



## English Translation of Russian

### Medicine

04/05

#### [Brazil intends to violate the patent rights of the company to Merck drugs to treat AIDS, Efavirenz](#)

Brazilian President Luiz Inacio da Silva (Luiz Inacio Lula da Silva) ordered on Friday to break the patent rights to the drug Efavirenz, which belong to an American pharmaceutical company Merck (MRK). Da Silva proposed a law permitting the government to buy generic versions of the drug Efavirenz from laboratories certified by the World Health Organization (WHO).

According to Brazilian officials, the decision came after Merck refused to reduce the price of Efavirenz up to the levels required by the government. At the same time, the decision may be revoked if Merck will make a new proposal accommodating the Ministry of Health of Brazil.

The Presidential Directive was the first such ruling since 1996 Brazil has committed itself to respect patent rights on medicines. The government has called the measure enforced because it believes the cost of drugs to treat AIDS is excessive and tries to reduce them. To date, Brazil has 200,000 HIV-positive.

The company Merck offered to buy Efavirenz at a price of \$ 1.10 per pill, which is 30% below the price at which the drug is available in the United States. However, the Brazilian leadership required to lower the cost to 65 cents per tablet, on the grounds that it is at the price Efavirenz available in Thailand. Efavirenz is a key component of "cocktail" from 17 different drugs, which take 38% of HIV-infected Brazilians.

The Brazilian government also stated that the decision conforms to the World Trade Organization, WTO, which in 2001 allowed limited patent infringement of medicines in those cases where there was a threat to the health of citizens. According to the Ministry of Health of Brazil, the purchase of generic versions of Efavirenz from the Indian pharmaceutical company will save \$ 237 million until 2012.

**The head of the Washington Institute for Trade, Standards and Sustainable Development Lawrence Kogan (Lawrence Kogan) said that before violating the patent rights of pharmaceutical companies, the Brazilian government should reform the system of public spending and curb corruption. "The Brazilian government is not using budget funds and invests them for the benefit of the country and, therefore, a violation of patent law does not seem to me an honest and selfless effort to help citizens of Brazil," said Kogan in a telephone interview.**

Source : <http://www.k2kapital.com>