

F!FARMA

INTELLECTUAL

**INTELLECTUAL
PROPERTY**

PROPERTY

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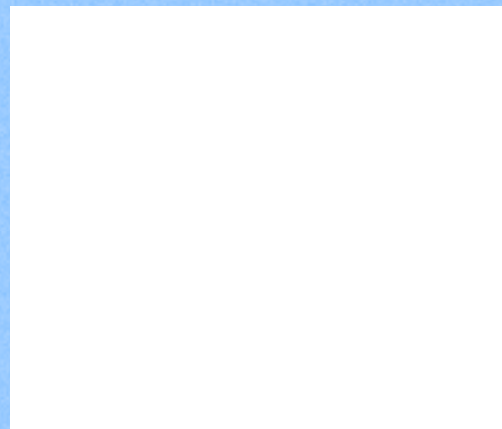
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Introduction

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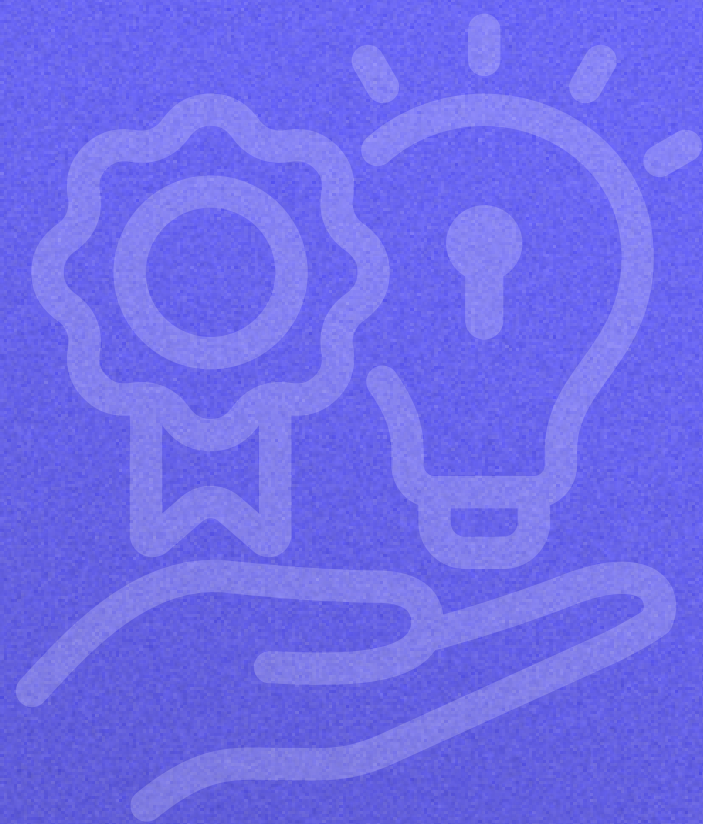
The innate capacity for inventiveness and creativity has enabled humanity to make significant advancements across various fields of knowledge. These developments have not only enhanced life expectancy and quality of life but also driven economic and social progress. A legal framework known as Intellectual Property (IP) has been established to safeguard the outcomes of this creativity.¹

Intellectual property encompasses a wide range of creations, including artistic works, inventions, software, trademarks, and other commercial identifiers. It plays a vital role in numerous industries and serves as a cornerstone for the growth of both cultural and economic sectors. This importance is upheld through a comprehensive body of laws designed to protect intellectual property rights at national, regional, and international levels²

