

THE HEAVY PRICE OF GLP-1 DRUGS

**How Financialization Drives
Pharmaceutical Patent Abuse
and Health Inequities
for GLP-1 Therapies**

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1 | EXECUTIVE SUMMARY

PURPOSE OF THE RESEARCH BRIEF:

This brief examines the financialized business model of Novo Nordisk and Eli Lilly for the leading GLP-1 products Ozempic, Rybelsus and Wegovy (semaglutide) and Mounjaro and Zepbound (tirzepatide). It shows how these companies are using the patent system as a key tool in their financialized business model to maximize revenues, profitability and shareholder returns. Through the creation of patent thickets, which includes filing and being granted follow-on patents for minor modifications, these companies have already extended their patent protection far beyond the term of the original patent(s) for these products. By extending their patent protection through these follow-on patents, subject to the outcome of litigation and the terms of any settlements, they potentially stand to extend their market monopoly and increase revenues. This brief highlights how the financialized business model perpetuates health inequities that will disproportionately impact Black Americans and other marginalized populations who face higher rates of obesity and diabetes yet remain underrepresented in access to GLP-1 therapies. It also makes several recommendations for systemic reforms to the patent system to counter the influence of financialization that incentivizes patent abuse, as well as healthcare policies to address these inequities and promote affordable access to these life-changing treatments.

KEY TAKEAWAYS:

- 1. Two Active Ingredients, Five Products:** Semaglutide is marketed by Novo Nordisk as three separate drug products under the brand names: Ozempic (injection for diabetes, approved in 2017), Rybelsus (oral tablet for diabetes, approved in 2019), and Wegovy (injection for weight loss, approved in 2021). While industry proponents will frame Ozempic, Rybelsus and Wegovy as three new products and inventions (or innovations), all three rely on the exact same active ingredient.¹ Similarly, the active ingredient tirzepatide is marketed by Eli Lilly as two separate drugs under the brand names Mounjaro (injection for diabetes, approved in 2022) and Zepbound (injection for weight loss, approved in 2023). These products use the same delivery method and dosages.²
- 2. GLP-1 Market Reflects a Financialized Business Model:** The financialized business models of Novo Nordisk and Eli Lilly illustrate their focus on sustaining long-term profitability over public health needs. Evidence shows unprecedented revenue growth and a heavy reliance on blockbuster drugs like these GLP-1 products that dominate their portfolios. Spending on shareholder enrichment appears to take priority over research and development (R&D), with Novo Nordisk spending 41% more on dividends and buybacks than on R&D over the past five years. While Eli Lilly has traditionally invested more in R&D, its recent surge in buybacks and dividends signals a growing focus on investor returns. Data also shows how rapidly these flagship products have come to fuel the majority of revenue for both companies, highlighting the revenue concentration characteristic of financialized business models. Lastly, the \$700 billion in market capitalization gains by Novo Nordisk and Eli Lilly since the launch of GLP-1 therapies is a stark indicator of financialization, as these valuations far exceed the cumulative revenue generated by the drugs themselves.

¹ They differ only in dosage form and recommended use. Ozempic (injectable, weekly, 0.25mg, 0.5mg, 1.0mg, 2.0mg) and Rybelsus (oral, daily, 7mg, 14mg) are FDA-approved for type 2 diabetes, while Wegovy (injectable, weekly, 0.25mg, 0.5mg, 1.0mg, 1.7mg, 2.4mg) is approved for obesity.

² Both of these products are administered in weekly subcutaneous injections, and in the same six doses (2.5 mg, 5 mg, 7.5 mg, 10 mg, 12.5 mg, 15 mg). The two products differ only in the intended use. Mounjaro is FDA-approved for Type 2 Diabetes and Zepbound is for chronic weight management. Simply put, this is the exact same drug used to treat two different conditions, diabetes and obesity.

