

## Contents

|   |     |
|---|-----|
| Executive Summary.....  | 5   |
| Chapter I: Introduction .....   | 12  |
| Chapter II: The Pharmaceutical Industry and Health Delivery System in India ..... | 17  |
| The Pharmaceutical Industry .....   | 17  |
| A Brief History.....  | 18  |
| Nature of the Pharmaceutical Industry .....                                       | 19  |
| The Competition Aspects of the Pharmaceutical Industry .....                      | 23  |
| The Health Delivery System.....   | 29  |
| A Brief History.....  | 29  |
| Nature of the Health Delivery System.....   | 30  |
| Market Dynamics .....   | 32  |
| In the context of the access to healthcare .....                                  | 33  |
| Chapter III: Competition Concerns .....   | 34  |
| The Pharmaceutical Industry .....   | 34  |
| Intellectual Property Rights Related.....   | 34  |
| Mergers & Acquisitions .....  | 44  |
| Collusion and Other Anti-Competitive Practices .....                              | 51  |
| Anti-Competitive Practice in the Health Delivery System:.....                     | 55  |
| Doctors .....   | 55  |
| Pharmacists.....  | 56  |
| Hospitals.....  | 60  |
| Tied Selling .....  | 62  |
| Chapter IV: Available Legal Options- A Critical Analysis.....                     | 69  |
| Competition Law .....   | 69  |
| Regulating the Pharmaceutical Industry.....                                       | 70  |
| The Functional Aspect of Competition Law.....                                     | 77  |
| The Patent Regime – A TRIPS Specific Overview .....                               | 81  |
| India’s Patent law Regime.....  | 85  |
| The Competition Aspects of the Indian Patent Act .....                            | 86  |
| Price Control.....  | 97  |
| The History of Price Control in India.....  | 98  |
| Dismantling the Decontrol Rationale .....   | 106 |
| Plans on the Anvil .....  | 109 |
| Options in the Health Delivery System .....                                       | 112 |
| Regulating Prescribing Doctors.....   | 112 |
| Regulating Pharmacists .....  | 115 |
| Regulating Hospitals and Diagnostic Centres .....                                 | 116 |
| Chapter V: Suggested Strategies and Measures .....                                | 118 |
| Promoting Generic Competition.....  | 119 |
| Dealing with IPR Related Issues .....   | 122 |
| Checking collusive activities .....   | 125 |
| Controlling Tied Selling .....  | 126 |
| Regulating the Health Delivery System .....                                       | 127 |
| Dealing with Health Insurance .....   | 129 |
| Promoting Innovation.....   | 132 |
| Chapter VI: Conclusion.....   | 137 |
| References .....  | 141 |
| Annexure I: Report of the National Workshop .....                                 | 147 |
| Annexure II: Participants at the National Workshop .....                          | 156 |