

May 04, 2015

President Ollanta Humala Tasso

SUBJECT: Peru's Right to Issue a Compulsory License for the HIV/AIDS Medicine Atazanavir

Dear President Humala,

We represent civil society groups from around the world that defend the right to health and universal access to medicines. We are writing to express our support for the Ministry of Health's recent proposal¹ to license the patents associated with the HIV/AIDS medication atazanavir (marketed by Bristol-Myers Squibb as Reyataz®).

In 2013, the Peruvian government paid \$27,354,105 million Peruvian nuevo soles (roughly USD \$9.33 million) to Bristol-Myers Squibb (BMS) for atazanavir—one of the twelve anti-retroviral drugs Peru supplies for free to people living with HIV/AIDS. But atazanavir is not nearly as expensive in other Latin American countries. While Peru pays about USD \$6.34 per tablet for atazanavir, Argentina pays USD \$3.04, Brazil USD \$1, and Bolivia only USD \$0.48.

On November 17, 2014, civil society organizations sent letters to both yourself and the Peruvian Ministry of Health, requesting that the State issue a compulsory license on the patents that cover atazanavir. A recent article in Peru's *La Republica*² newspaper indicates that Peru's Ministry of Health has proposed licensing the patents associated with atazanavir. The grant of a compulsory license would enable generic competitors to enter the market, greatly reducing pharmaceutical costs such that the Peruvian government could reallocate these savings to other important health care objectives.

Many countries have used compulsory licensing across a number of economic sectors. In the context of the pharmaceutical industry, generic competition has lowered global prices of first-line HIV medicines by 99% from USD \$10,000 to less than USD \$100. Notably, in 2007, Brazil issued a compulsory license on an HIV/AIDS treatment (efavirenz), which led to a two thirds reduction in price per pill. As a result of this license, between 2007 and 2011, the Brazilian government saved USD \$103.6 million. More recently, India issued a compulsory license on sorafenib, a medication used to treat kidney and liver cancer. As a result, the price of this medication has dropped an estimated 97%, from USD \$5,200 per patient per month to USD \$160. Moreover, before the grant of this license, the Indian government was only able to provide 200 patients with free treatment every year; now, the 8000 people that need this drug are able to access it. Ecuador, Malaysia, Indonesia, Thailand, among others, have also taken advantage of this TRIPS flexibility to provide affordable medicines to their citizens and optimize the use of

¹ Beatriz Jiménez, *Patentes dadas por Indecopi a fármacos afectan a la salud pública*, LA REPUBLICA (Apr. 9, 2015 10:15AM), available at <http://www.larepublica.pe/09-04-2015/patentes-dadas-por-indecopi-a-farmacos-afectan-la-salud-publica-y-causan-sobrecostos> (“Desde hace dos meses, el decreto supremo para declarar de interés público el Atazanavir y permitir el ingreso de competencia está sobre la mesa del consejo de viceministros con la firma del ministro de Salud, Aníbal Velásquez.”).

² *Id.*

government health funds. Making use of this right increases a government's leverage and ability to negotiate better prices with pharmaceutical manufacturers.

We urge you to issue a compulsory license on atazanvir. The grant of this license would permit the Peruvian government to introduce generic competition and save roughly \$9 million dollars in 2015 alone, and up to USD \$44 million until BMS's patents expire. Such a license could save the Peruvian health system significant resources, enabling increased access, scaled up health services, and a reduction in HIV/AIDS mortality. We hope that you will grant this license and ensure the continued protection of the healthcare needs of Peruvian citizens.

Sincerely,

ACCSI Acción Ciudadana Contra el SIDA
Caracas, Venezuela

All-Ukrainian Network of People Living with HIV/AIDS
Kiev, Ukraine

Empower India
Tuticorin, India

Engender Rights Centre for Justice (ERCJ)
Lusaka, Zambia

Observatorio del Medicamento – Federación Medica Colombiana
Bogota, Colombia

Fundación IFARMA / Acción Internacional Para la Salud Colombia
Bogotá, Colombia

Health Action International (HAI) Europe
Amsterdam, Netherlands

International Treatment Preparedness Coalition – Latin American and Caribbean Networks (ITPC – LATCA)
Guatemala City, Guatemala

International Treatment Preparedness Coalition in Eastern Europe and Central Asia (ITPCru)
Kiev, Ukraine

Knowledge Ecology International
Washington, D.C., USA

Misión Salud
Monterrey, Mexico

Políticas Farmacéuticas
Santiago, Chile

Positive Malaysian Treatment Access & Advocacy Group (MTAAG+)
Petaling Jaya, Malaysia

Public Citizen
Washington, D.C., USA

Universities Allied for Essential Medicines, North America
Washington, D.C., United States