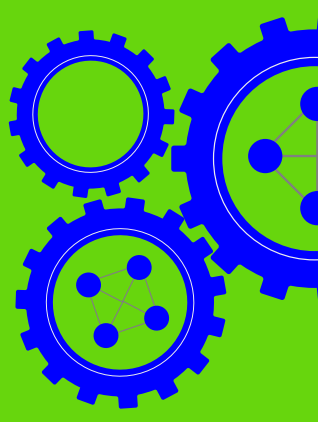


Key Insights: Pharmaceutical Patents and Innovation



What people experience as a “medicine” or drug “product” is likely a bundle of inventions.

As with a car, phone, or even a golf club, a medicine represents a series of inventions, each of which may be patented, including improvements that may be added over time. Creating a medicine does not happen in a single Eureka! moment, but over a long process as scientists solve problems.

Patents protect solutions, not medicines themselves.

Each patent represents a particular invention that solves a specific scientific problem encountered during drug development – from improving absorption to enhancing stability – not strategic extensions of monopoly power. These innovations are needed to address the problems that otherwise cause 90% of drug candidates to fail.

Pharmaceutical patenting is moderate compared to other industries.

Most of the drugs (61%) currently approved for marketing no longer have any patents, a fact that reminds us that all patents expire and all generic drugs start life as patented drugs. Of those drugs with patents still in force, most have fewer than four. Leading companies in other sectors obtain ten times more patents per R&D dollar than pharmaceutical companies.

Multiple patents don’t delay generic competition.

Despite critics’ claims, the effective market exclusivity period has remained stable at 13-14 years for decades, regardless of patent count. Generic manufacturers routinely navigate patent landscapes, introducing competition on a predictable timeline.

Patent caps would harm innovation without helping competition.

Restricting the number of patents that can be obtained or enforced would hinder important advancements that minimize side effects and broaden treatment options, without fostering increased generic competition.

The generic industry is thriving.

Generics now fill 90% of all U.S. prescriptions (up from 13% in 1984), demonstrating that the current patent system successfully balances innovation incentives with competition and patient access.