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Intellectual Property Arrangements Inquiry
Productivity Commission
GPO Box 1428
CANBERRA ACT 2601

Via email: intellectual.property@pc.gov.au

To whom it may concern

Inquiry into Australia's Intellectual Property Arrangements (Draft Report)

Thank you for providing Pfizer Australia with the opportunity to comment on the Productivity Commission's *Inquiry into Australia's Intellectual Property Arrangements* ("the Inquiry") draft report.

Pfizer Australia is one of Australia's leading providers of prescription medicines and consumer health products. We deliver medicines and vaccines that millions of Australians use every day to live longer, healthier and more productive lives. We are proud of the active role we play in our nation's health system and the wider contribution we make as an innovator, employer and manufacturer here in Australia.

It is widely recognised that strong, effective and stable intellectual property protection regimes help foster economic growth by providing increased incentives for local innovation, technology transfer and foreign direct investment.¹ As we argued in our submission to the Inquiry's first public consultation, this tenet is no different when applied to the pharmaceutical industry. A strong, effective and stable intellectual property system is critical to fostering local pharmaceutical innovation, productivity and competitiveness. In this way, it is a cornerstone of increased access to life-changing and life-saving medicines for Australian patients.

We appreciate that intellectual property laws need to strike the right balance between incentives for innovation and investment, and the interests of both individuals and businesses in accessing ideas and products. However, we are very concerned that the approach taken in the Commission's draft report does not demonstrate the necessary objectivity and, ultimately, does not achieve this balance.

In short, the draft report serves almost exclusively to *weaken* intellectual property rights across the board, particularly with respect to the observations and recommendations relevant to the pharmaceutical industry. The result, in our view, is a system that may stifle medical innovation and investment. This is at odds with what is arguably one of the Turnbull Government's most pivotal and defining policies – the National Innovation and Science Agenda.

Also of concern to Pfizer Australia is the draft report's heavy reliance on the findings presented in the 2013 Pharmaceutical Patents Review, which was essentially shelved by both the previous Labor Government and the current Coalition Government following concerns over its lack of objectivity.

Pfizer Australia is a member of Medicines Australia (MA), the peak body representing innovative pharmaceutical companies in Australia. As an active participant in MA's Intellectual Property Issues Working Group, Pfizer Australia was involved in the preparation of MA's detailed submission to this inquiry.

MA's submission outlines the importance of intellectual property in the broader economic context and, in considering its application to the pharmaceutical industry, addresses the following issues in detail:

- Patent term extensions
- Incremental innovation
- Manufacture for export
- Data protection
- Alleged pay for delay
- Innovation patents.

Pfizer Australia supports MA's submission and encourages the Commission to carefully consider the evidence, analysis and recommendations presented within.

Weakening intellectual property rights, as suggested by the recommendations of the draft report, will not increase patient access to medical innovation; rather, it will reduce the likelihood of companies making the investment necessary to bring new medical technologies to Australian patients. We urge the Commission to recognise in its final report that a strong, effective and stable intellectual property system that aligns with international best practice is critical to fostering local pharmaceutical innovation and, ultimately, ensuring Australian patients have access to life-changing and life-saving medicines.

Thank you again for the opportunity to contribute to this Inquiry. Pfizer Australia is available at any time to provide further information.

Yours sincerely

David Gallagher

¹ Park, W. and D.C. Lippoldt, "Technology Transfer and the Economic Implications of the Strengthening of intellectual Property Rights in Developing Countries," OECD Trade Policy Working Papers, No. 62, OECD Publishing, 2008.