicare**, **paid leave** and child care, extend enhanced household tax credits and encourage **green energy adoption**, **while hiking taxes on corporations and the wealthy**. Democrats hope to sell a wave of new support for families as they campaign to keep control of Congress in next year’s midterms. Those elections, though, have helped to generate staunch opposition on the other side of the aisle. The GOP has cited the trillions in new spending and the proposed reversal of some of its 2017 tax cuts in trying to take down the Democratic budget bill. Republicans and some Democrats have in recent weeks said that another $4.5 trillion in fiscal stimulus could not only boost economic growth but have the adverse effect of fueling inflation.

#### Pharma backlashes to the Plan – they’re aggressive lobbyists and will do anything to preserve patent rights.

* Turns Case – Waters down the Plan due to lobbying
* Optional Card – still thinking on if its necessary [note from Elmer]

Huetteman 19 Emmarie Huetteman 2-26-2019 “Senators Who Led Pharma-Friendly Patent Reform Also Prime Targets For Pharma Cash” <https://khn.org/news/senators-who-led-pharma-friendly-patent-reform-also-prime-targets-for-pharma-cash/> (former NYT Congressional correspondent with an MA in public affairs reporting from Northwestern University’s Medill School)//Elmer

Early last year, as lawmakers vowed to curb rising drug prices, Sen. Thom Tillis was named chairman of the Senate Judiciary Committee’s subcommittee on intellectual property rights, a committee that had not met since 2007. As the new gatekeeper for laws and oversight of the nation’s patent system, the North Carolina Republican signaled he was determined to make it easier for American businesses to benefit from it — a welcome message to the drugmakers who already leverage patents to block competitors and keep prices high. Less than three weeks after introducing a bill that would make it harder for generic drugmakers to compete with patent-holding drugmakers, Tillis opened the subcommittee’s first meeting on Feb. 26, 2019, with his own vow. “From the United States Patent and Trademark Office to the State Department’s Office of Intellectual Property Enforcement, no department or bureau is too big or too small for this subcommittee to take interest,” he said. “And we will.” In the months that followed, tens of thousands of dollars flowed from pharmaceutical companies toward his campaign, as well as to the campaigns of other subcommittee members — including some who promised to stop drugmakers from playing money-making games with the patent system, like Sen. John Cornyn (R-Texas). Tillis received more than $156,000 from political action committees tied to drug manufacturers in 2019, more than any other member of Congress, a new analysis of KHN’s Pharma Cash to Congress database shows. Sen. Chris Coons (D-Del.), the top Democrat on the subcommittee who worked side by side with Tillis, received more than $124,000 in drugmaker contributions last year, making him the No. 3 recipient in Congress. No. 2 was Sen. Mitch McConnell (R-Ky.), who took in about $139,000. As the Senate majority leader, he controls what legislation gets voted on by the Senate. Neither Tillis nor Coons sits on the Senate committees that introduced legislation last year to lower drug prices through methods like capping price increases to the rate of inflation. Of the four senators who drafted those bills, none received more than $76,000 from drug manufacturers in 2019. Tillis and Coons spent much of last year working on significant legislation that would expand the range of items eligible to be patented — a change that some experts say would make it easier for companies developing medical tests and treatments to own things that aren’t traditionally inventions, like genetic code. They have not yet officially introduced a bill. As obscure as patents might seem in an era of public **outrage** **over** drug prices, the fact that **drugmakers** gave most **to** the **lawmakers working to change the patent system** belies how important securing **the exclusive right to market a drug, and keep competitors at bay, is to their bottom line**. “**Pharma will fight to the death to preserve patent rights**,” said Robin Feldman, a professor at the UC Hastings College of the Law in San Francisco who is an expert in intellectual property rights and drug pricing. “Strong patent rights are central to the games drug companies play to extend their monopolies and keep prices high.” Campaign contributions, closely tracked by the Federal Election Commission, are among the few windows into how much money flows from the political groups of drugmakers and other companies to the lawmakers and their campaigns. Private companies generally give money to members of Congress to encourage them to listen to the companies, typically through lobbyists, whose activities are difficult to track. They may also communicate through so-called dark money groups, which are not required to report who gives them money. Over the past 10 years, the **pharmaceutical industry** has **spent** about $**233 million per year on lobbying**, according to a new study published in JAMA Internal Medicine. That is more than any other industry, including the oil and gas industry. Why Patents Matter Developing and testing a new drug, and gaining approval from the Food and Drug Administration, can take years and cost hundreds of millions of dollars. Drugmakers are generally granted a six- or seven-year exclusivity period to recoup their investments. But drugmakers have found ways to extend that period of exclusivity, sometimes accumulating hundreds of patents on the same drug and blocking competition for decades. One method is to patent many inventions beyond a drug’s active ingredient, such as patenting the injection device that administers the drug. Keeping that arrangement intact, or expanding what can be patented, is where lawmakers come in. Lawmakers Dig In Tillis’ home state of North Carolina is also home to three major research universities and, not coincidentally, multiple drugmakers’ headquarters, factories and other facilities. From his swearing-in in 2015 to the end of 2018, Tillis received about $160,000 from drugmakers based there or beyond. He almost matched that four-year total in 2019 alone, in the midst of a difficult reelection campaign to be decided this fall. He has raised nearly $10 million for his campaign, with lobbyists among his biggest contributors, according to OpenSecrets. Daniel Keylin, a spokesperson for Tillis, said Tillis and Coons, the subcommittee’s top Democrat, are working to overhaul the country’s “antiquated intellectual property laws.” Keylin said the bipartisan effort protects the development and access to affordable, lifesaving medication