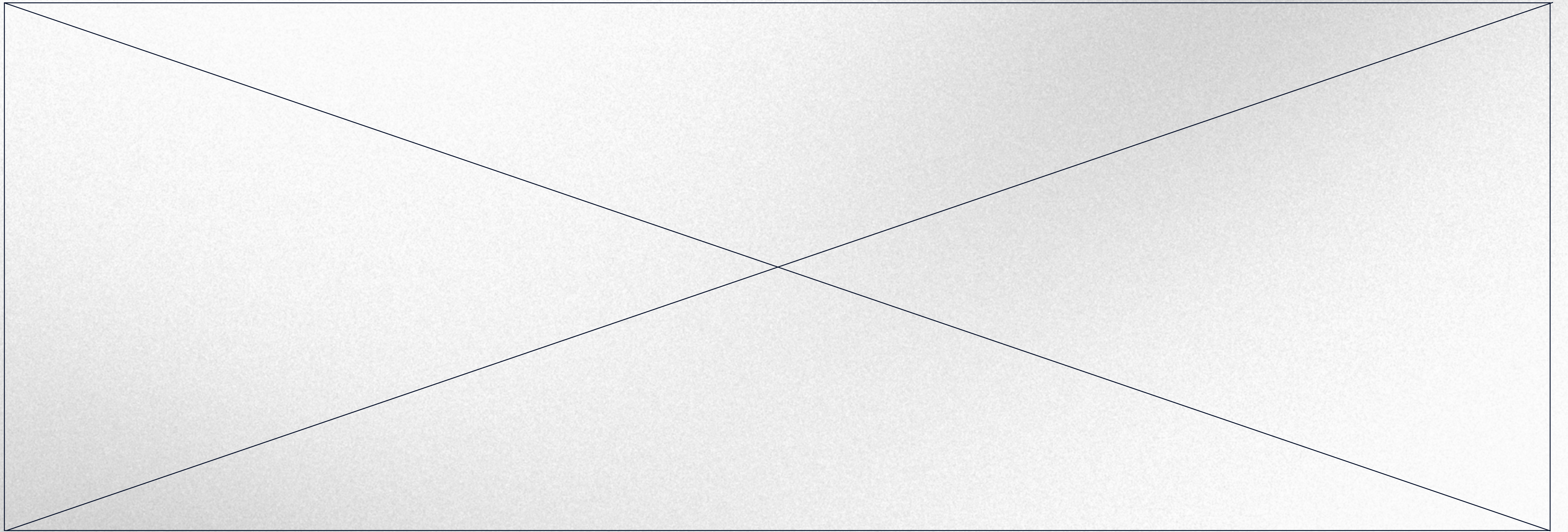
A central component of this framework is the **Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)**. This multilateral treaty sets global standards for intellectual property protection, particularly aimed at fostering innovation, facilitating technology transfer, and advancing public welfare. TRIPS also provides a foundation for maintaining a balanced intellectual property system among nations, complementing other legal instruments such as Free Trade Agreements (FTAs), which stimulate international commerce and promote sustainable economic growth.

Although intellectual property encompasses various rights, patents hold particular significance in the healthcare sector. **Patents are essential for protecting scientific breakthroughs, enabling the discovery of novel treatments that enhance patient well-being and safety.** Patents create a mutually beneficial relationship between innovators – such as pharmaceutical companies – and patients. Pharmaceutical companies use their scientific expertise to deliver safe, effective, and high-quality treatments, benefiting both patients and the broader healthcare ecosystem.

However, transforming an idea into a new medicine or vaccine requires time, investment, and specialized expertise. Developing new medical solutions typically takes 10 to 15 years, and every idea requires incentives, investment, and protection. **Robust intellectual property protection standards are critical to driving medical innovation, facilitating access to current medicines and vaccines, and ensuring sustainable investment in the cures of tomorrow.** This allows patients living with disease to look forward to a brighter future³.



IP REGIONAL **BAROMETER**



Key Messages and talking points

Pillar 1

Intellectual property
in our daily life

INTELLECTUAL PROPERTY IS PRESENT IN OUR DAILY LIVES AND HAS ENABLED THE CREATION OF SOLUTIONS THAT IMPROVE PEOPLE'S QUALITY OF LIFE.

Since the dawn of time, humans have sought ways to enhance their living conditions. Using their intellect and ingenuity, they have created solutions with more desirable functional qualities or developed aesthetically pleasing creations to satisfy human needs or desires – whether utilitarian, sensory, social, cultural, mental, spiritual, or religious⁴.



