Patents, Poisons, Prescription Drugs

by Phyllis Schlafly February 6, 2008

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At the MSNBC Florida presidential debate, Mitt Romney posed a very significant question. "As we compete with China, how do we make sure that trade is done in a way that levels the playing field? How do we ... protect American industry and American jobs, and do not cause a departure of jobs from this country?"

Good question, but neither Romney nor anyone else answered it.

In answer to the question about the bipartisan stimulus package to give cash to every American, Mike Huckabee made an important point: "We'll probably end up borrowing this $150 billion from the Chinese. And when we get those rebate checks, most people are going to go out and buy stuff that's been imported from China. I have to wonder whose economy is going to be stimulated the most by the package." Again, nobody responded, and we didn't hear any plans to deal with the China problem.

How can we have fair trade with a country that is a major thief of our intellectual property? The Chinese don't even believe in individual intellectual property rights, which they look upon as a Western concept.

China is now salivating about the prospect that the Democratic Congress might make it easier to steal our patents. In the November 7 issue of China Intellectual Property News, a Chinese spokesman brags that the Patent bill soon to be voted on by our Senate is good news for China because the bill is "friendlier to the infringers than to the patentees in general as it will make the patent less reliable, easier to be challenged and cheaper to be infringed."

That's bad news for U.S. independent inventors and small companies. The author of that statement, Yongshun Cheng, is deputy director of the Intellectual Property Division of the Beijing High People's Court.

China is the world's biggest supplier of counterfeit, misbranded, substandard and unapproved pharmaceutical products to the United States. A dozen Chinese companies were producing copies of Viagra until stopped when Pfizer finally won its patent protection lawsuit.

Poisons in Chinese products may not be limited to pet food, seafood, clothing, and toys. Let's consider potential dangers from prescription drugs.

Communist China has picked biotech as the new engine to continue its economic phenomenon. The Chinese government is supporting biopharmaceutical enterprises politically and financially, helping the biopharmaceutical industry to grow by 31.2 percent annually from 2001 to 2005.

China is marketing itself as an international outsourcing hub for life sciences and has become the largest vaccine manufacturing country in the world, capable of producing 41 vaccines. China already has more than 400 biopharmaceutical companies of different ownerships and more than 20,000 biotech research scientists.

That number is increasing as the Chinese government is steadily repatriating its scientists who were trained in the United States. The hai gui, skilled Western-trained Chinese returnees who studied and worked in the U.S. for many years, acquiring academic and commercial experience, are now going back to China to take important positions at salaries that are one-third to one-fifth of U.S. salaries.

An estimated 80 percent of the active pharmaceutical ingredients used to make drugs sold in the United States are imported, and an estimated 40 percent of finished drugs are made in foreign countries. The Chinese drug agency does not even oversee the making of pharmaceutical raw materials, called intermediates, which are the building blocks for active pharmaceutical ingredients.

Our Food and Drug Administration (FDA) is slated to inspect only 13 of China's 714 drug firms (only 1.8 percent) this year. U.S. drugmakers are inspected at least once every two years, but there is no such requirement about imports, and Government Accountability Office spokesman Marcia Crosse admitted that 13 years can pass before a foreign manufacturer is visited even once.

The Associated Press reported that when the FDA does visit foreign plants, its inspectors can make "sometimes harrowing findings."

Even when Chinese manufacturers are inspected, our FDA inspectors rely on the companies for translators, and U.S. firms are required to authorize a Chinese official to serve as its legal representative. One U.S. CEO said, "every piece of information you get is suspect."

At the Cambridge Healthtech "Drug Development in China" conference in Philadelphia last September, Chinese speakers bragged that China offers opportunities to lower costs for preclinical and clinical drug development activities. The cost of doing preclinical studies and clinical trials in China is about 20-60 percent of U.S. costs and can be many months faster, so U.S. multinationals follow the money.

But clinical trial applications are risky because there is no well-defined process, and Chinese regulations mean little because everything is ultimately decided on a local level. How can we know that the drugs in our medicine chest are safe?