for patients,” adding: “No contribution has any impact on how [Tillis] votes or legislates.” Tillis signaled his openness to the drug industry early on. The day before being named chairman, he reintroduced a bill that would limit the options generic drugmakers have to challenge allegedly invalid patents, effectively helping brand-name drugmakers protect their monopolies. Former Sen. Orrin Hatch (R-Utah), whose warm relationship with the drug industry was well-known, had introduced the legislation, the Hatch-Waxman Integrity Act, just days before his retirement in 2018. At his subcommittee’s first hearing, Tillis said the members would rely on testimony from private businesses to guide them. He promised to hold hearings on patent eligibility standards and “reforms to the Patent Trial and Appeal Board.” In practice, the Hatch-Waxman Integrity Act would require generics makers challenging another drugmaker’s patent to either take their claim to the Patent Trial and Appeal Board, which acts as a sort of cheaper, faster quality check to catch bad patents, or file a lawsuit. A study released last year found that, since Congress created the Patent Trial and Appeal Board in 2011, it has narrowed or overturned about 51% of the drugmaker patents that generics makers have challenged. Feldman said the drug industry “went berserk” over the number of patents the board changed and has been eager to limit use of the board as much as possible. Patent reviewers are often stretched thin and sometimes make mistakes, said Aaron Kesselheim, a Harvard Medical School professor who is an expert in intellectual property rights and drug development. Limiting the ways to challenge patents, as Tillis’ bill would, does not strengthen the patent system, he said. “You want overlapping oversight for a system that is as important and fundamental as this system is,” he said. As promised, Tillis and Coons also spent much of the year working on so-called Section 101 reform regarding what is eligible to be patented — “a very major change” that “would overturn more than a century of Supreme Court law,” Feldman said. Sean Coit, Coons’ spokesperson, said lowering drug prices is one of the senator’s top priorities and pointed to Coon’s support for legislation the pharmaceutical industry opposes. “One of the reasons Senator Coons is leading efforts in Congress to fix our broken patent system is so that life-saving medicines can actually be developed and produced at affordable prices for every American,” Coit wrote in an email, adding that “his work on Section 101 reform has brought together advocates from across the spectrum, including academics and health experts.” In August, when much of Capitol Hill had emptied for summer recess, Tillis and Coons held closed-door meetings to preview their legislation to stakeholders, including the Pharmaceutical Research and Manufacturers of America, or PhRMA, the brand-name drug industry’s lobbying group. “We regularly engage with members of Congress in both parties to advance practical policy solutions that will lower medicine costs for patients,” said Holly Campbell, a PhRMA spokesperson. Neither proposal has received a public hearing. In the 30 days before Tillis and Coons were named leaders of the revived subcommittee, drug manufacturers gave them $21,000 from their political action committees. In the 30 days following that first hearing, Tillis and Coons received $60,000. Among their donors were PhRMA; the Biotechnology Innovation Organization, the biotech lobbying group; and five of the seven drugmakers whose executives — as Tillis laid out a pharma-friendly agenda for his new subcommittee — were getting chewed out by senators in a different hearing room over patent abuse. Cornyn Goes After Patent Abuse Richard Gonzalez, chief executive of AbbVie Inc., the company known for its top-selling drug, Humira, had spent the morning sitting stone-faced before the Senate Finance Committee as, one after another, senators excoriated him and six other executives of brand-name drug manufacturers over how they price their products. Cornyn brought up AbbVie’s more than 130 patents on Humira. Hadn’t the company blocked its competition? Cornyn asked Gonzalez, who carefully explained how AbbVie’s lawsuit against a generics competitor and subsequent licensing deal was not what he would describe as anti-competitive behavior. “I realize it may not be popular,” Gonzalez said. “But I think it is a reasonable balance.” A minute later, Cornyn turned to Sen. Chuck Grassley (R-Iowa), who, like Cornyn, was also a member of the revived intellectual property subcommittee. This is worth looking into with “our Judiciary Committee authorities as well,” Cornyn said, effectively threatening legislation on patent abuse. The next day, Mylan, one of the largest producers of generic drugs, gave Cornyn $5,000, FEC records show. The company had not donated to Cornyn in years. By midsummer, every drug company that sent an executive to that hearing had given money to Cornyn, including AbbVie. Cornyn, who faces perhaps the most difficult reelection fight of his career this fall, ranks No. 6 among members of Congress in drugmaker PAC contributions last year, KHN’s analysis shows. He received about $104,000. Cornyn has received about $708,500 from drugmakers since 2007, KHN’s database shows. According to OpenSecrets, he has raised more than $17 million for this year’s reelection campaign. Cornyn’s office declined to comment. On May 9, Cornyn and Sen. Richard Blumenthal (D-Conn.) introduced the **Affordable Prescriptions for Patients Act,** which proposed to define two tactics used by drug companies to make it easier for the Federal Trade Commission to **prosecute** them: “**product-hopping**,” when drugmakers withdraw older versions of their drugs from the market to push patients toward newer, more expensive ones, and “**patent-thicketing**,” when drugmakers amass a series of patents to drag out their exclusivity and slow rival generics makers, who must challenge those patents to enter the market once the initial exclusivity ends. **PhRMA opposed the bill.** **The next day, it gave Cornyn $1,000**. Cornyn and Blumenthal’s bill would have been “very tough on the techniques that pharmaceutical companies use to extend patent protections and to keep prices high,” Feldman said. “The **pharmaceutical industry lobbied tooth and nail against it**,” she said. “And **when the bill finally came** out of committee, the strongest provisions — the **patent-thicketing provisions — had been stripped**.” In the months after the bill cleared committee and waited to be taken up by the Senate, Cornyn blamed Senate Democrats for blocking the bill while trying to secure votes on legislation with more direct controls on drug prices. The Senate has not voted on the bill.

