

# Who Is CAPA?



**CAPA is a new coalition of healthcare providers, free market advocates, consumer groups, patient advocacy organizations, employers, and others to fight abuses of the patent system that lead to higher drug prices.**

**Our current membership includes: U.S. PIRG, Institute for Liberty, Citizen Outreach, R Street Institute, AHIP, Consumer Action, Lincoln Network, Knowledge Ecology International, Campaign for Sustainable Rx Pricing, Association for Accessible Medicines, Kaiser Permanente, Innovation Defense Foundation, Society for Patient Centered Orthopedics, Blue Cross Blue Shield Association, SEIU and the Niskanen Center. And we're growing!**

## Patent Abuse Leads to Higher Drug Prices

Big Pharma companies have enormous financial incentives to block market entry of lower-cost generic and biosimilar medicines for as long as possible. For example, AbbVie Inc.'s rheumatoid arthritis drug Humira is the best-selling prescription drug in the world, with over \$16 billion in U.S. sales per year. Abbvie makes \$50.4 million every day they have a monopoly on Humira, a big incentive to keep lower cost generic competition out. According to AbbVie's CEO, the drug company has created a "patent estate" around the drug. Its initial patent would have expired in 2016, but the company applied for and obtained over 75 patents that would extend its monopoly to 2034 - and keep this enormously expensive treatment inaccessible to millions of patients. It doesn't have to be like that. In the EU, Humira's patents have already expired and prices are being cut by up to 80% due to new generic competition. All while American patients pay these exorbitant prices.

This abuse of our nation's patent system by big pharma, which some scholars have termed evergreening, attempts to prevent competition indefinitely by finding ways to acquire new patents for older existing medicines. These later patents are often not "new and useful," as required by the Patent Act, which is why many are later ruled to be invalid. Inter Partes Review (IPR) is an important tool that Congress created as a bipartisan solution to allow the Patent and Trademark Office ("PTO") to efficiently eliminate those bad patents that might have slipped past their examiners. There are many advantages in allowing the PTO to police its own patent-granting decisions: PTO reexamination of granted patents is less expensive, faster, and benefits from the greater technical expertise. Although IPR is a useful tool that should be strengthened to confront the growing patent abuse problem, it is currently under attack by big pharma and others with a vested interest in preserving low quality patents.

The patent abuse problem is significant. A recent study found 75% of all pharmaceutical patents between 2005 and 2015 were issued on old, previously patented medicines, not new drugs. The patent system is supposed to reward innovation in arts and sciences, not the creativity of drug companies' legal departments. We want these companies to focus on discovering new drugs and treatments, not be rewarded for finding new ways to keep competition away from old drugs.

