

Policy experts often debate whether intellectual property protections stifle or drive medical progress. The evidence is clear: Strong IP rights play an essential role in fostering medical innovation that saves lives.

Developing a new drug is a long, expensive, and risky process.

- Drug development can take 10-15 years and cost as much as \$2.7 billion.
- Nine in 10 drug candidates never make it to market.



Intellectual property protections make the risks worth taking.

IP protections:

- Prevent competitors from immediately copying a successful drug, enabling innovators and investors to earn returns that cover development costs and subsidize unsuccessful projects.
- Prevent knowledge leakage and theft, giving innovators the confidence to collaborate with other companies, partners, and contractors during the development process.
- Enable smaller biotech firms to outsource production or distribution to low-cost, specialized firms — and pass those savings on to patients.

Case study: Expanding intellectual property protections in the United States

- The 1983 Orphan Drug Act provided additional years of market exclusivity for “orphan” drugs that treat rare diseases.
- By 2000, the orphan drug pipeline had grown from only a handful of treatments to more than 1,000 drugs in development and over 200 FDA-approved therapies.

Case study: Imposing price controls in Japan

- In the 1980s, Japan began to impose stricter drug price controls, which effectively limited the value of companies’ patent rights by capping potential revenue.
- Domestic R&D investment declined, and Japanese companies pivoted to lower-risk, incremental research rather than pursuing higher-risk breakthroughs.

Over the last few decades, new medicines have saved millions of lives in the United States alone. If we want more of those breakthroughs, we must protect and maintain the strong IP rights that make them possible.