#### They choose Infrastructure as backlash – they bill costs Pharma millions – lobbyists can derail the Agenda.

Brennan 8-2 Zachary Brennan 8-2-2021 "How the biopharma industry is helping to pay for the bipartisan infrastructure bill" <https://endpts.com/how-the-biopharma-industry-is-helping-to-pay-for-the-bipartisan-infrastructure-bill/> (Senior Editor at Endpoint News)//Elmer

Senators on Sunday finalized the text of **a massive, bipartisan infrastructure bill** that contains little **that might** **impact the biopharma industry** other than two ways the legislators are planning to pay for the $1.2 trillion deal. On the one hand, senators are **seeking to** further **delay** a **Trump-era Medicare** Part D **rule** **related to drug rebates**, this time until 2026. Senators claim the rule could end up saving about $49 billion (and that number increased this week to $51 billion), but the PBM industry has attacked it as it would remove rebates from a safe harbor that provides protection from federal anti-kickback laws. The **pharmaceutical industry**, however, is in favor of the rule and **opposes this latest delay** as it continues to point its finger at the PBM industry for the rising cost of out-of-pocket expenses. Debra DeShong, EVP of public affairs at PhRMA, said via email: Despite railing against high drug costs on the campaign trail, lawmakers are threatening to gut a rule that would provide patients meaningful relief at the pharmacy. If it is included in the infrastructure package, this proposal will provide health insurers and drug middlemen a windfall and turn Medicare into a piggybank to fund projects that have nothing to do with lowering out-of-pocket costs for medicines. This would be an unconscionable move that robs patients of the prescription drug savings they deserve to help fill potholes and fund other infrastructure projects. The **other provision** **in the infrastructure bill**, which is estimated to save about $3 billion, **would save money for Medicare** **on discarded medications** from large, single-use drug vials. **Manufacturers will be required to pay refunds** for such discarded drugs, and each manufacturer will be subject to periodic audits on the refunds issued. If manufacturers don’t comply, HHS can fine them the refund amount that they would have paid plus 25%. Drugs that will be excluded from these refund payments include radiopharmaceuticals or imaging agents, as well as those that require filtration during the drug preparation process. So do these two pay-fors mean that the pharma industry is getting off without any serious drug pricing reforms? Not quite, according to Alex Lawson, executive director of Social Security Works. Lawson told Endpoints News in an interview that he still fully expects major drug pricing reforms to make their way through Congress between now and the end of September as Sen. Ron Wyden (D-OR) refines his plan, part of an early fall spending package. Senate Majority Leader Chuck Schumer has promised both the infrastructure and spending package will pass before the Senate leaves for August recess. At the very least in terms of drug pricing provisions, expect to see a combination of the Wyden bill he co-wrote with Sen. Chuck Grassley (R-IA) last year, alongside further Medicare negotiations, Lawson said. “Talk is still optimistic,” Lawson said on the prospects of a drug pricing deal getting done, while noting that **pharmaceutical** company **lobbyists** are **swarming Capitol Hill** at the moment because of **not just drug pricing plans**, but **tax provisions** and the **TRIPS waiver** that the biopharma industry is worried about. “These are **challenges to their entire existence**, **so they’re willing to protect them at any cost**,” Lawson said, noting the target for drug pricing is about $500 billion in savings. As the House has jetted off to enjoy what might be an abbreviated summer recess, the Senate has just this week to get its work done, unless its recess is cut short too. “There’s a **real possibility** that **the whole thing blows up** and we get nothing on either side,” Lawson said.

#### Democrat Senators in Big Pharma’s pocket derails the Plan.

Sirota 8-23 David Sirota 8-23-2021 "Dem Obstructionists Are Bankrolled By Pharma And Oil" <https://www.dailyposter.com/dem-obstructionists-are-bankrolled-by-pharma-and-oil/> (an American journalist, columnist at The Guardian, and editor for Jacobin. He is also a political commentator and radio host based in Denver. He is a nationally syndicated newspaper columnist, political spokesperson, and blogger)//Elmer

The **small group of conservative Democratic lawmakers** that has been **threatening to** help Republicans **halt** **Democrats’ budget package** have **raked in more than $3 million from donors in the pharmaceutical** and fossil fuel **industries** that could see reduced profits if the plan passes. As the House reconvenes today to tackle the budget reconciliation process, nine Democrats legislators have been promising to kill their party’s $3.5 trillion budget bill until Congress first passes a separate, smaller infrastructure spending measure, which has garnered some Republican support and which some environmental advocates say would exacerbate the climate crisis. Indeed, an ExxonMobil lobbyist was recently caught on tape saying the company had worked to strip climate measures out of the infrastructure bill. “**We will vote against a budget resolution** if the infrastructure package isn’t brought up first,” Democratic **Rep**. Josh **Gottheimer** **told** the Washington Post this weekend, **though** the American Prospect reported on Sunday that “**several**” of the **legislators** now **indicated they could back down**. **In the narrowly divided House**, **obstructionism from these** conservative Democrats **could decouple the infrastructure** and budget **measures** from one another. Many believe that would kill the latter by letting conservative Democrats in the Senate such as Kyrsten Sinema (D-Ariz.) and Joe Manchin (D-W.Va.) get the infrastructure bill they want without having to provide the votes necessary to enact the much larger and more progressive budget measure. “If we were to pass the bipartisan [infrastructure] bill first, then we lose leverage,” Democratic Rep. Ritchie Torres (NY) told the Wall Street Journal. Along with Gottheimer, the eight other Democrats who have threatened to obstruct the budget bill are Carolyn Bordeaux (Ga.), Ed Case (Hawaii), Jim Costa (Calif.), Henry Cuellar (Texas), Jared Golden (Maine), Vicente Gonzalez (Texas), Kurt Schrader (Ore.), and Filemon Vela (TX). The U.S. Chamber of Commerce — Washington’s most powerful corporate lobby group — has been airing digital ads thanking the nine Democrats for their maneuvers. Eight of the nine Democrats represent congressional districts won by President Joe Biden, who supports the reconciliation package. Big Pharma’s Big Allies The reconciliation bill is still being negotiated, and many Democratic lawmakers — including those in key swing districts — are pushing for it to include long-promised legislation to allow Medicare to use its enormous purchasing power to negotiate lower prices for prescription drugs. The **pharmaceutical industry** has **aggressively lobbied against the initiative**, which the Congressional Budget Office has estimated would save Medicare $345 billion in medicine costs. The nine House Democrats threatening to derail the reconciliation bill have raked in nearly $1.2 million from donors in the pharmaceutical and health products industries, according to data compiled by OpenSecrets. Among them are two of the Democratic Party’s **top recipients of health care industry money**: **Gottheimer** ($228,186) **and Schrader** ($614,830). Schrader’s third biggest career donor is Pfizer’s political action committee, and his former chief of staff is now a registered lobbyist for the Pharmaceutical Researchers and Manufacturers Association, the pharmaceutical industry’s main lobbying group. Both Gottheimer and Schrader signed a letter earlier this year slamming Democratic leaders’ legislation to lower prescription drug prices. Eight out of the nine Democrats threatening to kill the budget bill also declined to sponsor Democrats’ standalone legislation to let Medicare negotiate lower drug prices. In the Senate, Sinema’s renewed threat to vote down a final reconciliation bill came after she received $519,000 from donors in the pharmaceutical and health products industries.

