

Intellectual Property Rights for COVID Vaccines Must be Protected

Sean Randolph – June 4, 2021

The Biden Administration deserves credit for how it has handled the pandemic at home. It has been consistent in its messaging, restored the federal government's credibility through its management of the crisis, and has delivered on its promise to rapidly deliver vaccines. At the global level, though, it has strayed off-course.

The issue is whether the intellectual property rights of companies that produce COVID vaccines will be protected. A proposal before the World Trade Organization (WTO) would waive those rights in order to accelerate vaccine production in the developing world, and the Biden administration has misguidedly expressed its support.

The idea stems from a real concern — that vaccination rates are high in developed economies like the U.S. and Europe but low in developing countries. That inequality risks lives globally, and until more people are vaccinated none of us will be completely safe. But waiving the intellectual property rights of the companies that create vaccines is an approach that could do more harm than good.

This week 27 global think tanks, including the Bay Area Council Economic Institute, released a [Joint Declaration](#) that credits intellectual property protection for the global research collaborations and manufacturing partnerships that have enabled accelerated vaccine production and calls on governments to reject the proposal.

Industry rivals have shared proprietary compounds, platforms and technologies to develop Covid vaccines in record time, and manufacturers are on track to produce 9–12

billion doses by the end of 2021 — potentially enough to inoculate 70% of the world's population and achieve herd immunity this year or next. Today's vaccines and the partnerships to produce them would not have happened in the absence of intellectual property rights, which encourage innovation and allow companies to recoup the massive costs needed for drug development.

The proposal before the WTO could derail critical vaccine-manufacturing licensing arrangements and disrupt complex global supply chains — without assuring new production at scale or quality vaccines. Current bottlenecks relate more to the availability of raw materials, distribution capacity, export embargoes, and technical capacity than to patents. The know-how required to manufacture vaccines is high and not easily transferred. This means that factories in developing countries cannot be repurposed overnight for vaccine production. Moreover, forced technology transfer entails time-consuming legal procedures that will frustrate the goal of accelerated production.

Looking ahead, removing IP protection may discourage companies from refining their existing vaccines to combat Covid-19 variants and, were a precedent to be set at the WTO, could reduce incentives for companies to invest in new vaccines that will be needed in future pandemics. The better alternative to waiving IP rights is voluntary licensing, which is already occurring. Last week Pfizer and BioNTech announced they would deliver two billion doses to developing nations in the next 18 months either at cost or at deeply discounted prices. Developed countries can also accelerate the distribution of their excess vaccine supply to less developed ones. This too is happening. A sharing arrangement is in place with Mexico and President Biden has committed to sharing 20 million doses of Pfizer, Moderna and Johnson & Johnson vaccine with the rest of the world by the end of June, on top of a previous pledge to

share 60 million shots developed by AstraZeneca. Similar steps are being taken in Europe.

Intellectual property rights are at the root of biotechnology R&D and vital to the industry in the Bay Area. It is critical that vaccines be distributed around the world as widely and rapidly as possible but waiving the intellectual property rights of vaccine producers is not an effective near or long-term strategy. The Biden administration should change its course

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