

# Coalition of Pharmaceutical Producers Withdraws Lawsuit against the South African Government

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Description Pharmaceutical companies based in industrialized nations enjoyed a global monopoly on the production of AIDS and HIV medications, making treatment in South Africa and other developing countries very expensive. In fact, the average South African did not make enough to cover the cost of these medications. Consequently, the government of South Africa introduced domestic legislation in the form of the Medicines Amendment Act of 1997, which called for the compulsory licensing of AIDS and HIV medications. This allowed South Africans to import their drugs, including generic brands, from the cheapest sources abroad. More importantly, it also allowed local pharmaceutical companies to produce cheaper versions, despite the fact that the patents belonged to foreign companies. The pharmaceutical companies argued that this violated their intellectual property rights and would consequently have a devastating effect on their research and development capacity. In response, the pharmaceutical companies filed a lawsuit in February 1998, citing an infringement of the TRIPS agreement.

The thirty-nine pharmaceutical companies who initiated the lawsuit also put pressure on the United States government. On the recommendation of Congressman Rodney Frelinghuysen, the United States trade office placed South Africa on a watch list, arguing that their act could "abrogate patent rights." Oxfam and other global non-governmental organizations and interest groups such as Médecins Sans Frontières (MSF) sided with South Africa. A variety of state and international actors became engaged in this dispute, showing how globalization impacts on and connects the state, corporations, and civil society in complex ways. Not only is this an example of local versus global actors, but it is also an example of global versus global. In this case, global corporations used international law to fight against global civil society groups. As the health of the nation deteriorated, the pharmaceutical industry began to feel international pressure and on 19 April 2001, the lawsuits were dropped, allowing the Medicines Amendment Act to be proclaimed into Law and proving that the successful reassertion of local autonomy is possible.

Suggested Reading: **Lanoszka, Anna.** 2003. Global politics of intellectual property rights, WTO agreement, and pharmaceutical drug policies in developing countries. *International Political Science Review* 24 (2): 181-97.

**Westerhaus, Michael and Castro, Arachu.** 2006. How Do Intellectual Property Law and International Trade Agreements Affect Access to Antiretroviral Therapy?. *PLoS Medicine* 8 (3):

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