#### Infrastructure reform solves Existential Climate Change – it results in spill-over.

USA Today 7-20 7-20-2021 "Climate change is at 'code red' status for the planet, and inaction is no longer an option" <https://www.usatoday.com/story/opinion/todaysdebate/2021/07/20/climate-change-biden-infrastructure-bill-good-start/7877118002/> //Elmer

**Not long ago**, **climate change** for many Americans **was** like **a distant bell**. News of starving polar bears or melting glaciers was tragic and disturbing, but other worldly. Not any more. **Top climate scientists** from around the world **warned of a "code red for humanity**" in a report issued Monday that says severe, human-caused global warming is become unassailable. Proof of the findings by the United Nations' Intergovernmental Panel on Climate Change is a now a factor of daily life. Due to **intense heat waves and drought**, 107 wildfires – including the largest ever in California – are now raging across the West, consuming 2.3 million acres. Earlier this summer, hundreds of people died in unprecedented triple-digit heat in Oregon, Washington and western Canada, when a "heat dome" of enormous proportions settled over the region for days. Some victims brought by stretcher into crowded hospital wards had body temperatures so high, their nervous systems had shut down. People collapsed trying to make their way to cooling shelters. Heat-trapping greenhouse gases Scientists say the event was almost **certainly made worse and more intransigent by human-caused climate change**. They attribute it to a combination of warming Arctic temperatures and a growing accumulation of heat-trapping greenhouse gases caused by the burning of fossil fuels. The **consequences of** what mankind has done to the atmo**sphere are now inescapable**. Periods of **extreme heat** are projected to **double** in the lower 48 states by 2100. **Heat deaths** are far **outpacing every other form of weather killer** in a 30-year average. A **persistent megadrought** in America's West continues to create tinder-dry conditions that augur another devastating wildfire season. And scientists say **warming oceans** are **fueling** ever **more powerful storms**, evidenced by Elsa and the early arrival of hurricane season this year. Increasingly severe weather is causing an estimated $100 billion in damage to the United States every year. "It is honestly surreal to see your projections manifesting themselves in real time, with all the suffering that accompanies them. It is heartbreaking," said climate scientist Katharine Hayhoe. **Rising seas** from global warming Investigators are still trying to determine what led to the collapse of a Miami-area condominium that left more than 100 dead or missing. But one concerning factor is the corrosive effect on reinforced steel structures of encroaching saltwater, made worse in Florida by a foot of rising seas from global warming since the 1900s. The clock is ticking for planet Earth. While the U.N. report concludes some level of severe climate change is now unavoidable, there is still a window of time when far more catastrophic events can be mitigated. But mankind must act soon to curb the release of heat-trapping gases. Global **temperature** has **risen** nearly **2 degrees** Fahrenheit since the pre-industrial era of the late 19th century. Scientists warn that in a decade, it could surpass a **2.7**-degree increase. That's **enough** warming **to cause catastrophic climate changes**. After a brief decline in global greenhouse gas emissions during the pandemic, pollution is on the rise. Years that could have been devoted to addressing the crisis were wasted during a feckless period of inaction by the Trump administration. Congress must act Joe Biden won the presidency promising broad new policies to cut America's greenhouse gas emissions. But Congress needs to act on those ideas this year. Democrats cannot risk losing narrow control of one or both chambers of Congress in the 2022 elections to a Republican Party too long resistant to meaningful action on the climate. So what's at issue? A trillion dollar **infrastructure bill** negotiated between Biden and a group of centrist senators (including 10 Republicans) is a start. In addition to repairing bridges, roads and rails, it would **improve access** by the nation's power infrastructure **to renewable energy sources,** **cap millions of abandoned oil and gas wells spewing greenhouse gases**, **and harden structures against climate change**. It also **offers tax credits for** the **purchase of electric vehicles** and funds the construction of charging stations. (**The nation's largest source of climate pollution are gas-powered vehicles**.) Senate approval could come very soon. Much **more is needed** if the nation is going to reach Biden's necessary goal of cutting U.S. climate pollution in half from 2005 levels by 2030. His ideas worth considering include a federal clean electricity standard for utilities, federal investments and tax credits to promote renewable energy, and tens of billions of dollars in clean energy research and development, including into ways of extracting greenhouse gases from the skies. Another idea worth considering is a fully refundable carbon tax. **The vehicle** for these additional proposals **would be a second infrastructure bill**. And if Republicans balk at the cost of such vital investment, Biden is rightly proposing to pass this package through a process known as budget reconciliation, which allows bills to clear the Senate with a simple majority vote. These are drastic legislative steps. But drastic times call for them. And when Biden attends a U.N. climate conference in November, he can use American progress on climate change as a mean of persuading others to follow our lead. Further delay is not an option.

#### warming causes extinction

#### Xu 17

Yangyang Xu 17, Assistant Professor of Atmospheric Sciences at Texas A&M University; and Veerabhadran Ramanathan, Distinguished Professor of Atmospheric and Climate Sciences at the Scripps Institution of Oceanography, University of California, San Diego, 9/26/17, “Well below 2 °C: Mitigation strategies for avoiding dangerous to catastrophic climate changes,” Proceedings of the National Academy of Sciences of the United States of America, Vol. 114, No. 39, p. 10315-10323

