

## STATEMENT

### **Flawed report should not derail Canada's efforts to attract research into new life saving medicines and create investment and jobs**

**Ottawa, February 7, 2011 – The following is a statement by Russell Williams, President of Canada's Research-Based Pharmaceutical Companies (Rx&D), on the release of a report by generic drug makers entitled *The Canada-European Union Comprehensive Economic & Trade Agreement-An Economic Impact Assessment of Proposed Pharmaceutical Intellectual Property Provisions*.**

“This flawed report which is based on conjecture and questionable assumptions should not derail Canada's efforts to improve trade with Europe and strengthen intellectual property (IP) rights that will open the doors to innovation and bring more high quality jobs and investment to Canada.

“Having weaker intellectual property protection than our global competitors is not an effective way to control health costs but will have negative consequences for Canada in reduced jobs and investment in the knowledge economy.

“As well, the study provides no estimates on the savings from new medicines and vaccines in preventing disease and saving lives while also reducing the cost of hospitalization and surgery.

“There is also a serious cost to Canadians of not acting to become more competitive internationally. The Europeans have stronger IP protection than Canada and they still manage to provide better access to new innovative medicines. They see the value of creating a knowledge economy and they want to be the first to develop new drugs to treat cancer, Alzheimer's and other diseases. Canada should be striving for nothing less.

“It's also hypocritical for the generics to raise the issue of drug pricing given that several independent studies have found that Canadians have been paying among the highest prices in the world for their generic drugs for many years.

“The study also includes four widely prescribed drugs that are already off patent but makes no mention of the investment required to develop a new medicine or vaccine which can often cost up to \$1 billion and take 10 to 12 years.

“Canada is lagging behind Europe and the United States when it comes to intellectual property safeguards as demonstrated in the recent report from the Canadian Chamber of Commerce-*Innovation for a Better Tomorrow: Closing Canada's Intellectual Property Gap*. An earlier report by the Coalition for Action on Innovation in Canada reached the same conclusion.

“Historically, generic companies have consistently attempted to thwart Canada's progress to have globally competitive intellectual property protection.



“A joint Canada-EU study recently estimated that an economic agreement with the EU has the potential to give a “*\$12-billion boost to the Canadian economy and increase bilateral trade by over 20 percent.*” Our commitment is to work with governments so that Canada can capture these investments and become a world leader in innovation.”

#### About Rx&D

Rx&D is the association of leading research-based pharmaceutical companies dedicated to improving the health of Canadians through the discovery and development of new medicines and vaccines. Our community represents 15,000 men and women working for 50 member companies and invests more than \$1 billion in research and development each year to fuel Canada’s knowledge-based economy. Guided by our Code of Ethical Practices, our membership is committed to working in partnership with governments, healthcare professionals and stakeholders in a highly ethical manner.

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