A whitening toothpaste with cavity protection could be **protected by multiple patents** related to its chemical composition.



Anti-dandruff shampoos, products for colored hair, or vegan formulas **may be patented due to special ingredients or technologies** aimed at improving hair care.



The graphics, colors, and styles of product packaging are **protected by copyright**, especially for premium brands seeking to stand out in the market.



The ergonomic design of a liquid soap bottle or a touchless hand sanitizer dispenser may also be **protected by design patents**, ensuring their uniqueness and functionality.

Key Messages and talking points

Pillar 2

Development and
economic growth



INTELLECTUAL PROPERTY IS A KEY DRIVER OF GLOBAL ECONOMIC DEVELOPMENT.

Its proper protection fosters innovation, creates quality jobs, attracts investment, and strengthens economies' competitiveness. Therefore, **countries must implement and reinforce effective IP systems** to fully capitalize on these benefits.

➤ **Innovation creates a virtuous circle of well-being and development for populations while driving economic growth for countries. Therefore, we must continue investing in research, supported by intellectual property⁵.**



Latin American countries need the right political incentives. While taxes, regulations, and infrastructure are fundamental, intellectual property is crucial for promoting innovation and knowledge-based industries⁶.



IP rights help countries participate more significantly in global value chains. Goods are increasingly produced in different countries, with growing levels of their economic value attributed to knowledge-based capital. **Intellectual property rights allow countries to attract investment** in high-tech manufacturing, accelerating the transition from basic manufacturing⁷.



The protection of intellectual property boosts Foreign Direct Investment (FDI). According to the OECD, a one percentage point increase in patent protection strength corresponds to nearly a three percent increase in FDI across all countries⁸.

➤ **Intellectual Property enables companies to develop their ideas into invaluable assets that address citizens' unmet medical needs, improve patients' and their families' quality of life, enhance capacity in countries, and create jobs.**



The pharmaceutical industry contributed to LATAM's economic growth between 2013 and 2019, **creating nearly 700,000 jobs** (38% direct and 62% indirect and induced)⁹.



The pharmaceutical industry **demonstrates a 15.4% R&D intensity**, compared to 11.8% for the IT industry. The innovative pharmaceutical sector conducts more R&D than any other.¹⁰



Latin America and the Caribbean (LAC) **invest 0.48% of their GDP in R&D**. Brazil is the top investor in R&D in the region at 1.21%, while Panama invests the least at 0.15%.¹¹



Between 2012 and 2021, **Latin America and the Caribbean granted 2,274 patents**, 114,222 fewer than the United States. The countries in LAC that granted the most patents to the pharmaceutical industry were **Brazil (786)**, followed by **Mexico (590)**, with **Costa Rica (8)** and **Ecuador (9)** granting the fewest.



From 2012 to 2021, biotechnological and pharmaceutical companies in LAC had **5.4 patents per million people**. The countries with the highest number of patents per million people in the region were **Cuba (61.6)**, followed by **Chile (13.3)**. The countries with the lowest number were Ecuador (0.6) and Peru (0.4).

Key Messages and talking points

Pillar 3

Innovation and Knowledge Generation

EVERY NEW MEDICAL TREATMENT BEGINS WITH A SINGLE IDEA.

IP protections create the environment necessary for innovation by securing funding for the initial stages of therapy development, **facilitating partnerships between researchers, academia, and industry stakeholders**, and supporting a regulatory framework that keeps up with scientific progress.



- Every new treatment or cure for a disease starts with an idea. Protecting that idea can ensure funding for the early stages of developing a new therapy, create the right environment for collaboration among research partners, allow the regulatory framework to evolve to keep pace with scientific advances, and protecting these ideas means having a strong and effective intellectual property framework.



Patent instrument is useful for the propagation of knowledge for three reasons: (1) it creates incentives for agents to invest in innovation, as they will be rewarded for it during a fixed period; (2) it allows the continuation of related research that does not infringe the patent; and (3) at the end of the patent protection period, it allows the replication of that technology for other agents in the market, which might not exist if there were no incentives for its creation¹².