We are proposing the following extension to the DAI risk categorization: warming greater than 1.5 °C as “dangerous”; warming greater than 3 °C as “catastrophic?”; and warming in excess of 5 °C as “unknown??,” with the understanding that changes of this magnitude, not experienced in the last 20+ million years, pose **existential threats** to a majority of the population. The question mark denotes the subjective nature of our deduction and the fact that catastrophe can strike at even lower warming levels. The justifications for the proposed extension to risk categorization are given below. From the IPCC burning embers diagram and from the language of the Paris Agreement, we infer that the DAI begins at warming greater than 1.5 °C. Our criteria for extending the risk category beyond DAI include the potential risks of climate change to the physical climate system, the ecosystem, human health, and **species extinction**. Let us first consider the category of catastrophic (3 to 5 °C warming). The first major concern is the issue of **tipping points**. Several studies (48, 49) have concluded that 3 to 5 °C global warming is likely to be the threshold for tipping points such as the collapse of the western Antarctic ice sheet, shutdown of deep water circulation in the North Atlantic, dieback of Amazon rainforests as well as boreal forests, and collapse of the West African monsoon, among others. While natural scientists refer to these as **abrupt and irreversible climate changes**, economists refer to them as catastrophic events (49). Warming of such magnitudes also has **catastrophic human health effects**. Many recent studies (50, 51) have focused on the direct influence of extreme events such as heat waves on public health by evaluating exposure to heat stress and hyperthermia. It has been estimated that the likelihood of extreme events (defined as 3-sigma events), including heat waves, has increased 10-fold in the recent decades (52). Human beings are extremely sensitive to heat stress. For example, the 2013 European heat wave led to about 70,000 premature mortalities (53). The major finding of a recent study (51) is that, currently, about 13.6% of land area with a population of 30.6% is exposed to deadly heat. The authors of that study defined deadly heat as exceeding a threshold of temperature as well as humidity. The thresholds were determined from numerous heat wave events and data for mortalities attributed to heat waves. According to this study, a 2 °C warming would double the land area subject to deadly heat and expose 48% of the population. A 4 °C warming by 2100 would subject 47% of the land area and almost 74% of the world population to deadly heat, which could pose **existential risks to humans** and mammals alike unless massive adaptation measures are implemented, such as providing air conditioning to the entire population or a massive relocation of most of the population to safer climates. Climate risks can vary markedly depending on the socioeconomic status and culture of the population, and so we must take up the question of “dangerous to whom?” (54). Our discussion in this study is focused more on people and not on the ecosystem, and even with this limited scope, there are multitudes of categories of people. We will focus on the poorest 3 billion people living mostly in tropical rural areas, who are still relying on 18th-century technologies for meeting basic needs such as cooking and heating. Their contribution to CO2 pollution is roughly 5% compared with the 50% contribution by the wealthiest 1 billion (55). This bottom 3 billion population comprises mostly subsistent farmers, whose livelihood will be severely impacted, if not destroyed, with a one- to five-year megadrought, heat waves, or heavy floods; for those among the bottom 3 billion of the world’s population who are living in coastal areas, a 1- to 2-m rise in sea level (likely with a warming in excess of 3 °C) poses **existential threat** if they do not relocate or migrate. It has been estimated that several hundred million people would be subject to famine with warming in excess of 4 °C (54). However, there has essentially been no discussion on warming beyond 5 °C. Climate change-induced species extinction is one major concern with warming of such large magnitudes (>5 °C). The current rate of loss of species is ∼1,000-fold the historical rate, due largely to habitat destruction. At this rate, about 25% of species are in danger of extinction in the coming decades (56). Global warming of 6 °C or more (accompanied by increase in ocean acidity due to increased CO2) can act as a major force multiplier and **expose** as much as **90% of species to** the dangers of **extinction** (57). The bodily harms combined with climate change-forced species destruction, biodiversity loss, and threats to water and food security, as summarized recently (58), motivated us to categorize warming beyond 5 °C as unknown??, implying the possibility of **existential threats**. Fig. 2 displays these three risk categorizations (vertical dashed lines).

## Evergreening

### Plan/Solvency

#### The only way to fix evergreening is to fix the standards for what is patentable. The plan does not do that.

#### The one and done approach enables you to choose between patents, data exclusivity, and orphan drugs. It says nothing about evergreening or about whether or not you can repeatedly renew patents, or how long these patents take. It also does not make a claim about whether you can renew data exclusivity and –

#### Data exclusivity can be repeated, means no impact on innovation WHO 17

“Data Exclusivity and Other ‘Trips-plus’ Measures.” *UHC Technical Brief*, WHO, 2017, apps.who.int/iris/rest/bitstreams/1140151/retrieve. // LHP AB

Yet, there are some questions as to whether **data exclusivity could prevent the registration of medicines produced under a compulsory license** (Fig. 1b). If so, data exclusivity would **effectively render the compulsory license inoperative**. Second, **if** a period of data exclusivity is also **granted when an existing medicine obtains** marketing **authorization (or registration) for a second or new indication or for a new form, as in the case of paediatric versions of already approved drugs, data exclusivity could (be used to) extend** the **period of exclusivity** of the originator product (Fig. 2). Fig. 2: Extension of data exclusivity for second indication Patent granted Registration market entry End patent term Data exclusitvity Data exclusitvity Registration 2nd indication Finally, data exclusivity **could prevent** the **registration of generic** versions of **medicines even when** there is no patenton a medicine, e.g. **when a pharmaceutical product does not meet the standards for patentability** (e.g. **because it is not new or an inventive step),** **the patent lapses, when a country has no patent law,** or **when patents are not being granted for pharmaceuticals**. The **latter** situation **can arise in least-developed countries that are World Trade Organization (WTO) Members**, which do not have to grant or enforce patents for pharmaceuticals until 2033.b

#### Forces people to choose between orphan drug designation and patents, read the card, means they link.

#### And – evergreening doesn’t exist – most secondary patents are from other drug companies – nowhere does the plan make a claim about other drug companies patenting drugs. Christie 21

Christie, A.F., Dent, C.H.R.I.S. and Studdert, D.M., 2021. Evidence of'Evergreening'in secondary patenting of blockbuster drugs. *Melbourne University Law Review*, *44*(2), pp.537-564.

It is reassuring that **the majority of follow-on innovation associated with blockbuster drugs is undertaken by entities other than the drug’s originator, and occurs both before and aer expiry of the patent over the drug’s API and the expiry of associated secondary patents held by the originator of the API**. **is shows that patents** — both primary and secondary — **which are owned by the originators of blockbuster drugs do not give them a monopoly over further innovation in relation to the drug**. us, it appears that **policymakers do not need to be concerned that drug originators’ secondary patents stifle welfare-enhancing innovation by others**. **e fact that most of the follow-on innovation by others occurs aer the granting of regulatory approval to market the drug provides policymakers with a potentially valuable lever.** It seems likely that any regulatory reforms which expedite the granting of drug approval will also expedite the commencement — and thus potentially increase the amount — of follow-on innovation that is undertaken by third parties. **Since such follow-on innovation is generally regarded as socially desirable, policymakers should seek to identify mechanisms that speed up the assessment of drug approval without compromising the effectiveness of that assessment**. Although the majority of blockbuster drug follow-on innovation is undertaken by third parties, a substantial amount (27%) is undertaken by the originator of the drug — resulting in an average of 13 secondary patents per drug. ese secondary patents have greater private value than those held by others, and their typology is consistent with the theorised evergreening behaviour of drug originators. Considered together with our earlier study’s findings, these findings provide support for the view that secondary patenting by drug originators can have adverse welfare effects through extending the originator’s marketplace exclusivity over the drug. Policymakers must be alert to this possibility, and need to consider how to reduce its likelihood. We consider that those responsible for implementing, reviewing, validating and correcting patent examination practices — patent offices and, ultimately, courts — should ensure that the patentability requirements, especially those of inventive step (non-obviousness) and industrial application (utility), are applied rigorously to the types of follow-on innovation with the greatest potential to have an evergreening effect — namely, delivery mechanisms for, and formulations of, APIs.

