
International Studies & AAE 374
Growth and Development of Nations in the Global Economy

Guide for Reaction Paper on

“A Patent Policy Proposal for Global Diseases”

Due at the Beginning of Class on Monday, November 3

The two readings for this reaction paper focus on intellectual property rights for pharmaceuticals and their impact on consumers in less-developed countries. The piece by Fink summarizes the original rules regarding patent protection enforced by the WTO (TRIPS) as well as a more recent waiver of these property rights voted into effect in 2003. The piece by Lanjouw gives one potential solution to the problematic situation in which we now find ourselves. This is a situation in which we might care both about the prices that consumers face for drugs which have already been invented, as well as about the incentives for innovation regarding drugs that do not yet exist.

Please prepare a 2-page reaction paper on the two readings that addresses these issues:

- 1) What strategy has the pharmaceutical industry followed up to now to protect its intellectual property rights? Has this strategy been successful for the industry? Has this strategy been successful for consumers in developing countries?
- 2) Discuss some advantages and disadvantages of the proposal laid out by Lanjouw.
- 3) Come up with a proposal of your own or reforms to Lanjouw's which might also be useful for overcoming the competing goals of a) low prices for poor consumers and b) incentives for pharmaceutical companies to innovate.

The goal of this assignment is to help you explore the issues and develop your own ideas about the rules surrounding intellectual property rights, trade, and human welfare. We will discuss these issues and your ideas in class on Wednesday, October 29, to provide you time to incorporate that discussion into your thinking for the paper. Please read the assignments prior to class on the 29th.