



Comments of the Trade Alliance to Promote Prosperity in Response to United States International Trade Commission Request for Public Input on an Expansion of the TRIPS Waiver

May 4, 2023

Dear Chairman Johanson:

The Trade Alliance to Promote Prosperity (TAPP) is submitting these comments in response to the request for public input by the U.S. International Trade Commission (USITC) in regards to the investigation into a possible expansion of the TRIPS waiver.

TAPP is a coalition of American companies, workers, trade associations, opinion leaders, lawmakers and policymakers committed to building America's economy by creating jobs through strategic trade partnerships that will drive growth for decades to come.

In order to mitigate the damage that has already been done from the attack on intellectual property rights, we submit these comments to ask that you do not expand the TRIPS waiver.

TAPP is committed to fostering medical innovation and supporting strong patent rights and recognizes that strong patent protections are necessary precursors to medical innovations, new cures, and lifesaving medicines.

The COVID-19 pandemic offers many good lessons on the importance of medical innovation. The development and subsequent distribution of COVID-19 vaccines across the world was a triumph for the medical and biotechnology industries.

The TRIPS waiver was proposed as a way to improve access to COVID-19 vaccines by giving developing countries access to vaccine patents. However, studies show that removing patent protections actually does the opposite.¹ In fact, new research is increasingly showing that weak intellectual property protections delay the roll-out of new medicines while countries with strong intellectual property protections get innovative medicines to market faster than their counterparts.²

The TRIPS waiver does not solve the issues that it sets out to do, and an expansion would be a continuation of an attack on intellectual property rights. The waiver was supposed to be a short-term action during a global crisis. Continuing it through 2023 would be disastrous for the American intellectual property economy.

¹ Ernst Berndt, Iain Cockburn, "The Hidden Cost of Low Prices: Limited Access to New Drugs in India," *New York Times*, September 2014.

² Iain Cockburn, Jean O. Lanjouw and Mark Schankerman, "Patents and the global diffusion of new drugs," *American Economic Review*, 106 (01). pp. 136-164.



Most importantly, the TRIPS waiver is simply not necessary. Vaccine demand has plummeted in recent months. Vaccine suppliers to low- and middle-income countries have stopped sending COVID-19 vaccines to most nations due to a lack of demand.³

In February 2022, the Africa CDC asked the world to stop sending COVID-19 vaccine donations.⁴ Also in February 2022, the world's largest manufacturer of vaccines stopped production due to a lack of demand.⁵

Supporters of the waiver wrongly suggest that intellectual property is a barrier to technological innovation, when in reality it is one of innovation's greatest catalysts.

An expansion of the TRIPS waiver would seriously decrease U.S. wherewithal to research medicines and vaccines efficiently the next time the world needs a cure. That is a risk we should not be willing to take.

American companies develop two-thirds of new medicines, largely because of the strong intellectual property protections in our country.⁶ Without the promise of a patent and the accompanying incentives, medical innovation would seriously decrease or come to a halt altogether.

The world relies on the American medical and biotechnology industries to lead the way on innovation and groundbreaking research, and the TRIPS waiver expansion would seriously threaten our ability to lead.

An expansion on the TRIPS waiver is an unnecessary, destructive, and limiting policy decision that would benefit no one while endangering American companies and patients across the world.

Sincerely,

Kent Kaiser, Ph.D. executive director
Trade Alliance to Promote Prosperity

³ Stephanie Nolen, "Key Partner in Covax Will Stop Giving Free Vaccines to Middle-Income Nations," *New York Times*, December 8 2022.

⁴ Daniel Payne, "Africa CDC to ask World to Pause Covid-19 Vaccine Donations," *Politico*, February 2, 2022

⁵ Anjalee Khemlani, "We've All Gone Through Hell': Serum Institute CEO on Impact of COVID-19 Around the World," *Yahoo Finance*, February 23, 2022.

⁶ Michael Rosenblatt, Henri Termeer, "A Dissenting View," *National Academies Press*, November 30, 2017.