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HEALTH AND LEGAL EXPERTS JOIN CANADIAN AND AFRICAN ACTIVISTS IN MAKING CASE TO FIX ACCESS TO MEDICINES REGIME

Industry Committee finally set to review bill that could save thousands of lives

OTTAWA, October 21, 2010 — Supporters of legislation to reform Canada's Access to Medicines Regime will be seeking to underscore facts and dispel myths in testimony today before the Standing Committee on Industry, Science and Technology reviewing Bill C-393. With almost a year having passed since Parliament voted in favour of the bill at second reading, efforts to fix CAMR to make it work the way it was intended have reached a critical juncture.

"We look forward to making a factual case to Committee as to why CAMR is broken and how it can now be fixed to ensure life-saving medicines get to the people who need them in developing countries," says Richard Elliott, Executive Director of the Canadian HIV/AIDS Legal Network, appearing before the Committee today. "Reforming CAMR will save thousands of lives – that's a lot of reasons to do the right thing. It's time for parliamentarians to listen to the facts and look beyond the misinformation they're receiving those who oppose positive change. It's time to step up."

In 2004, Parliament passed a bill called the *Jean Chrétien Pledge to Africa*, creating CAMR to make it easier for developing countries to get lower-cost generic medicines to treat public health problems, such as HIV/AIDS, malaria and tuberculosis. However, in more than 6 years, CAMR has only been used once, to send one order of one medicine to a single country (Rwanda). The generic drug manufacturer that supplied the medicine has indicated it will not go through the cumbersome process again – but has also committed to using the system again if it's simplified, including to export a child-friendly AIDS drug.

Bill C-393 would streamline CAMR with a simplified 'one-licence solution', at no cost to taxpayers. This approach would eliminate the current requirement for separate negotiations with patent-holding pharmaceutical companies for each purchasing country and each order of medicines, and instead provide a more workable process to get affordable, generic medicines to people in developing countries.

A streamlined CAMR has the support of dozens of academic and civil society organizations, many prominent Canadian public figures, and, according to a poll by opinion research firm Pollara, 80 percent of Canadians.

The Grandmothers to Grandmothers Campaign has also mobilized in support of African grandmothers bearing the burdens of the AIDS epidemic, including caring for children living with or orphaned by the disease. The group has circulated a petition signed by over 32,000 Canadians calling on Parliament to reform CAMR. Some 10,000 postcards have been signed to the Parliamentary committee now studying Bill C-393, and thousands more have been sent to individual MPs in all parts of the country. The Grandmothers to Grandmothers Campaign will appear before the Industry committee next week (Tuesday, October 26).

“Every day counts for people who are dying without the affordable medicines they need to survive,” says Elizabeth Rennie on behalf of the Grandmothers to Grandmothers Campaign. “Half of all children with HIV in sub-Saharan Africa die before the age of two because they don’t have access to affordable, practicable medicines suited for children. We are calling on parliamentarians to address this desperate public health and human rights tragedy by streamlining CAMR to make it workable.”

A backgrounder that addresses the most common myths associated with CAMR and Bill C-393 follows. Further background on the issue and the Legal Network can be found at www.aidslaw.ca/camr. More information about the Grandmothers to Grandmothers campaign can be found at www.grandmotherscampaign.org.

- 30 -

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Backgrounder on Bill C-393: Dispelling Myths with Facts

MYTH: Bill C-393's amendments would violate Canada's obligations under the WTO treaty on intellectual property rights.

FACT: Detailed analyses, including by one of the world's leading legal experts on the subject testifying before a similar bill previously in front of the Senate, have shown that this is not correct. Every WTO member country, including Canada, has repeatedly agreed that issuing compulsory licences on patented medicines to enable exports of lower-priced, generic medicines to developing countries is entirely consistent with WTO rules. This is the very purpose of CAMR, which Parliament created. Bill C-393 simply tries to eliminate the unnecessary bureaucratic impediments to using the system, so that the licensing system is simple and flexible in order to address the evolving needs of developing countries.

