

COMMENTARY

To ethically tackle COVID-19, Big Pharma needs an overhaul

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A health worker injects a volunteer during clinical trials for a COVID-19 vaccine in Hollywood, Fla. (Photo: Eva Marie Uzcategui/Bloomberg via Getty Images)

EVA MARIE UZCATEGUI—BLOOMBERG/GETTY IMAGES

In April, as doctors, nurses, and caregivers worldwide struggled to save tens of thousands of people severely sickened with a novel and fast-moving virus, researchers for the California-based pharmaceutical company Gilead Sciences provided a much-needed glimmer of hope.

Trial results for a new drug, remdesivir, showed huge promise, indicating that the drug cuts down recovery time for patients hospitalized [with COVID-19](#) and giving medical providers a vision of a lifesaving treatment option.

But as soon as news of this [taxpayer-funded](#) drug spread around the globe, politics and [profits](#) dictated who would have access to it first. The U.S. government [purchased](#) the initial supply of the drug—leaving sick patients around the globe without access. And now Gilead is facing a [wave of criticism](#) for the high price point it set for the treatment.

As new COVID-19 vaccines and treatments are developed, countries' purchasing [power](#), and not their need for health care resources, will dictate [distribution](#). This is how our pharmaceutical research and development [system works](#)—and it leaves millions around the world without access to essential medicines they need to [survive](#).

It doesn't have to be this way. We need to radically restructure the incentives for pharmaceutical R&D by de-linking companies' profits from sales volume, tying them to net health benefits instead—getting drugs where they are needed most.

Governments simply should not grant companies exclusive licenses, also known as patents, on new medicines, but should instead tie rewards for new research and development to their health impact.

Patents are limited-term monopolies that let companies charge whatever they want for their technologies. The profit maximizing price is not the most equitable. Especially when there is [great inequality](#), companies make the most money by charging high prices only the richest can afford, taking advantage of the fact that generic companies cannot provide access to essential medicines for millions at a lower price until the patent expires.

Fortunately, there are steps that both policymakers and pharmaceutical executives can and should be taking now to increase global health impact.

Sharing the benefits of R&D

Countries can join [patent pools](#) encouraging companies to [share patents](#) to advance R&D. Companies can also join these pools voluntarily and officials can incorporate incentives for patent-sharing by offering rewards based on the health impact of the resulting products.

To date, 172 countries have endorsed the WHO's COVID-19 Technology Access Pool—a promising step in the right direction. But many rich and innovative countries are still not on the [list](#), and only 10 patent-holding companies have [signed agreements](#) with the Medicines Patent Pool—a meager number that shows the overwhelming pull of profit at the expense of global health.

Pharmaceutical companies' rewards can be tied to health impact in other ways. [International prizes](#) that reward new interventions based on health impact are one possibility. Or consider [orphan-drug designation, which gives companies tax breaks and lucrative priority review for medicines of their choice for](#) developing drugs for medical conditions that are rare in the U.S. Orphan-drug designation and other tax breaks can be tied to health impact too.

Some good measures of [global health impact](#) exist to support these proposals. For instance, it is possible to evaluate [impact](#) across diseases and interventions by examining the need for, access to, and effectiveness of treatment—though researchers need to expand evaluation mechanisms to include coronavirus interventions as they are developed.

When companies cannot expect to make much from the development of products that primarily benefit the poor, they may make more money from patent pools, prizes, and tax incentives tied to health impact rather than sales.

[No one should profit](#) from a pandemic. Yet the pharmaceutical industry is amongst the most [lucrative](#). Although companies argue that such great profits are [necessary](#) to support research and development, they do not make their R&D costs [transparent, and critics charge that they include overinflated and unethical marketing costs](#) in the data they do provide.

At a minimum, companies [must substantiate](#) the claim that their profits are justified in order for society to continue to offer them patent protections that contribute to inequitable access.

In the context of a fast-moving and devastating pandemic, policymakers have made some strides in prioritizing public health over profits.

But now is the time to think bigger—reforming rather than [repealing](#) the broken [orphan-drug tax credits](#), mandating patent pools, and tying major rewards for pharmaceutical innovation to health

impact. Together we can encourage pharmaceutical companies to make morally responsible decisions.

The threat of compulsory licensing can help. [In past health crises, even the U.S.](#) has issued [such licenses](#) to let generic companies produce patented medicines. Litigation to get companies to allow compulsory licensing (which [is legal under World Trade Organization](#) agreements), and collective action can also make a difference. In the early 2000s, after 40 pharmaceutical companies sued the South African government for importing HIV medicines without permission from the patent holder, public pressure forced them to withdraw the [lawsuit](#).

