

Lisa Johnson: Wisconsin biohealth companies will lose if U.S. gives up intellectual property rights on COVID-19 vaccine

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It stands as a miracle of innovation. Amid a pandemic claiming nearly 300,000 American lives, hope arrived on Dec. 11, 2020. The FDA issued the first emergency use authorization of a vaccine for the prevention of COVID-19. In the coming months, the efforts of pharmaceutical companies — BioNTech/Pfizer, Moderna, Johnson and Johnson, AstraZeneca, Novavax — would drive back the virus in Wisconsin and beyond and save untold millions of lives worldwide.

Now, President Joe Biden wants to stifle this life-saving innovation by waiving long-standing bipartisan protections for intellectual property rights. The administration backs the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The pact permits countries to suspend intellectual safeguards for COVID-19 medical projects, including vaccine and medicines.

Advocates insist freezing intellectual property protections will open up vaccine supply and technology globally, but there's little evidence to suggest doing so would counteract the logistical and technical challenges facing distribution. Reversing years of established rights will likely prove costly to companies leading in this innovation. Not just from COVID-19, but from a host of lethal diseases and chronic conditions.

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In Wisconsin, the resulting ripple effect could negatively impact our booming economy of biohealth researchers, manufacturers and additional suppliers. Many of these individuals have worked round-the-clock to help create, manufacture and distribute the vaccines. A 2020 BioForward Wisconsin study indicates these companies employ 119,000 people statewide, generate billions in economic impact annually and play an important role in attracting and retaining STEM talent in the state. Handing over intellectual property rights to ill-prepared companies outside the U.S. might start with vaccines, but it could quickly move to other scientific research forgoing the protection of high-quality testing, manufacturing, controls and distribution that are already in place in the U.S.

While the campaign to mass-produce a highly effective COVID-19 vaccine was breathtaking in its speed, the reality is this scientific miracle was the culmination of years of research, development, and investment, including from many Wisconsin-based biohealth companies and organizations. There were many failures before the incredible successes we see today. For the developers of these vaccines, the time, costs and resources were immense.

Eroding or eliminating protections will stifle such extraordinary developments moving forward. Investors in revolutionary research — the vast majority from the private sector — will be less likely to invest knowing the real risk that the government can co-opt the end product at any time, which would have a devastating impact on Wisconsin's growing biohealth startup community. That will have a chilling effect on all areas of pharmaceutical research, limiting Wisconsinites' unprecedented access to medicines.

Wisconsin-based biohealth institutions and organizations received almost \$500 million in National Institutes of Health funding in 2019 (an increase of 22% since 2015), which could be negatively impacted by this move. Additionally, venture capital and angel investments in Wisconsin's biohealth industries totaled \$517 million during the 2015-19 period, which was invested into 104 state companies. Wisconsin biohealth companies also received a combined 131 Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards totaling \$71 million between 2015-2019, which supports the growth and importance of this industry in the state. The industry has been an increasingly important job creator, and has seen an 8% job growth since 2015, outpacing the state's overall job growth of 3% - which could be in jeopardy should this come to pass.

Supporters of the waiver assert the patent protection freezes will be narrow and end

when the pandemic does. But different governments have different ideas about when the public is safe from infectious disease. There is legitimate concern that removing intellectual property safeguards will open the door to patent protection erosions in other industries. Given the importance of the biohealth industry in our state from an economic, business and innovation standpoint, Wisconsin is sounding the alarm on this possibility and so are other states.

The United States has and can continue to take steps to help vastly expand access to COVID-19 vaccines worldwide. But tearing down long-established principles and protections is not the way to do it. The COVID-19 TRIPS waiver will put innovation and medical miracles in peril, and ultimately hurt people in need of life-saving drugs. Wisconsin congressional leaders need to hear from all of us right away that this misguided policy maneuver has too much of a downside for everyone, from consumers to our state's robust biohealth industry.

- Johnson is CEO of BioForward Wisconsin, a Madison-based integrated network of more than 200 health solution leaders statewide.