3. **Patent Thickets Prolong Patent Protection, Potentially Lengthening Market Exclusivity:** Analysis of the patent landscapes for semaglutide (Ozempic, Rybelsus and Wegovy) and tirzepatide (Mounjaro and Zepbound) reveal a thicket of patents. The majority of the patents filed and granted relate to follow-on patents for minor modifications. These patents extend the patent protection far beyond the term of the original patented invention for these drugs. This extended patent protection increases the potential to lengthen the market monopoly, depending on litigation and settlement terms.

Semaglutide is the same active ingredient used in three products marketed by Novo Nordisk: Ozempic, Rybelsus, and Wegovy. We have identified that Novo Nordisk has filed 320 U.S. patent applications and been granted 154 patents related to these three products.

The main compound patent protecting the active ingredient semaglutide as used in these three drugs is set to expire in December 2031. This compound patent should technically expire in March 2026, which is twenty years from when the patent was filed. However, the patent term on the main compound has been extended by over five years as a result of a Patent Term Adjustment (PTA) and a Patent Term Extension (PTE). We conservatively estimate that in just these five additional years, Novo Nordisk stands to earn \$166 billion in revenue on Ozempic, Rybelsus and Wegovy.³ In addition to the main compound patent, Novo Nordisk currently has 49 granted patents that expire after the main compound patent. These follow-on patents extend the patent protection on the products Ozempic, Rybelsus and Wegovy by ten years, until 2042. The majority of these follow-on patent applications and granted patents cover minor modifications in the form of delivery devices, formulations and methods of treatment.

Tirzepatide is the active ingredient used in two products marketed by Eli Lilly: Mounjaro and Zepbound. While much earlier in its lifecycle, we have identified that Eli Lilly has filed 53 U.S. patent applications and been granted 16 patents related to these two products. The main compound patent covering the active ingredient tirzepatide is set to expire in 2036. In addition, Eli Lilly has several follow-on patents granted for delivery devices, formulations, and methods-of-treatment. These follow-on patents extend the patent protection for Mounjaro and Zepbound until 2041 – and it is likely that more follow-on patents will be added in the coming years.

4. **High Costs and Systemic Barriers Exacerbate Health Inequities:** The products Ozempic, Rybelsus, and Wegovy (semaglutide) and Mounjaro and Zepbound (tirzepatide) are priced at roughly \$1,000 per month. At this price they disproportionately exclude low-income and marginalized populations, particularly Black Americans, who have some of the highest rates of obesity and diabetes. These high prices are enabled by the exclusivity granted through patents, which prevent generic competition and allow companies to maintain monopoly pricing. Extending the market monopoly on these drugs beyond the original patent term through abusive patent practices drives up prices and prolongs health inequities. These inequities are compounded by limited insurance and public payer coverage along with provider bias and geographic inequities that restrict access in underserved communities.

5. **Policy Reforms Are Critical to Address Structural Inequities:** Policymakers must act to curb patent abuses, expand insurance coverage for obesity treatments, and address structural barriers that limit access for marginalized communities. Without these reforms, GLP-1 products risk becoming another example of a treatment inaccessible to those who need it most.

ABOUT I-MAK

The Initiative for Medicines, Access and Knowledge (I-MAK) is a 501(c)(3) organization with a mission to build a more just and equitable medicines system. Our framework integrates comprehensive analytical research to inform policy, education to activate change, and partnerships to drive solutions. We bring decades of private-sector expertise and experience in the field of intellectual property as well as the pharmaceutical sector. Our work spans internationally and we collaborate with patients, drug manufacturers, patent offices, community leaders, public health professionals, policymakers, scientists, economists, and more across the globe. I-MAK's work on structural change in the patent system is featured regularly in the national and global press, as our data is cited in Congressional hearings and Committee reports. I-MAK is committed to evidence-based research and education that will benefit American families and help lower drug prices. Therefore, we have never taken funding from the pharmaceutical industry, whether branded or generic.

³ Based on Wall Street consensus projections from 2026 through 2030. For 2031, one year beyond available consensus projections, we conservatively assumed a 15% decrease in total product sales from the prior year.