If these steps aren't taken—if profit wins—pharmaceutical companies will continue to deprive millions of people of access to new technologies, by setting high prices and lobbying to increase patent protections. The U.S. already agreed to pay \$1.2 billion for [early access](#) to a COVID-19 vaccine under development in the U.K. and is acquiring rights to several other vaccines, too. Other rich countries are likewise trying to [corner the market](#) for their populations.

But diseases do not care about borders nor profits, and even the best vaccines cannot prevent every infection. If everyone does not have access to a COVID-19 vaccine, the pandemic will continue to circle the globe—leaving us all exposed.

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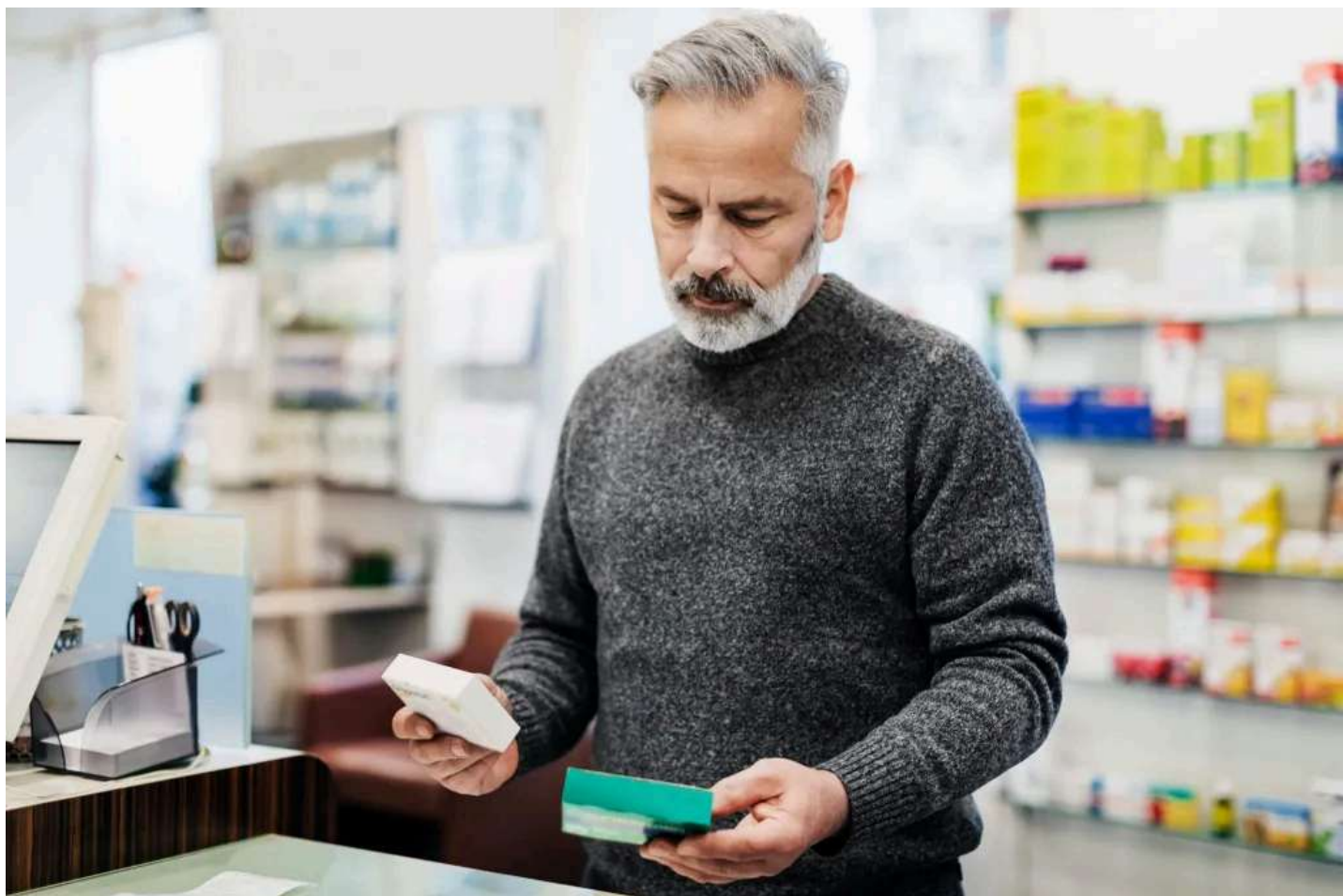


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