### Offense

### Turn

#### Intellectual property protections are key to pharmaceutical innovation – laundry of list of studies – that solves access better, Ezeli and Cory 19:

Stephen Ezell, [vice president, global innovation policy, at the Information Technology and Innovation Foundation (ITIF). He focuses on science and technology policy, international competitiveness, trade, manufacturing, and services issues.] and Nigel Cory, [an associate director covering trade policy at the Information Technology and Innovation Foundation. He focuses on cross-border data flows, data governance, intellectual property, and how they each relate to digital trade and the broader digital economy. Cory has provided in-person testimony and written submissions and has published reports and op-eds relating to these issues in the United States, the European Union, Australia, China, India, and New Zealand, among other countries and regions, and he has completed research projects for international bodies such as the Asia Pacific Economic Cooperation and the World Trade Organization.] “The Way Forward for Intellectual Property Internationally” April 25, 2019, <https://itif.org/publications/2019/04/25/way-forward-intellectual-property-internationally> //LHP AV

INTELLECTUAL PROPERTY UNDERPINS INNOVATION AND GROWTH Intellectual property rights arrangements are well recognized, going back to the Middle Ages, as enabling innovators to earn the returns necessary to continue to innovate and promote the availability of leading-edge technologies. **Nobel laureate economist Douglas North**, one of the foremost scholars of economic history, **argues that the introduction of intellectual property rights had one of the most profound impacts on spurring economic growth in human history**. North points out that average global economic growth rates for about one and a half millennia prior to the Industrial Revolution were essentially zero. Eighteenth-century elites in England had practically the same per capita income as their counterparts in third-century Rome.21 North has shown that the inflection point toward greater economic growth was the widespread development of patent systems in the 19th century.22 Gregory Clark, in his seminal book, Farewell to Alms: A Brief Economic History of the World, reached a similar conclusion that the introduction of **IPRs was catalytic to turbo-charging global economic growth**.23 **Robust intellectual property rights spur innovative activity by increasing the appropriability of the returns to innovation, enabling innovators to capture enough of the benefits of their own innovative activity to justify taking considerable risks**. By raising the private rate of return closer to the social rate of return, in**tellectual property rights address the knowledge-asset incentive problem, allowing inventors to realize economic gain from their inventions, thereby catalyzing investment in knowledge creation.** If innovators know that most of the benefits from their innovations would go to others without compensation, **they would be much less likely and capable of engaging in future innovations**. In addition, as they capture a larger portion of the benefits of their innovative activity, **innovating companies obtain the resources to pursue the next generation of innovative activities.** **IP thus produces a number of positive benefits, including: 1) creating powerful incentives for domestic innovation; 2) inducing knowledge spillovers that help others to innovate; 3) ensuring** a country’s **companies can focus on operating productively and innovating**, instead of having to devote an undue amount of their time and resources to protecting their IP in an environment where it’s at risk; **4) promoting the international diffusion of technology, innovation, and knowhow; and 5) boosting a country’s levels of research and development, inbound foreign direct investment (FDI), and exports of goods and services**.24 Robust intellectual property rights spur innovative activity by increasing the appropriability of the returns to innovation, enabling innovators to capture enough of the benefits of their own innovative activity to justify taking considerable risks. The **evidence shows that strong intellectual property rights protections are vitally important for both developed and developing countries alike.** As the definitive 2010 OECD review of the effects of intellectual property rights protections on developing countries, “Policy Complements to the Strengthening of IPRs in Developing Countries” found, “The results point to a tendency for IPR reform to deliver positive economic results.”25 The OECD study found that **developing-country IPR reforms concerning patent protection have tended to deliver the most substantial results**, although the results for copyright reform and trademark reform are also positive and significant. But to have the greatest impact on economic growth, IPR reforms must occur concomitantly with other positive complements, particularly ones regarding inputs for innovative and productive processes and the ability to conduct business. These include policies that influence the macro-environment for firms as well as the availability of resources (e.g., related to education), a country’s legal and institutional conditions, and fiscal incentives.26 The evidence shows that strong intellectual property rights protections are vitally important for both developed and developing countries alike. The following section details the broad swath of academic literature reviewing the relationships between IPR strengthening and trade, FDI, and technology transfer; IPR reform and innovation and R&D; and IPR reform and exports and industry growth, revealing the benefits of stronger IPR protections for developed and developing countries alike. IPRs Strengthen Trade, FDI, and Technology Transfer A wealth of academic research has documented the relationship between the strength of a country’s intellectual property protections and the extent of trade, foreign direct investment, and technology transfer it enjoys. Strengthening IPR protection has been shown to correlate with increased trade.27 For instance, Fink and Primo Braga found that IPR protection is positively associated with international trade flows, in particular of manufactured, non-fuel imports.28 Other studies have found a positive association between IPR protection and trade flows in high-technology products.29 Likewise, strengthening of IPR protection has also been connected with increased inflows of FDI. Cavazos Cepeda et al. found that a 1 percent increase in the protection of IPRs as measured by the Patent Rights Index (a measure of the strength of countries’ IPR regimes) is associated with a 2.8 percent increase in the inflow of FDI.30 Similarly, a 1 percent increase in trademark protection levels is associated with a 3.8 percent increase in incoming FDI; and a 1 percent increase in copyright protection yields a 6.8 percent increase in FDI.31 Moreover, the researchers identified a virtuous cycle between FDI and protection of IP, whereby improvements in the IPR environment are associated with improved economic performance—in particular with respect to FDI—and, in turn, further improvements in the IPR environment. Park and Lippoldt showed that stronger IPRs in developing countries are associated with an increase of technology-intensive FDI, while Awokuse and Yin provided a concrete example concerning the relationship of IPR protection in China to FDI inflows, concluding that IPR reforms in China have had a positive and significant effect on inbound FDI.32 There is also evidence that countries with similar levels of intellectual property protection trade more with one another.33 Academic research also signals a strong correlation between IPR and technology transfer. Lippoldt showed that IPR strengthening in countries—particularly with respect to patents—is associated with increased technology transfer via trade and investment.34 Research has revealed that a country’s level of intellectual property protection considerably affects whether foreign firms will transfer technology into it.35 That matters because the welfare gains from the importation of technology via innovative products, while differing across countries, can be substantial.36 For instance, foreign sources of technology account for over 90 percent of domestic productivity growth in all but a handful of countries.37 The research on this matter is clear and consistent. For example, a 1986 United Nations Conference on Trade and Development (UNCTAD) study found that direct investment in new technology areas such as computer software, semiconductors, and biotechnology is supported by stronger intellectual property rights policy regimes.38 (However, as this report later clarifies, subsequent UNCTAD reports have lamentably taken a more skeptical view toward IP.) A 1989 study by the United Nations Commission on Transnational Corporations (UNCTC) found that weak IP rights reduce computer software direct investment; and a 1990 study by UNCTC found that weak IP rights reduce pharmaceutical investment.39 Mansfield conducted firm-level surveys and found that perceptions of strong IP rights abroad have a positive effect on incentives to transfer technologies abroad. Likewise, survey research by the World Bank’s International Finance Corporation found that, with variations by sector, country, and technology, at least 25 percent of American and Japanese high-tech firms refuse to directly invest, or enter into a joint venture, in developing countries with weak intellectual property rights; and a later study confirmed those survey findings with actual foreign direct investment data.40 And an Institute for International Economics study of World Bank data concluded that weak intellectual property rights reduce flows of all these commercial activities, regardless of nations’ levels of economic development.41 A wealth of academic research has documented the relationship between the strength of a country’s intellectual property protections and the extent of trade, foreign direct investment, and technology transfer it enjoys. Studies have also shown how the benefits of intellectual property extend to developing countries. Diwan and Rodrik demonstrated that stronger patent rights in developing countries give enterprises from developed countries a greater incentive to research and introduce technologies appropriate to developing countries.42 Similarly, Taylor showed that weak patent rights in developing countries lead enterprises from developed countries to introduce less-than-best-practice technologies to developing countries.43 Interestingly, the relationship goes in both directions. Branstetter and Saggi showed that strengthened IPR protection not only improves the investment climate in the implementing countries, but also leads to increased FDI in the country producing the original innovation.44 They concluded that IPR reform in the “global South” (e.g., developing countries) may be associated with FDI increases in the “global North” (e.g., developed countries). As northern firms shift their production to southern affiliates, this FDI accelerates southern industrial development, creating a cyclical feedback mechanism that also benefits the North. Another study