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May 19, 2016 5:00 am JST

Growing foreign interest in Indian drug industry

ROSEMARY MARANDI, Nikkei staff writer

MUMBAI -- Although India continues to resist U.S. pressure for reform of its intellectual property laws relating to medicines, some global pharmaceutical companies want to link up with local companies that produce competitively priced, life-saving medicines.

The Indian government has just published its National Intellectual Property Rights Policy, which purports to promote innovation and entrepreneurship while ensuring access to healthcare, food security, and environmental protection.

No changes have been made to section 3(d) of the Indian Patents Act, which prevents ever-greening of drug patents. Compulsory licensing is also retained despite U.S. demands for this to be watered down.

Compulsory licenses are locally-issued authorizations that allow a third party to make, use, or sell a patented invention without the consent of the patent owner.

The World Trade Organization (WTO) administers the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which sets standards for intellectual property regulation between WTO member states.

Finance Minister Arun Jaitley said inventions must be recognized, but his statement came with a rider: "We do believe that the balancing act which India has struck is responsible for life-saving drugs [being] available at a reasonable cost in India compared to the rest of the world. So, our model seems to be both legal, equitable and WTO-compliant."

"The policy recognizes that India has a well-established TRIPS-compliant legislative, administrative and judicial framework to safeguard [intellectual property rights], which meets its international obligations while utilizing the flexibilities provided in the international regime to address its developmental concerns," the government said in a statement.

In its annual Special 301 Report, the U.S trade representative retained India on its priority watch list for "lack of sufficient measurable improvements to its IPR framework". Lobbyists have been trying to improve India's standing since Prime Minister Narendra Modi took office in May 2014.

Professor Nilanjan Banik of Mahindra Ecole Centrale believes that while India's patent policy is frowned upon by many U.S. pharmaceutical companies, multinationals tying up with Indian companies can benefit from compulsory licensing, not just for their business in India but also in other developing countries.

Some Indian and foreign companies are already exploring opportunities in emerging markets together. For example, GlaxoSmithKline and [Dr. Reddy's Laboratories](#) are working on a range of products for cardiovascular

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