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OPINION | REVIEW & OUTLOOK

Biden's Vaccine IP Debacle

His patent heist is a blow to the Covid fight and U.S. biotech.

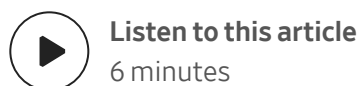
By [The Editorial Board](#)

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President Joe Biden takes questions after delivering remarks on the Covid-19 response and the vaccination program from the State Dining Room of the White House on May 4.

PHOTO: ALEX EDELMAN - POOL VIA CNP/ZUMA PRESS



We've already criticized President Biden's bewildering decision Wednesday to endorse a patent waiver for Covid vaccines and therapies. But upon more reflection this may be the single worst presidential economic decision since Nixon's wage-and-price controls.

In one fell swoop he has destroyed tens of billions of dollars in U.S. intellectual property, set a destructive precedent that will reduce pharmaceutical investment, and surrendered America's advantage in biotech, a key growth industry of the future. Handed an American triumph of innovation and a great soft-power opportunity, Mr. Biden throws it all away.

India and South Africa have been pushing to suspend patents at the World Trade Organization for months. They claim that waiving IP protections for Covid vaccines and therapies is necessary to expand global access, but their motivation is patently self-interested.

 OPINION: POTOMAC WATCH



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Both are large producers of generic drugs, though they have less expertise and capacity to make complex biologics like mRNA vaccines. They want to force Western pharmaceutical companies to hand over IP free of charge so they can produce and export vaccines and therapies for profit. Their strategy has been to shame Western leaders into surrendering with the help of Democrats in the U.S.

But suspending IP isn't necessary to expand supply and will impede safe vaccine production. The global vaccine supply is already increasing rapidly thanks to licensing agreements the vaccine makers have made with manufacturers around the world.

Pfizer and BioNTech this week said they aimed to deliver three billion doses this year, up from last summer's 1.2 billion estimate. Moderna increased its supply forecast for this year to between 800 million and a billion from 600 million. AstraZeneca says it has built a supply network with 25 manufacturing organizations in 15 countries to produce three billion doses this year.

AstraZeneca and Novavax have leaned heavily on manufacturers in India to produce billions of doses reserved for lower-income countries. But India has restricted vaccine exports to supply its own population. IP simply isn't restraining vaccine production.

Busting patents also won't speed up production, since it would take months for these countries to set up new facilities. Competition will increase for scarce ingredients, and less efficient manufacturers with little expertise would make it harder for licensed partners to produce vaccines.

There's also the problem of safety. Johnson & Johnson has experienced quality problems at an Emergent plant making its vaccines, and that's in Baltimore. Imagine the potential problems with unlicensed producers in, say, Malaysia or Brazil. If vaccines made there have complications, confidence in licensed vaccines could plummet too. And who would Pfizer and Moderna sue to get their reputations back?

The economic self-damage is also hard to fathom. The U.S. currently has a competitive advantage in biotech and biologics manufacturing, which could be a growing export industry. Waiving IP protections for Covid vaccines and medicines will give away America's crown pharmaceutical jewels and make the U.S. and world more reliant on India and China for pharmaceuticals.

Moderna has been working on mRNA vaccines for a decade. Covid represents its first success. Ditto for Novavax, which has been at it for three decades. Small biotech companies in the U.S. have been studying how to create vaccines using nasal sprays, pills and patches.

Thanks to Mr. Biden, all this could become the property of foreign governments. Licensing agreements allow developers to share their IP while maintaining quality control. Breaking patents and forcing tech transfers will enable China and low-income countries to manufacture U.S. biotech products on their own.

China's current crop of vaccines are far less effective than those in the West, but soon Beijing might be able to purvey Pfizer knock-offs. The U.S. has spent years deploring China's theft of American IP, and now the Biden Administration may voluntarily let China could reap profits from decades of American innovation.

Instead of handing over American IP to the world, Mr. Biden could negotiate bilateral vaccine agreements and export excess U.S. supply. If Mr. Biden wants to increase global supply safely, the U.S. could spend more to help the companies produce more for export. Then the jobs would go to Americans. We thought this was the point of the production deal Mr. Biden negotiated between J&J and Merck.

Alas, this President seems to be paying more attention these days to Elizabeth Warren, Bernie Sanders, Alexandria Ocasio-Cortez and Nancy Pelosi. They think vaccines and new drugs can be conjured by government as a public good with no incentive for risk-taking or profit. This really is destructive socialism.

Mr. Biden ought to listen to Angela Merkel. Pfizer's partner BioNTech is a German firm, and the German Chancellor said Thursday that she opposes the WTO heist: "The protection of intellectual property is a source of innovation and it must remain so in the future."

At least IP is safe in Germany. Mr. Biden has sent a signal around the world that nobody's intellectual property is safe in America.

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