

Abbott Fell for Brazil's Blackmail, Says US Group

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An American group called USA for Innovation yesterday expressed its disappointment with the Government of Brazil's decision to use what they call "industrial blackmail" to achieve a price reduction on Abbott Labs' AIDS drugs under the threat of a patent seizure.

"While we are relieved that Brazil chose not to violate a lawful patent, its threat to steal U.S. intellectual property remains objectionable. We hope that Brazil will not feel emboldened by this outcome to use this tactic of industrial blackmail against other U.S. companies," said Ambassador Kenneth Adelman, Chairman of USA for Innovation.

"If Brazil's government continues to get much of what it demands by threatening patent theft, that might encourage President Luiz Inácio Lula da Silva to expand this objectionable tactic against other products now dependent upon respecting intellectual property rights."

Brazil's government announced on July 8th that it had reached a pricing agreement with Chicago-based Abbott Labs on its AIDS drug Kaletra. Brazil had been threatening to seize the patent on the advanced treatment if Abbott refused to further reduce its price.

Two other drug makers, Gilead Sciences and Merck remain in similar negotiations with the Brazilian government.

USA for Innovation describes itself as "a non-profit organization dedicated to the protection of intellectual property and continued innovation around the globe. USA for Innovation educates decision makers, the media and general public about threats to innovation."

USA for Innovation - www.usaforinnovation.org