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## **Medicines Patent Pool-ViiV Healthcare Licensing Agreement**

### *Statement of Peter Maybarduk, Global Access to Medicines Program Director*

The Medicines Patent Pool (MPP) has negotiated another pro-competitive agreement to expand access to lifesaving medicines. The agreement announced today with ViiV Healthcare, for the brand new AIDS treatment dolutegravir, improves on industry licensing standards while substantively providing new opportunities for price-lowering, access-promoting competition.

Unlike ViiV's preexisting access policy, the MPP-ViiV terms are publicly available for review. The agreement would allow sales regardless of patent status in the country of manufacture, which helps promote royalty-free generic competition in about fifty countries not contemplated by ViiV's prior policy (countries where there is no patent, but nevertheless a manufacturing country patent could block competition). The MPP has also negotiated royalty-free licenses for adult formulations in the 67 ViiV access countries (and more covered for pediatrics).

MPP has successfully negotiated licenses for an additional six countries (India, Philippines, Vietnam, Egypt, Indonesia and Turkmenistan) with royalty payments tiered according to those countries' incomes. The royalties for these six countries, applicable only if and when a patent has been granted, reflect the Pool's work to advance medicine affordability by making pro-competitive licensing and competition attractive to ViiV.

Royalties tiered according to ability to pay, or modestly higher royalties, merit consideration where they can make the difference to establish a more competitive, cost-lowering environment. Public benefits including major price reductions from competition will be vastly greater than royalty costs. Royalties also represent a contribution to research and development costs, while insisting on competition and ensuring patient access.

We call on all pharmaceutical companies to jump in the Patent Pool and negotiate licenses of ever broader geographic coverage.

The MPP has initiated negotiations with AbbVie (formerly Abbott Laboratories), for lopinavir and the booster drug ritonavir. AbbVie's ritonavir patents are an obstacle to achieving the [maximum possible benefits of prior MPP licenses](#) and, indeed, an obstacle to scaling up HIV/AIDS treatment generally. AbbVie should follow the Medicines Patent Pool's lead and license ritonavir on the broadest possible terms.

Johnson & Johnson (J&J) and Merck are the stragglers; the only patent-holding pharmaceutical giants which have not entered negotiations with the Medicines Patent Pool. J&J and Merck should join their peers and begin negotiations.

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