

Pfizer Canada Inc.
P.O. Box 800
Pointe-Claire/Dorval, Quebec
H9R 4V2
Tel (514) 426-7417
Fax (514) 426-7084



Pfizer Canada

May 9, 2005

Jean-Michel Halfon
President and
Chief Executive Officer

Sylvie Dupont
Secretary of the Board
Patented Medicines Prices Review Board, (PMPRB)
P.O. Box L40, Standard Life Centre
333 Laurier Avenue West, 14th floor
Ottawa, Ontario
K1P 1C1

Dear Ms. Dupont;

Pfizer Canada appreciates the opportunity to comment on the PMPRB's recently issued **Price Increases for Patented Medicines Discussion Paper** and more specifically, to express its views regarding the need to review the board's powers and mandate with respect to permitting it to pre-approve price increases associated with patented medicines.

Pfizer Canada is entirely supportive of the Rx&D submission in regards to the Discussion Paper. In particular, the company wishes to emphasize that the 1987 amendments to the *Patent Act* which created the PMPRB were crafted carefully by Parliament. The intent behind the board's establishment was to create a measure of assurance that patentees would not use their capacity to protect market exclusivity on patented products to gouge patients. We believe that the board is quite capable of providing that assurance within the scope of its present mandate and powers, as evidenced by the 6.4 percent decline in average prices since 1993, which in our view, does not represent an abuse of patent rights.

Pfizer Canada views this initiative as promoting an unnecessary intervention in the marketplace which is not justified by current circumstances. While the discussion paper suggests that the board is not making specific proposals, the very fact that it has been released would suggest a view that a perceived problem exists which requires a "solution". In contrast, Pfizer believes that one series of price



increases, which, by the board's own admission, appear to be well within the guidelines, should not be unexpected given the accumulation of more than ten years of pricing inactivity. In our view this event, is hardly representative of an issue for which intervention is required.

As much as there does not appear to be any public policy rationale to support this review, its emergence raises additional questions about the board's appropriate role in the policy-making process and the desirability of undertaking isolated policy reviews related to only one component of the pharmaceutical policy framework in Canada.

On the first question, Pfizer Canada believes that the PMPRB's status as a quasi-judicial agency makes it inappropriate for it to embark on such policy enquiries. Its proper role is to implement an agenda which is established by Parliament and refined through specific reference to the provisions in the *Patent Act* and associated regulations pertaining to its authority. Any efforts to hone, enhance, or otherwise alter its mandate or the scope of its responsibilities should come from Parliament directly. Therefore, the company wishes to express clearly its disagreement with this initiative on principle first.

In addition, Pfizer Canada believes it is vital for any public policy review to be conducted in the largest context possible. It is inconsistent with government's intentions, that the board has chosen to launch this review during a time that the research-based pharmaceutical industry is working with the federal government towards the creation of an expansive debate regarding the need for a broad-based health innovation policy framework which addresses a wide range of associated issues such as: Canada's intellectual property protection regime; the efficiency of the medical products review and approval process; the need to ensure appropriate access to the products of innovation; and as well, the impact of price regulation. Overall, Pfizer does not believe that the board's initiative, which limits the discussion to the isolated question of whether there is sufficient cause to expand the PMPRB's powers, serves the public interest in any way.



- 3 -

Moreover this initiative could have a negative impact on the speed at which payers review and ultimately reimburse new medical innovations.

Given the above, Pfizer Canada recommends strongly that the board give ample consideration to the association's views and, as such, refrains from further pursuit of this policy initiative.

Thank you again for the opportunity to comment on these important questions. Please do not hesitate to contact the undersigned for further clarification or perspective regarding the above.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Jean-Michel Halfon". The signature is written in a cursive style and is positioned above the typed name.

Jean-Michel Halfon
President

c.c. The Hon. Ujjal Dosanjh, Minister of Health
The Hon. David Emerson, Minister of Industry