

1987 CHANGES TO THE PATENT REGIME ON PHARMACEUTICALS

In 1987, the Government enacted changes to the Patent Act the most important of which was the increase in patent protection for pharmaceuticals. The new Act granted drug patent holders a period of market exclusivity of seven years against manufacturing in Canada and ten years against importation.

Following the Government's announcement, the innovative sector of the Canadian pharmaceutical industry publicly committed itself to double its R&D expenditures in Canada between 1987 and 1996 and to maintain the prices of its patented products at a reasonable level.

To assure the price of patented drugs remained reasonable and to monitor R&D expenses in the industry, the government created the Patented Medicine Prices Review Board. The objective of these important changes to the compulsory licensing regime for pharmaceuticals was to create a better climate for investment in this important sector of our economy and to increase the competitiveness of our industry at the international level.