Key Messages and talking points

Pillar 4

Collaboration

**THE INTELLECTUAL PROPERTY SYSTEM MOTIVATES COLLABORATION
AMONG DIVERSE STAKEHOLDERS AND SECTORS, APPLYING KNOWLEDGE
AND SCIENCE TO CREATE SOLUTIONS FOR THE FUTURE.**

- **The IP Systems guarantee a sustainable innovation ecosystem that makes many stakeholders collaborate to develop pioneering healthcare solutions for the future.**

Many universities in Latin America **have established “technology transfer” offices to help faculty file for patent protection**, license intellectual property, and launch faculty-initiated start-up companies.

The model was implemented in **Colombia, Brazil, Argentina, Chile, Costa Rica, Cuba, Panama, Peru and Uruguay¹³**.

Effective voluntary partnerships **spanning the globe accelerated research and development and manufacturing** for COVID-19 vaccines and therapeutics.

More than 330 partnerships – public private, private-private, private-academic, and others – bolstered manufacturing capacity, **facilitated technology and knowledge transfer**, and drove historically rapid R&D¹⁴.

Since 1999, the pharmaceutical industry **develop the Medicines for Malaria Venture (MMV)**, an initiative to reduce the burden of malaria in disease-endemic countries by working with partners to discover, develop and facilitate delivery of new, effective and affordable antimalarial drugs¹⁵.

Biopharmaceutical companies **contribute most of the capabilities, facilities resources and expertise needed** to research, develop and manufacture new vaccines.

They may also **collaborate with academic experts, government researchers and others** to advance vaccines to support the public health infrastructure¹⁶.

Key Messages and talking points

Pillar 5

Health and
pharmaceutical sector



PATENTS ARE CENTRAL TO ADVANCING TREATMENTS FOR SERIOUS AND INVESTMENT INCENTIVES NEEDED TO CONTINUE RESEARCH.

- **Patents are one of the mechanisms through which the creations of the pharmaceutical industry can be protected.**

They are the incentive that supports the research of new medicines and was conceived to offer a limited period of exclusivity to all inventors to commercialize their innovations, regardless of the field of technology, thus encouraging investment in the progress of science and technology.



Breast cancer and rheumatoid arthritis (RA) are diseases that affect a significant part of the Latin American population. **The prevalence of breast cancer is 213.7 per 100,000 people, and about 6 million people suffer from RA.**

Medications to treat these conditions have evolved tremendously over the past 30 years by changing how diseases are approached. These innovations produced by research-based pharmaceutical companies **have significantly reduced adverse events and improved patient prognosis¹⁷.**



The Hepatitis C virus was first identified in 1989. Since then, **the pharmaceutical industry has developed new therapies** at an incredible pace.

Today, the latest treatments cure 95% of people in under 12 weeks¹⁸.

Epilepsy affects 17.8 per 1,000 inhabitants in LAC, with a treatment gap exceeding 50%.

New therapies offer **improved seizure control and reduced side effects**, enhancing patient quality of life.¹⁹





Vaccines have played a critical role in helping control, some of the most dangerous illnesses, like polio, measles, and rubella and eradicate smallpox globally²⁰.

In 2018, nearly half of countries **reached and maintained 90% of vaccination** for the DPT3 vaccine²¹

Since the start of the COVID-19 pandemic, **the pharmaceutical industry has worked to give a quick and responsible answer** through research and development treatments and vaccines that been available the faster as the industry can to preserve the human live²⁴.



Between 1987 and 1994, the first effective treatment for HIV was developed. **Today, the life expectancy of People Living with HIV is 70 years**²².

Additionally, the industry is **exploring a potential first-in-class long-acting injectable antiviral treatment**, administered once every six months for HIV infections.

This not only offers significant convenience compared to once-daily dosing but also **brings tremendous hope to patients** who may be resistant to multiple other classes of HIV drugs²³.



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