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To:
Patrick Durisch
Erklärung von Bern
Dienerstrasse 12
CH-8026 Zürich

Basel, 10 March, 2011

Dear Mr. Durisch,

Thank you for your letter on behalf of some members of the NGO community regarding the continuing efforts by Novartis to secure a patent for Glivec® in India. I appreciate this opportunity to share the Novartis perspective with you.

India is characterized by significant economic diversity. It has a booming middle class on one hand, and a vast number of extremely poor people on the other. As a result we are pursuing a dual, patient-focused strategy in India. We address the many obstacles underprivileged patients face regarding access to medical care and we take India seriously as a formidable world power with all the international rights and obligations that such status brings with it. We seek to establish effective protection for pharmaceutical innovation in India.

At Novartis, we firmly believe that patents and effective patent systems save lives by stimulating research that leads to innovative medicines and ground-breaking therapies like Glivec®. Glivec® has been patented in countries across the globe, in both the developed and developing worlds. In India we are seeking guidance on the proper interpretation of the Indian Patent Law.

The conflict in India on Glivec® is about the patentability of pharmaceutical innovation in India and not about access to medicine. We are not challenging any of the trade flexibilities that exist under the TRIPS agreement and the Doha Declaration in place to resolve any tension between IP rights and access to medicine. As a consequence, patients' access to in the developing world will not be affected by this legal action.

Like the groups you represent, we are also deeply concerned about ensuring that patients have access to the treatments they need. We strive to be a partner in finding and implementing solutions that address the challenges of access to medicines throughout the world.

Through our pioneering global access program GIPAP (Glivec® International Patient Assistance Program) initiated in India in 2002, we have helped more than 16,000 patients in India alone. The vast majority of Indian Glivec® patients – more than 14,000 – currently receive the drug free of charge from Novartis. We would also like to clarify that without limitation in numbers, any patient in India whose physician

determines that he or she would benefit from Glivec® and may have difficulty paying for it can obtain assistance from the Novartis Oncology Access program.

Additional Novartis programs provide assistance with reimbursement and co-payment as well as full donations in India and many other countries. We are introducing Novartis Oncology Access programs for most of our oncology medicines.

We understand that access to high-quality medicines is a key component of global efforts to reduce the impact of a disease. Poor people in developing countries will continue to suffer needlessly until a wide variety of issues such as lack of diagnosis, infrastructure and distribution are solved. Governments, NGOs and companies need to work together to find innovative solutions to these issues. As one such endeavor Novartis has initiated a new healthcare delivery project in India named Arogya Parivar (Healthy Family) where we seek to bring healthcare and medicines to rural areas. The program has already reached 42 million Indians in 28,000 villages across the country, and more than 250 health educators communicate vital messages about health awareness and prevention.

As the world's second-largest producer of generic medicines, Novartis understands and recognizes the contribution of generics once drug patents expire. But generics alone do not solve the issue of access. The vast majority of the 354 medicines on the WHO's model list of essential drugs is not covered by patents, yet over a third of the world's population still has no access to these essential drugs. Nor does the cost of generic medicines solve the issue. Generic imatinib, which is and will continue to be available in India irrespective of the outcome of the legal action, is considered still too expensive for the majority of the Indian patient population. Based on data from the World Bank Group, the cost of one year of treatment in India with generic imatinib is 4.5 times the annual average income.

Patients worldwide have a vital interest in innovative efficacious drugs not only today but also in the future. For a sustainable research-based healthcare system, the income generated by a handful of pharmaceutical products on the market today has to generate the income to support all current and future industry-sponsored research into new drugs.

In summary, Novartis is fully committed to improving the access for patients worldwide as recognized recently in the Access to Medicines Index in 2010 where Novartis has been ranked no 3. At the same time we strive for robust and effective patent systems necessary to bring innovative medicines to the market. We firmly believe that our efforts serve the needs of patients of today and tomorrow.

We hope we have provided a better understanding of our concerns.



Kim Stratton
Head of Group Country Management and External Affairs