the HIV-AIDS burden, owe in total around $2 trillion."

Dr. Piot, and others, in tying the pandemic to the foreign debt, made a serious connection to the need for a new international monetary agreement which begins by declaring the bubble of international debt to be bankrupt. But what has been done since, such as the Italian moves to cancel debt of the Least Developed Countries, is entirely in collaboration with the growing movement associated with Lyndon H. LaRouche's international call for a New Bretton Woods.

The battle at Pretoria now is necessary and extremely important. But the AIDS epidemic will not begin to be turned back, until a thorough reversal of global economic policies of the past 30 years takes place. This requires India, Brazil, and other nations with such scientific capabilities to save lives, to move immediately for a new monetary system, a New Bretton Woods.

# Cipla Ltd.: A Small Player in a Big Fight

by Ramtanu Maitra

When Cipla Ltd., a major Indian pharmaceutical company, based in Mumbai, offered to sell poor countries an anti-retroviral drug cocktail for $350 per patient per year through the Paris-based doctors' non-governmental organization, Médecins Sans Frontières (MSF), a global debate began. World Trade Organization (WTO) chief, Mike Moore, who often sheds crocodile tears for the poor of developing nations and frets about the high price of anti-HIV drugs, joined the fray and defended the patent system. He said in an interview with the *International Herald Tribune* recently that "were it not for a patent system that rewards companies for risking millions on research, anti-AIDS drugs would not exist."

Maybe so, but the owner of Cipla, Dr. Y.K. Hameid, whose father founded Cipla during British rule, does not agree to what Moore says. He points out that the Cipla experience in India, Brazil, and Thailand "has shown that most of these critical drugs can be produced at costs that put them realistically within the reach of the resource-poor." Hameid footnotes his statement by pointing out that Cipla is not marketing drugs to the Western markets. Cipla "represents the Third World and its needs and aspirations. . . . I also represent the capabilities of a country with a billion population. Please do not link up the problems of the Third World and India with those of the West. . . . We Indians abide by the laws of our land. We have not broken any laws," Hameid adds.

The law that Dr. Hameid refers to is the patent law as it exists in India. India implemented a patent law in 1970, which allows patenting a drug-manufacturing process, and not the product.

## Mahatma's Endorsement

Cipla's concern for producing cheaper life-saving drugs is well known in India, if not internationally. Cipla was established in 1935, and on July 4, 1939, Mahatma Gandhi, considered as the "Father of the Nation," went to the Cipla factory to endorse his support to fight the high-priced British drugs imported by the British Raj. Gandhi left an autographed photograph of himself which Dr. Hameid proudly displays in his office room.

From the time Cipla came to the aid of the nation, then under British rule and gasping for essential medicines during World War II, the company has pioneered the manufacture of more than 250 sophisticated drugs, from the basic stage. It would be grossly unfair to label Cipla as a company good at back-engineering only. In fact, it has a well-developed R&D section and has patented internationally in the area of anti-asthmatic devices.

Cipla came to the limelight in the early 1960s when the foreign-held patents still ruled the roost in India. The U.S. Senate Kefauver Committee had observed in 1962 that drug prices in India were among the highest in the world. It was in this context that the 1970 Indian Patent Act was enacted. The Act obliterated the monopoly that the multinational drug companies enjoyed and it led to the growth of a number of indigenous Indian pharmaceuticals, such as Cipla. Dr. Hameid is deeply concerned that the new patent regime imposed through the powerful instruments of the WTO may bring back the monopoly of the multinationals. "We will not be able to afford the drugs currently being developed by genomics and proteomics. Ultimately, we will be enslaved again," Hameid worries.

The Indian Patent Act of 1970 is one reason why average life-expectancy in India has risen to 64 years, just as cheap pesticides based on foreign formulations are part of the reason why India feeds itself, Dr. Hameid explains. At the European Commission meeting in Brussels last September, Dr. Hameid made an offer to the Health Ministers of Brazil and South Africa, who were also attending the meeting, of technology to manufacture active substances and tablets of the anti-HIV drugs. He also made a similar offer to any Third World or developing country which wanted the technology free of cost. Cipla has offered drug-cocktail essentials to countries that do not have patents, including Brazil, Argentina, many countries in Sub-Saharan Africa, Thailand, Indonesia, China, and the whole of Eastern Europe and Turkey.

Dr. Hameid also fumes about the WTO and its patent regime. In an interview with UPI, he said: "I sincerely believe that the Third World countries and poor countries cannot afford a monopoly. I've never been against patents, I'm just saying that we countries of the Third World—a country like India with a billion population, we simply cannot afford a


*Cipla's production of cheap AIDS drugs is not only an intervention into the African AIDS holocaust. Outside of Africa, India and Southeast Asia suffer the largest number of AIDS deaths, and the epidemic there is spreading very rapidly.*

monopoly situation. What we are therefore saying, particularly in key areas like health and food, there has to be compulsory licensing or licensing rights. . . . No U.S. patent law today allows me to manufacture and market these products for export."

## Multis Are Not Pleased

The Indian Patent Act of 1970 provides for patents to be applied to the *processes* of production, not the resulting products. The process patent remains valid for only seven years. It is this 1970 Patent Act, which has allowed India to produce cheap generic drugs. Since 1995, multinationals have begun to file new patent applications in India and to endorse a provision for exclusive marketing rights. The WTO has openly sided with the multinationals' clamoring for exclusive marketing rights in India. India has defaulted so far in meeting its obligations. The WTO itself has decreed in a case brought by the American companies in the United States that the Indian law violates the "spirit of the TRIPS," as it calls the Trade-Related Aspects of Intellectual Property Rights. Recently, the European Union has lodged a similar case against India. Although a decision is pending, it is expected to go against India.

India's patent policies on drugs were implemented with the sole purpose of producing bulk drugs, inexpensively. The acceptance of the product patent system will have implications on the Indian drug industry, as also on many other countries. The absence of a strong patent protection system in India, is a major threat to the multinationals, because the Indian companies have proven that they are capable of competing by being a major supply point for bulk drugs and formulations, which are still under patents, to world markets where product patents have either not been filed by the innovating company or are not valid.

Dr. N.H. Israni, president of the Indian Drug Manufacturers' Association (IDMA), states that "Worldwide, India is a country of very low prices for high-quality medicines." Even today, more than 70% of medicines used in India are indigenous, despite the policy of an open economy adopted by New Delhi in 1991, Israni points out.