



For immediate release

Changes to Drug Patent Rules Will Drive Up Prescription Drug Costs

Toronto, October 18, 2006 – Changes announced today to Canada's drug patent rules will drive up prescription drug costs for taxpayers, employers and consumers, Jim Keon, President of the Canadian Generic Pharmaceutical Association (CGPA) said today.

"On whole, regulatory amendments announced today by the federal government will only add to the huge problem of soaring prescription drug costs in Canada," said Keon. "Big Pharma is the big winner while taxpayers, employers, consumers and Canada's generic drug makers lose out."

Keon said the federal government's changes that provide brand-name drug companies with an eight and a half year ban on competition go far beyond the five years required under international trade agreements such as NAFTA and will add hundreds of millions to Canada's prescription drug bill.

"Had the current rules been in place over the past five years, it would have added an additional \$600-million to prescription drug costs in Canada," Keon said.

Other regulatory changes announced today attempt to limit "evergreening" of drug patents by brand-name drugs companies that keeps lower-cost generic competition off the market. Brand-name drug companies have exploited legal loopholes in these regulations to delay generic competition sometimes for years after the initial 20-year patents expire.

"The changes regarding evergreening were overdue and merely codify a Supreme Court decision that, although not properly applied by Health Canada, made clear that evergreening is already prohibited," Keon said. "This change will not, however, affect existing evergreening litigation that is delaying Canadians' access to lower-cost generic equivalents."

(Please see attached background note on changes to the Patented Medicines (Notice of Compliance) Regulations and Food and Drug Regulations.)

About the Canadian Generic Pharmaceutical Association

The Canadian Generic Pharmaceutical Association (CGPA) represents Canada's generic drug industry – a dynamic group of companies that specialize in the production of high quality, affordable generic drugs and fine chemicals and in conducting the clinical trials required for government approval of generic drugs. The industry plays an important role in controlling health-care costs in Canada. Generic drugs are dispensed to fill 44 per cent of all prescriptions but account for less than 18 per cent of the \$17-billion Canadians spend annually on prescription medicines.

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