

Abbott Laboratories makes students sick

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Today, students joined a Global Day of Action to demand that pharmaceutical company Abbott Laboratories stops denying people in poor countries lifesaving drugs.

As staff arrived at Abbott's UK headquarters in Maidenhead, students and supporters of the Stop AIDS Campaign assembled to tell Abbott that the games it is playing with people's lives makes them sick. Staff were greeted by the Grim Reaper, giant pills, and students physically sickened by Abbott's behaviour. The action coincided with other events across the world, in response to a call from the Thai Network of People Living with HIV/AIDS (TNP+).

Abbott's dodgy dealings hit the headlines in early 2006 amid evidence that despite claiming to offer a vital HIV drug at cost price to the developing world, Abbott had failed to actually register or supply the heat stable version of its drug Kaletra in any African countries.

In January, Abbott once again positioned itself at odds with the rights of poor countries to access essential medicines. This time Abbott has decided to withdraw 7 life-saving drugs from the Thai market. Abbott's move was an unprecedented retaliation against Thailand for attempting to access low cost generic versions of essential drugs, including the important HIV drug Kaletra. The process of importing or making cheaper generic drugs is known as compulsory licensing and is expressly permitted under international trade rules.

AIDS is a leading cause of death in Thailand, where 600,000 people are living with HIV. Thailand's universal AIDS treatment program has been possible because generic competition has reduced drug costs. However, increasing numbers of people with HIV in Thailand are becoming resistant to first-line HIV treatment, and need access to newer, more expensive second-line medicines. According to the World Bank, the high costs of second-line drugs like Abbott's Kaletra threaten the sustainability of Thailand's AIDS treatment program. Sky-rocketing drug costs, and Abbott's refusal to negotiate an affordable price, led the Thai government to issue a compulsory license.

Among the drugs that were awaiting marketing approval, and which have now been withdrawn by Abbott, is the heat-stable version of Kaletra - essential in countries with a tropical climate like Thailand. Abbott has said it will reintroduce the drug, but only if Thailand withdraws its compulsory license.

"We are outraged. Abbott's actions are immoral and are a deliberate attempt to override internationally agreed rules in the name of profit. Thailand's move was entirely legal and is part of their commitment to ensure access to medicines for people living with HIV and AIDS. Abbott must stop its bullying and blackmail," said Rhiannon Horsley of Reading University People & Planet group.

Campaigners are also calling on the international community to speak out against Abbott. If Abbott's pressure on Thailand proves successful, it sets a dangerous precedent where developing countries will avoid using provisions designed to protect public health, for fear of illegal retaliation from Abbott and others in the pharmaceutical industry.

"In 2005 world leaders promised universal access to AIDS treatment by 2010. Rising drug prices put this commitment in jeopardy. Compulsory licensing is a vital tool in stimulating the effective competitive market we need to bring rising drug prices down and meet and sustain the promise of universal access to treatment. The international community must support Thailand's efforts to save more of its people's lives," said Dez Hsu, of King's College London Student Stop AIDS Society.

ENDS

Notes to Editor

- The Stop AIDS Campaign is the campaigning arm of the UK Consortium on AIDS and International Development – a coalition of over 90 NGOs and Trade Unions promoting effective responses to the HIV pandemic. www.stopaidscampaign.org.uk.
- The Global Day of Action against Abbott was called for by the Thai Network of People living with HIV and AIDS (TNP+): *“This action by Abbott is unprecedented by a pharmaceutical company, and a comprehensive and intensive global campaign is needed to ensure that this never happens again - and to register our disgust and condemnation for their precedence of profit over people”*. The call was taken up by campaigners across the globe including India and in the US, ahead of Abbott's Annual General Meeting in Chicago tomorrow, 27 April.
- Thailand has been committed to providing universal access to HIV/AIDS treatment since 2003. Thailand's national drug programme currently provides treatment to 85,000 of these people, but drug costs are rising as more patients develop resistance to first line drugs and need to move onto newer patented second-line treatments.
- The UK government used its 2005 G8 presidency to lead an international commitment to provide universal access to AIDS treatment by 2010. This commitment was endorsed by all UN Member states in September 2005.
- Recent evaluations by the World Bank and the World Health Organisation provide evidence that brand-name drugs are too expensive for Thailand, and that costs are likely to rise dramatically. Drug costs are rising as patients become resistant to older formulations and need to switch to new patented drugs. If just *one quarter* of Thai patients needed newer patented drugs, this would absorb *three quarters* of the entire treatment budget by 2020. The WHO and the World Bank have both recommended that compulsory licensing be used in Thailand.
- On 29th January 2007 the Thai government issued a compulsory license to import or produce generic versions of lopinavir/ritonavir, a key second line antiretroviral medication marketed by Abbott Laboratories as Kaletra. The newer heat-stable version of Kaletra is also marketed as Aluvia.
- Global sales of Kaletra in 2006 were \$1.1 billion.
- Abbott has said that it made its decision to withdraw registration of new medicines because has Thailand has *“chosen to break patents on numerous products, ignoring the patent system”*.
- Thailand's move is perfectly legal under Thai law and World Trade Organisation (WTO) rules. The WTO's TRIPS agreements permits the issue of compulsory licenses under a number of circumstances. Countries themselves determine the grounds on which a license is issued. The 2001 Doha Declaration on public health stated that *“Governments must put public health before patent rights.”* Even the US government, a stalwart defender of big Pharma's interests, has said *“we have not suggested that Thailand has failed to comply with particular national or international rules”*.
- Compulsory licensing is frequently used in developed countries. The US has made extensive use of compulsory licensing, ranging from licenses for bird flu vaccines to software, automobile and television technology.
- Thailand has set strict limits on the types of drugs and circumstances in which it will issue a compulsory license. The license for Kaletra will provide for poor patients within the public health system — those who could not afford to buy Abbott's version. Abbott's existing market — those who can afford Abbott's high mark-up — is not affected. Abbott will still receive royalties from drugs produced under a compulsory license.
- Both the Director General of the World Health Organisation, Margaret Chan, and Peter Piot, Director of UNAIDS, have written to Thailand in support of their use of compulsory licensing. Margaret Chan said: *“WHO unequivocally supports the use by developing countries of the flexibilities within the TRIPS agreement that ensure access to affordable, high quality drugs. This*

includes the use of compulsory licensing, as described in paragraph 6 of the Doha Declaration of the TRIPS Agreement and Public Health. The decision whether to issue a compulsory license for a pharmaceutical product is a national one. There is no requirement for countries to negotiate with patent holders before issuing a compulsory licence.”

- Thailand has provided evidence of repeated efforts to negotiate price reductions with drug companies, but to no avail. In any case prior negotiation is not necessary under WTO rules for the issue of a licence for public non-commercial use. Prior negotiation is often used as a delaying tactic by pharmaceutical companies. Brazil engaged in protracted negotiations with Abbott, but was unable to secure significant price reductions until it announced its intention to issue a compulsory license. Brazil now finds itself locked into a deal with Abbott that sees it paying a price 50% higher than Abbott's most recent price reduction.
- As a result of ongoing pressure on Abbott, including pressure from generic competition as a result of the Thai government's compulsory license, Abbott recently announced a 55% price reduction for some countries for heat-stable Kaletra - a drop from \$2200 to \$1000. But Thailand is excluded from this deal, as long as Abbott refuses to register the drug.