

ECONOMIC GROWTH CENTER

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CENTER DISCUSSION PAPER NO. 775

THE INTRODUCTION OF PHARMACEUTICAL  
PRODUCT PATENTS IN INDIA:  
“HEARTLESS EXPLOITATION OF THE POOR AND SUFFERING”?

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Note: Center Discussion Papers are preliminary materials circulated to stimulate discussions and critical comments.

## **Abstract**

*The decision to require that countries grant product patents for pharmaceutical innovations as a condition of membership in the World Trade Organization was very contentious. Almost fifty developing countries were not granting patent monopolies for drugs during the period the Uruguay round of GATT was being debated and these countries fiercely resisted the inclusion of this requirement, claiming that vastly higher drug prices would be associated with such patents. On the other side, business interests in the West urged them to consider the beneficial effects such protection might bring both in terms of focusing more research on tropical diseases and encouraging greater domestic and foreign investment in local research activities. This paper discusses the various theoretical implications for a developing country of introducing product patents for pharmaceuticals. Using India as an example, it then brings together information gathered from both published sources and personal interviews to examine the potential magnitude of these effects. While not arriving at a conclusive answer to the question posed in the title, there are some suggestions about the way events might unfold as the policy is implemented.*