

BRIEF FOR THE 'VACCINE EQUITY AND INTELLECTUAL PROPERTY' STUDY FOR THE STANDING COMMITTEE ON FOREIGN AFFAIRS AND INTERNATIONAL DEVELOPMENT (FAAE) SUBMITTED ON APRIL 22, 2022.

ABOUT INNOVATIVE MEDICINES CANADA

Innovative Medicines Canada (IMC) is the national association representing the voice of Canada's innovative pharmaceutical industry. The association advocates for policies that enable the discovery, development, and delivery of innovative medicines and vaccines to improve the lives of all Canadians and supports the members' commitment to being a valued partner in the Canadian healthcare system. The association represents 49 companies who invest nearly up to \$2 billion in R&D annually, fueling Canada's knowledge-based economy, while contributing close to \$15 billion to Canada's economy. The innovative pharmaceutical sector created more than 100,000 high value jobs across the country. Based on the data provided in by Statistics Canada, the innovative pharmaceutical sector's R&D to sales ratio is 9.7%. Guided by the Code of Ethical Practices, all members work with governments, private payers, healthcare professionals, and stakeholders in a highly ethical manner.



FIGHTING COVID-19 TOGETHER

The impact of the COVID-19 pandemic has shifted the health landscape in Canada. While the federal government has demonstrated its ability to react to an unprecedented health crisis, doing so has also sharpened the focus on domestic capacity and innovation in the life sciences sector.

IMC is proud of our members' continued contributions to help patients in Canada and other nations through the greatest public health crisis in living memory. Throughout the pandemic, the global biopharmaceutical industry has undertaken unprecedented collaborative efforts worldwide to develop and distribute COVID-19 vaccines and treatments. From the onset, our members worked to increase manufacturing capacity and scale up production through the use of voluntary partnerships, licensing and technology transfers. Such efforts resulted in remarkable production, and in 2021 alone levels were more than twice as high as annual vaccine outputs prior to the pandemic.¹ IMC and our members also worked with governments to identify and address regulatory and supply chain issues that create unnecessary barriers to access. Our members demonstrated the industry's value to the world, as the critical importance of reliable access to medicines was brought into focus. More information on our members' contributions in the fight against COVID-19 can be found [here](#).

IMC's written submission to the Standing Committee on Foreign Affairs and International Development, as part of the study on Vaccine Equity and Intellectual Property Rights, highlights the importance of intellectual property to Canada's strategic positioning in the global pharmaceutical supply chain. As awareness increases about the importance of access to innovative medicines, it is important to consider how government policy will affect Canada's ability to attract foreign investment to bolster our life sciences sector and domestic biomanufacturing capacity, while building back a strong and resilient Canadian economy and fostering a culture of health innovation.

CONSEQUENCES OF A TRIPS WAIVER

The Trade-Related Aspects of Intellectual Property Rights (TRIPS) is a multi-lateral agreement adopted by World Trade Organization (WTO) members that establishes a standard set of intellectual property (IP) rules that WTO member countries then implement through domestic legislation. The clear and predictable IP measures set out in TRIPS provide innovators with confidence to invest time and resources in research and development that span many years. For example, innovations such as mRNA and viral vector vaccines were developed thanks to decades of prior research conducted within a robust innovation ecosystem that depends on the protection of IP.

Additionally, IP has been a driving force in scaling up the production of COVID-19 vaccines and treatments, as technology transfers allowed expert partners to assist in manufacturing while upholding the highest standards of product quality and safety. IP protections that are codified in rules-based trade

¹ Source: Forbes. [The Number of Covid-19 Vaccine Doses Produced In 2021 Will be Twice as High as Pre-Covid-19 Vaccine Output](#)



regimes are vital in advancing a healthy and robust life sciences strategy and ensuring future innovation in Canada and around the world.

Some members of the WTO's TRIPS Council have argued that all members should agree to a waiver to suspend countries' core obligations under the TRIPS agreement in relation to a broad range of technologies related to COVID-19 for the duration of the pandemic. Proponents of this initiative opine that revoking IP rights would increase vaccination rates in developing nations, despite the absence of credible evidence to support their claim.

