



1600 20th Street, NW • Washington, D.C. 20009 • 202/588-1000 • www.citizen.org

August 23, 2013

Public Citizen Warns of Potential Consequences of US TPP Proposals for Japan's Pharmaceutical Pricing and Medical Innovation Systems

BRUNEI -- Public Citizen's Global Access to Medicines Program today warned of significant costs to health systems that could arise from US proposals to the Trans-Pacific Partnership negotiations.

The United States Trade Representative has proposed a series of measures that would significantly weaken Japan's National Health Insurance pharmaceutical pricing system, while transforming the patent rules that guide medical innovation and influence access to medicines in Japan. Today Public Citizen released detailed analyses of the US-proposed measures, which had been previously revealed in leaked texts.¹

The US-proposed Transparency Chapter Annex would raise pharmaceutical costs and could compromise the NHI. It would:

- Risk government oversight of pharmaceutical prices by requiring "market-based pricing," an unusual concept when applied to conditions of monopoly.
- Limit the use of international reference pricing, which is an important tool to control pharmaceutical costs.
- Potentially allow pharmaceutical companies to challenge government decisions on pharmaceutical reimbursement prices.

The US-proposed Intellectual Property Chapter would alter Japan's innovation system and expand pharmaceutical monopoly power. It would:

- Facilitate patent abuse and unwarranted, high-price pharmaceutical monopolies, by expanding the scope of patent protection and supporting patent "evergreening."
- Slow generic market entry by extending patent terms for perceived delays in patent prosecution.
- Stack procedures in favor of patent holders, for example, by introducing a presumption of patent validity in judicial and administrative proceedings.
- Require automatic delays of generic market approvals and risk further abuse by linking the drug regulatory approval system to the patent system.

For further details and Japan-specific analysis please see: <http://www.citizen.org/japan-and-TPP>
Contact: Burcu Kilic (bkilic@citizen.org)

¹ Intellectual Property and Transparency Chapter – Annex on Transparency and Procedural Fairness for Healthcare Technologies, available at: <http://www.citizenstrade.org/ctc/wp-content/uploads/2011/10/TransPacificTransparency.pdf>.