Patent Piracy Crackdown Is Urged

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NEW YORK, Sept. 11—The U.S. government should crack down on countries that allow "patent pirates and product counterfeiters" to victimize American companies abroad, a U.S. pharmaceuticals executive said today.

"In Taiwan, my company finds itself competing with five patent infringers for sales of one of our own products," said William R. Miller, vice chairman of Bristol-Myers Co. "We compete with six patent infringers for sales of another product," he said.

"We have lost 40 and 70 percent of the market, respectively, to manufacturers making products on which we still have patents—manufacturers who didn't spend a nickel to develop those products," he said.

Speaking at a meeting of the Conference Board, a New York-based business research organization, Miller said that "Brazil and Mexico have simply eliminated patent protection for pharmaceuticals.

"Taiwan, Korea, Argentina and Yugoslavia permit patents, but only on the processes by which products are made," Miller added. "These process patents are practically useless.

"All over the world, governments—including until recently our own—are sitting by while foreign firms beat us with our own research," Miller said.

"It takes an average of about $90 million to develop a new drug and 10 years to bring it to market," he said.

"There is an antidote," Miller said. "Countries sanctioning the theft of American industry's intellectual property are our trading partners.

"Many, as emerging nations, enjoy privileged treatment under our trade regulations. A great deal might be accomplished if the U.S. government made it clear that only countries which respect and protect the rights of U.S. firms need come seeking favorable treatment from us," he said.