While the biopharmaceutical industry shares the goal of turning vaccines into vaccinations, removing IP protections will not result in vaccine equity. To date, over 12 billion vaccine doses have been produced.² In fact, production has consistently outpaced the number of vaccines being administered, demonstrating that supply is exceeding absorption capacity in many countries.³ In some instances, industry has been asked to delay deliveries as stocks in low- and middle-income countries rise. Collectively, our challenge has shifted from developing and manufacturing vaccines to ensuring those doses are distributed and administered to those who need them most. The biopharmaceutical industry will continue to support governments and other stakeholders in executing national vaccine rollouts.

IMC recommends that Canada stand with others to protect intellectual property by opposing the TRIPS waiver.

In less than two years, the global pharmaceutical sector researched, developed, manufactured, and shipped COVID-19 vaccines at an unprecedented rate, now reaching 1 billion doses produced each month globally. Effective vaccines, made to the highest standards of quality and safety, are available thanks to a robust global intellectual property system that enabled innovation, secured a complex supply chain, and drove collaboration around the world.

As is further described below, the TRIPS waiver proposal does not address the barriers to distributing and administering vaccines in developing nations, but it does create a damaging precedent for intellectual property protections.

1) *Infrastructure issues cannot be solved by increasing supply.*

Close collaboration between industry and governments remains essential to Canada's response to the pandemic at home and abroad, including education campaigns on the safety and efficacy of vaccines. This collaboration will continue as Canada works to support the WHO's June 2022 global vaccination target of 70%. Extending the partnerships built to date, now is the time for

² Source: IFPMA. [Three priorities to urgently increase access to COVID-19 vaccines.](#)

³ Source: EFPIA. [Getting the world vaccinated against COVID-19.](#)

Canada and the world to ensure that COVAX has the resources it needs to deliver on the promise of access to biomedical innovation for all.

IMC commends the Government of Canada for its commitment to donate at least 200 million additional vaccine doses to COVAX by the end of 2022, along with much needed financial support to COVAX for the procurement and delivery of vaccines. This support is vital to overcome the logistical challenges and vaccine hesitancy confronting vaccination programs in many parts of the world.

As shortages of staff, equipment, and funds have hampered rollouts, causing unused doses to be destroyed,⁴ IMC members remain dedicated to continuing their efforts to work with governments, international organizations, NGOs and other stakeholders in the collective global effort to reverse the spread and contain the threat of COVID-19.

2) ***Weakening IP will discourage investment in Canada's life-sciences sector.***

IMC was pleased to see the Government of Canada acknowledge the importance of IP to establishing an innovative economy in Budget 2022. Sustainable growth in Canada's life sciences sector and improved biomanufacturing capacity will depend on a strong IP regime.

We also welcomed protections in the landmark Comprehensive Economic and Trade Agreement with the European Union and are supportive of a focus on IP, as well as greater regulatory harmonization, in a new trade agreement with the United Kingdom. This progress must be reinforced with more agile regulations, timely public access to innovation, skills and talent development, and other elements of a comprehensive life-sciences strategy that we are eager to discuss with all levels of government in Canada.

Weakening IP protections for vaccines will undermine the global response to COVID-19, as well as Canada's preparedness for future pandemics. It will create confusion in the ecosystem and that will inevitably delay research and innovation. It will also undermine the confidence in what has proven to be a functioning IP system, one that has allowed industry to confidently develop about 357 collaborations⁵ – of which 89% include technology transfers- with academia, research institutes, foundations, and other private companies. The prospect of a TRIPS waiver runs counter to all these positive developments which contribute – and indeed foster – the growth and development of the life sciences sector in Canada.

⁴ 'Exclusive: Up to 1 million COVID vaccines expired in Nigeria last month', E. Mcallister, L. George, S. Nebehay, REUTERS [website], <https://www.reuters.com/business/healthcare-pharmaceuticals/exclusive-up-1-million-covid-vaccines-wasted-nigeria-last-month-2021-12-08/>, (accessed April 14, 2022)

⁵ <https://www.efpia.eu/media/636693/getting-the-world-vaccinated-against-covid19.pdf>



CONCLUSION

As the Government of Canada focuses on finishing the fight against COVID-19, IMC members are looking forward to our continued partnership as we work to turn vaccines into vaccinations around the world. We are committed to the fight against COVID-19 and will continue to advocate for an approach that addresses the real barriers to increasing vaccination rates without undermining future innovation, or negatively impacting the sustainability of Canada's health system and life sciences sector.