MYTH: Streamlining CAMR would undermine incentives for brand-name pharmaceutical companies to research and develop new medicines.

FACT: This claim makes no sense. CAMR only allows compulsory licensing for the purpose of exporting lower-cost generic medicines to eligible countries. Those countries represent a small percentage of total global pharmaceutical sales and the profits of brand-name companies. For example, the entire continent of Africa, the hardest hit by the AIDS pandemic, represents less than 2 percent of global pharmaceutical sales. Developing country markets do not drive pharmaceutical companies' decisions about investments in research and development (R&D). Furthermore, the brand-name drug companies are entitled to receive royalties on sales of generic medicines supplied under CAMR, and Bill C-393 does not change this. Exports to high-income countries, in which brand-name pharmaceutical companies make the vast majority of their profits and on which they base their decisions about R&D, are not authorized by CAMR – and Bill C-393 does not change this. The countries that would benefit from a streamlined CAMR are those that all countries at the WTO already agreed upon, and that CAMR is already supposed to benefit.

MYTH: Canadian generic manufacturers will not be able to supply medicines at prices competitive with generic manufacturers elsewhere, such as India.

FACT: In the one case to date in which CAMR has been used, the Canadian generic drug company supplied the medicine to Rwanda at the same price being offered by Indian generic manufacturers and won the contract through this competitive bidding process. Furthermore, the simpler and less costly it is for developing countries and generic manufacturers to use CAMR to supply multiple developing countries under a single licence, the greater economies of scale and the lower the costs of production that can be achieved by generic manufacturers in Canada. This ultimately benefits purchasing countries and patients in those countries by lowering further the prices of medicines supplied under CAMR.

MYTH: The barrier to greater access is not the prices of medicines but rather widespread poverty and inadequate health systems.

FACT: There are multiple barriers to access to medicines in the developing world, which vary from country to country and even within a given country. But major progress has been made in increasing access to treatment, including by strengthening health systems, and there is no disputing that the price of medicines prevents many patients with HIV or numerous other conditions from accessing life-saving treatments. Prices are higher when medicines are only available from brand-name pharmaceutical companies that hold patents on those medicines (i.e., monopolies). All the clinics, doctors and nurses in the world won't be able to help patients if medicines are priced out of reach. Streamlining CAMR could effectively assist developing countries in overcoming one of the major barriers to affordable treatment. The lower the prices of medicines, the more people can be treated with a limited amount of resources. This also means more resources are made available to invest in strengthening health systems. More affordable medicines and stronger health systems are complementary actions that should be taken together. To pit one against the other, as some politicians and pharmaceutical companies are doing, is misleading and misguided.

MYTH: Brand-name pharmaceutical companies voluntarily gave licences to Apotex to supply the three-in-one AIDS drug that was sent to Rwanda.

FACT: This claim is simply not true. It's also inconsistent with the claim by brand-name companies that the process of Apotex getting a compulsory license to supply Rwanda was fast and straightforward. If there had been voluntary licence agreement between Apotex and the brand-name companies, there obviously would have been no need for Apotex to apply for a compulsory licence. The fact is, there was no agreement on voluntary licences. Apotex ultimately filed an application for a compulsory licence, which is the purpose of CAMR.

MYTH: CAMR worked quickly once the first application for a compulsory licence was made, and therefore there are no delays or impediments in CAMR.

FACT: It is true that once the first application for a licence was filed, it was issued reasonably quickly. But this is not where the problem lies with the CAMR process. It is <u>not</u> correct that it only took 68 days from start to finish of the process, as claimed by brand-name pharmaceutical companies and some politicians. This claim ignores more than a year of lost time attempting to negotiate for a voluntary licence when the brand-name companies would not agree to any licence without a specific developing country being identified. Because no country was willing to come forward, the licensing process was stuck in limbo and exporting medicines was stalled. Bill C-393's "one-licence solution" would avoid this hurdle: it would not limit a compulsory licence to authorizing the supply of generic medicines to just one specific country, but would instead authorize supply to any of the eligible developing countries already covered by CAMR as the intended recipients of this initiative.