by Liao and Wong, which focused on firm-level analysis, highlights the inter-relationship of IPR reform in developed and developing countries. Their study concluded that developing countries can entice technology transfer from the North by providing IPR protection for incoming products (although they note there is a need for redoubled R&D efforts in developed countries to spur needed innovations).45 **IPRs Strengthen Innovation** Intellectual property rights power innovation. For instance, analyzing the level of intellectual property protections (via the World Economic Forum’s Global Competitiveness reports) and creative outputs (via the Global Innovation Index) shows that **counties with stronger IP protection have more creative outputs** (in terms of intangible assets and creative goods and services in a nation’s media, printing and publishing, and entertainment industries, including online), **even at varying levels of development**.46 **IPR reforms also introduce strong incentives for domestic innovation**. **Sherwood**, using case studies from 18 developing countries, **concluded that poor provision of intellectual property rights deters local innovation and risk-taking**.47 In contrast, **IPR reform has been associated with increased innovative activity, as measured by domestic patent filings**, albeit with some variation across countries and sectors.48 For example, **Ryan, in a study of biomedical innovations and patent reform in Brazil, found that patents provided incentives for innovation investments and facilitated the functioning of technology markets**.49 **Park** **and Lippoldt also observed that** the provision of adequate protection for **IPRs can help to stimulate local innovation**, in some cases building on the transfer of technologies that provide inputs and spillovers.50 In other words, **local innovators are introduced to technologies** first **through** the technology transfer that takes place in an environment wherein **protection** of IPRs is assured; then, they may build on those ideas to create an evolved product or develop alternate approaches (i.e., to innovate). Related research finds that trade in technology—through channels including imports, foreign direct investment, and technology licensing—improves the quality of developing-country innovation by increasing the pool of ideas and efficiency of innovation by encouraging the division of innovative labor and specialization.51 However, Maskus notes that without protection from potential abuse of their newly developed technologies, foreign enterprises may be less willing to reveal technical information associated with their innovations.52 The protection of patents and trade secrets provides necessary legal assurances for firms wishing to reveal proprietary characteristics of technologies to subsidiaries and licensees via contracts. Counties with stronger IP protection have more creative outputs (in terms of intangible assets and creative goods and services in a nation’s media, printing and publishing, and entertainment industries, including online), even at varying levels of development. The relationship between IPR rights and innovation can also be seen in studies of how the introduction of stronger IPR laws, with regard to patents, copyrights, and trademarks, affect R&D activity in an economy. Studies by Varsakelis and by Kanwar and Evenson found that **R&D to GDP ratios are positively related to the strength of patent rights**, and are conditional on other factors.53 Cavazos Cepeda et al. found a positive influence of IPRs on the level of R&D in an economy, with each 1 percent increase in the level of protection of IPRs in an economy (as measured by improvements to a country’s score in the Patent Rights Index) equating to, on average, a 0.7 percent increase in the domestic level of R&D.54 Likewise, a 1 percent increase in copyright protection was associated with a 3.3 percent increase in domestic R&D. Similarly, when trademark protection increased by 1 percent, there was an associated R&D increase of 1.4 percent. As the authors concluded, “Increases in the protection of the IPRs carried economic benefits in the form of higher inflows of FDI, and increases in the levels of both domestically conducted R&D and service imports as measured by licensing fees.”55 As Jackson summarized, regarding the relationship between IPR reform and both innovation and R&D, and FDI, “In addition to spurring domestic innovation, strong intellectual property rights can increase incentives for foreign direct investment which in turn also leads to economic growth.”56 BOX 1: INNOVATE FOR HEALTH: IP IS NOT THE PROBLEM, BUT PART OF THE SOLUTION **Many opponents of robust IPR rights view them as antithetical to the interests of developing countries in terms of access to medicines or the provision of national health care services**. Yet the reality is that **stronger IPR rights in developing nations actually unleash the power of developing-country innovators to contribute to solving health challenges both in their own nations and across the global economy**. First, opponents of IP fail to recognize **that intellectual property rights matter for health care innovation in emerging economies.** **A**n Information Technology and Innovation Foundation (ITIF) and George Mason University Center for Intellectual Property Protection **report**, “How Innovators Are Solving Global Health Challenges,” **provides 25 case studies that show innovators in developing countries relying on IP to invent and bring solutions to market**.57 The 25 case studies revealed a number of key themes, including that there is opportunity in adapting health care interventions for developing-country environments where resources and infrastructure are scarce, and that local innovation and **IP can contribute substantially toward providing both affordable and robust tests for diagnosing diseases and affordable interventions to meet basic needs in challenging environments.** Second, **opponents of IP tend to ignore broader systemic issues that contribute to poor health care outcomes in developing countries.** **While cost is a central factor for policymakers in all countries, given resource scarcity, these trade-offs are not unique to health**. **The greater the resource scarcity, the greater the need for innovation**. One of the biggest challenges policymakers and innovators in developing countries confront again and again is scarcity—in access to trained professionals, in transportation, and in other infrastructure. For example, reports estimate that as many as 1 billion people lack access to essential health care because of a shortage of trained health professionals.58 A 2014 World Health Organization study estimated a shortage of 7 million public health care workers, with that number expected to rise to 13 million by 2035.59 More than 80 countries currently fail to meet the basic threshold of 23 skilled health professionals per 10,000 citizens.60 The challenge is even more daunting when it comes to specialists. For instance, Cameroon has fewer than 50 cardiologists supporting a population of over 23 million citizens.61 And Ethiopia, a country of some 90 million residents, is served by a single radiation-treatment center located in the capital of Addis Ababa.62 In other instances, individuals lack access to essential medicines, with cost being a relatively small part of the problem. For instance, in 2014, researchers at the University of Utrecht in the Netherlands found that, on average, essential medicines are available in public-sector facilities in developing countries only 40 percent of the time.63 Again, **the cost of medicines is far from the most serious problem in the provision of health care services in developing nations**. Indeed, **the vast majority of drugs—at least 95 percent—on the World Health Organization’s Essential Medicines list are off-patent, and thus potentially available in generic versions**.64 **The problem, in much larger part, stems from countries’ underdeveloped health systems and the fact that many people live in rural areas far from care.** **Stronger IP rights create an environment wherein entrepreneurs can innovate to meet health challenges in their own nations, the benefits thereof spilling over to benefit the entire international community.** IPRs Strengthen Exports and Industry Growth Academic research has also found that **stronger IPR protections support exports from developing countries and faster growth rates of certain industries.** Yang and Kuo argue that stronger IPR protection improves the export performance of firms benefitting from technology transfer. And in their research, Cavazos Cepeda et al. found that trademark protection has a statistically significant association in relation to the export turnover, sales, and total assets of firms studied. They also found a significant association between copyrights and export turnover. Moreover, they found “a positive influence of patent right protection on export turnover (e.g., sales) under certain specifications with respect to complementary policies.”65 In cross-country studies, researchers have found that stronger patent rights are associated with faster company growth in IP-intensive industries such as pharmaceuticals. In fact, during the early 1990s, a one-standard-deviation increase in patent rights was associated with an increase in firm growth of 0.69 percent (an advantage amounting to nearly one-fifth of the average industry growth rate of 3.7 percent).66 Consequences of Countries Not Enacting Robust IPR Protections and Enforcement **Nations** **that** have not implemented—or **do not enforce**—**robust intellectual property rights protections end up harming their economic development in at least three principle ways. First, they deter future innovative activity. Second, they discourage trade** and foreign direct investment, which only hurts their own consumers and businesses, by both limiting their choices and inhibiting their enterprises’ ability to access best-of-breed technologies that are vital to boosting domestic productivity. **Third, in countries with weak IP protections, firms are forced to invest undue amounts of resources in protection rather than invention**. Ironically, **developing countries’ own economic development opportunities** and intellectual property development potential **are inhibited by their own weak intellectual property protections.** For instance, the lack of effective protection for intellectual property rights in China has limited the introduction of advanced technology and innovation investments by foreign companies, thereby reducing potential benefits to local innovation capacity.67 As Cavazos Cepeda et al. found in a case study of IPR protections in that economy, “China has made progress in strengthening the protection of intellectual property over the past two decades, as attested to by indicators such as the Patent Rights Index…. However, uncertainty around the protection of intellectual property [remains] an important deterrent for foreign as well as domestic firms engaging in R&D-related activities.”68 Ironically, developing countries’ own economic development opportunities and intellectual property development potential are inhibited by their own weak intellectual property protections.

