Development of IPR impact micro models for assessing the effects of TRIPS-plus provisions in free trade agreements.

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Assessment

- Modelling IPR to taking into account product and group specific effects
  - Indian data is very illuminating
  - shows that even though the model can incorporate new elements,
  - and improve aspects on how to extrapolate changes in market structure,
  - significant contribution with enormous practical use.
- Cons: might well be interactions that are hard to observed at the group level needs of sensitivity analysis.

Comments (I)

- Nature of competition at the group level
- Product differentiation matters
  - Local and foreign companies can manipulate product characteristics to create market barriers
  - I think the model could bring up more clearly how to control for product differentiation.
- Differences in regulation, which often impede traditional competitive behaviour

Comments (II)

- Needs modelling how that innovation changes the market structure
  - extrapolate cross country market structures of countries that do not have any form of protection of IPR
- Adequate model might be important to mention Frank and Salkever (1992, and 1997)
  - Generics paradox (originators price do not drop after patent expiry)

Comments (III)

- Page 14 in discussing Chandhuri's model it should be mentioned that it employs a methodology that has been designed for individual budgetary decision making
- Page 17, authors might want to mention that Wiggins and Maness uses very particular therapeutic groups, so that results might not be generalisable

Suggestions

- Model Competition :
  - seems to take a sequential approach
  - Consider “innovation race”
- Organise variables in the model
  - Group different variable sin terms of how they will be used on the model
- Incorporate regulation:
  - Bilateral monopoly games whereby the type of health insurance prevailing in the country determine some purchasing power to negotiate prices down