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Obama Trade Pact Could Impede ‘AIDS-Free Generation’

Rollbacks of Modest Bush-Era Improvements on Access to Medicines Would Empower Big Pharma, Expand Monopolies

WASHINGTON, D.C. – To achieve the “AIDS-free generation” for which President Barack Obama and Secretary of State Hillary Clinton, among others, have called, we must break the monopoly power of drug companies and change the U.S. approach to trade pacts, Public Citizen said today.

The Obama administration is negotiating a multilateral “Trans-Pacific Partnership” (TPP) free trade agreement with countries in Asia and the Americas, intended to expand to the entire Asia-Pacific region. [Leaked documents](#) reveal that U.S. demands for the TPP would radically expand pharmaceutical monopoly power, keeping treatment costs high and threatening to impede the common goal of an “AIDS-free generation.”

“An AIDS-free generation is an audacious and wonderful goal,” said Peter Maybarduk, director of Public Citizen’s Access to Medicines program, who is participating in the “We Can End AIDS” mobilization and march on Tuesday during the International AIDS conference here. “But ending AIDS will depend in part on massively scaling up access to treatment. A major obstacle is the monopoly power of the giant pharmaceutical companies, which leads to vastly higher costs than could be achieved through expanded generic competition. Today, U.S. trade policy threatens to undermine U.S. AIDS policy. It is very important that the Obama administration rethink its position on trade and access to medicines.”

Since 2000, generic competition has facilitated a treatment revolution, driving down costs for older HIV/AIDS medicines from more than \$10,000 per person, per year to less than \$100 today. More than eight million people with HIV/AIDS in developing countries are receiving treatment; very few would be receiving life-saving medicines without the plunge in prices. This year, new science demonstrated that treatment can be effective as HIV prevention. For the first time it is becoming possible to map out an end to the epidemic. But many newer medicines needed to achieve an AIDS-free generation still cost thousands of dollars per person, per year. Generic competition could bring treatment costs down again, but only if patent- and test data-based monopolies can be overcome.

“When it comes to access to medicines, price is a life-and-death matter,” Maybarduk said. “The high costs of patent-based monopolies, particularly for newer, critical, second- and third-line HIV/AIDS medicines, seriously limit the ability of governments and donors to boost treatment access.”

For instance, a key AIDS drug known as lopinavir + ritonavir is sold by Chicago-based pharmaceutical giant Abbott Laboratories under the brand names Kaletra and Aluvia. Abbott’s anti-competitive actions are keeping prices for this important medicine high and limiting the ability of donors and governments to scale up treatment. Abbott prices Kaletra at \$400 per person, per year in the world’s poorest countries, and much higher — from \$1,000 to around \$4,000 — in other developing nations.

The [U.S. President’s Emergency Plan for AIDS Relief \(PEPFAR\)](#) cited Abbott’s patent claims as a “key driver” of high second-line treatment costs in partner country Vietnam. Vietnam also is one of the countries negotiating the TPP. Obama administration demands for the trade pact would require Vietnam to eliminate legal tools designed to prevent bad patents, including a mechanism that was used recently to successfully challenge a Kaletra patent application and preserve generic competition in India. Vietnam and other TPP countries – as well as PEPFAR – could benefit from these tools.

A 2007 agreement between the Democratic congressional leadership and the Bush administration set certain limits on patent and test data provisions affecting pharmaceutical access and began to reduce the negative effects of U.S.-negotiated free trade agreements on access to medicines in developing countries. But Obama administration proposals for the TPP roll back these modest reforms, making patent extensions mandatory, linking marketing approval to patent status and expanding exclusive controls over clinical test data. The U.S. TPP proposals would require countries to make patents available for new uses and minor variations of older medicines, even if these changes do not enhance the efficacy of the medicines, among several other provisions that could harm access.

For more information about this week’s events, visit www.WeCanEndAIDS.org. For more information about Public Citizen’s Global Access to Medicines program, visit www.citizen.org/access.

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