### LBL

#### On Kaplan 20 – they don’t decrease the number of patetns because they don’t change the standards of how to get a patent – pharma just slightly chnages their drugs meaning they don’t solve – also this card doesn’t talk about evergreening just patents

#### Feldman – he assumes the alternative to evergreening is new drug innovation – but there’s no warrant for that – the reason companies prioritize

#### minor tweaks is because it’s what makes them money to allow for more substantive innovation. The alternative to evergreening is a) other forms of market differentiation like branding and b) other forms of patent avoidance. Getting rid of evergreening doesn’t make profitable things unprofitable.

#### fr

#### there’s no impact to monopolies and no internal link to innovation at all. At best their impact is drug prices, but without an internal link to innovation, it doesn’t matter. Also, the card itself demonstrates why ocmpanies need to evergreen. The truveda example shows how the 20 year patent they should’ve had was only going to be two years because of how long it takes drugs to be approved.

#### Superbugs – solving pandemic extinction uniquely demands massive pharmaceutical monopolies, because only when you can throw trillions of dollars at a short amount of time is when you can solve extinction fast enough. If we have a competition of hundreds of little non monopolized drug companies, there would be no one of them to solve. That impact turns monopolies.

#### The internal link says that limits on evergreening will reduce patent litigation – that’s just empirically false – what would happen is someone will try to patent something, the patent office will say no this is evergreening, and then they’ll get sued. In the world of the aff, there will be intense litigation about what is or what is not a new drug and what constitutes evergreening.