

Globe and Mail

Canada to take part in talks over COVID-19 vaccine patent waivers, but won't state its position

[MARIEKE WALSH](#)

OTTAWA

PUBLISHED 12 HOURS AGOUPDATED MAY 6, 2021

TIJANA MARTIN/THE CANADIAN PRESS

The federal government says it will take part in international talks at the World Trade Organization over whether to waive [COVID-19](#) vaccine patents but will not say which side of the debate the country will be arguing.

Canada chose not to state its position as international debate raged over whether to temporarily waive patents in an effort to increase supply of the life-saving shots. But Prime Minister Justin Trudeau came under increased pressure Thursday, with more than 30 Liberal MPs signing a multi-party letter urging him to support the waiver.

The United States surprised its allies Wednesday when it [announced](#) it will support the bid from poorer countries at the World Trade Organization to lift the patents. The change in position from the White House comes only after a significant number of Americans have been vaccinated and after months of an America-first vaccine policy.

Canada, however, is in a much more risky position to be angering drug companies. Ottawa is still negotiating [vaccine](#) deliveries and has inoculated a much smaller proportion of its population. The government expects to have enough shots to complete vaccinations to eligible Canadians by midsummer.

"We will actively participate in negotiations to waive international property protection particular to COVID-19 vaccines," International Trade Minister Mary Ng told the House of Commons on Thursday. Canada has already been participating in those talks for the past seven months.

Ms. Ng defended her government's record on the world stage, describing Canada as a "leader in the global effort to ensure there is equitable access to successful vaccines." On the same day, government officials in Ottawa confirmed Canada will continue to draw on vaccines from the COVAX fund, which was primarily set up to ensure low- and middle-income countries have access to the life-saving shots.

The share prices of pharmaceutical companies slipped on the news from the U.S. Wednesday. On Thursday, Germany rejected the waiver proposal, siding with the drug makers who argue that intellectual property laws are not the limiting factor in global vaccine supply.

European Commission President Ursula von der Leyen meantime appeared to warm to the position from the White House, saying it was ready to discuss any proposals that address the crisis, including how the U.S. waiver proposal "could help achieve that objective."

The waiver was first proposed by India and South Africa in October and has the support of more than 100 countries (primarily in the developing world) but it has languished at the WTO, which operates on consensus. An intellectual property waiver would require the support of the 164 members.

Proponents say lifting intellectual property protections would drive down prices and increase the supply of vaccines because more companies could make the life-saving shots. The original proposal called for the waiver to cover COVID-19 vaccines, technologies and therapeutics, but the Biden administration endorsed a narrower plan focused only on vaccines.

Canada finds itself in a complicated position, experts said, in part because the federal government continues to negotiate vaccine contracts and delivery schedules. They noted the timing of the American administration's policy reversal on a vaccine patent waiver comes conveniently after supply in the U.S. is no longer an issue. Moreover, Canada is already in a protracted disagreement with drug companies over new pricing rules that take effect July 1, and support of the waiver risks further antagonizing vaccine makers who have the upper hand in contract talks with the government.

"I am appalled with the Canadian position from the start," said Marc-André Gagnon, an associate professor at Carleton University, who studies pharmaceutical policy. "There's been a lot of bad faith from government officials on this issue and maybe one of the reasons is that right now the government does not have a lot of bargaining power."

International organizations from the United Nations to Oxfam support the patent waiver, and on Thursday, MPs on both sides of the House of Commons called for the Prime Minister to act.

"We all benefit when every human is vaccinated, and barriers to this objective must be removed wherever possible," said a letter to Mr. Trudeau signed by 64 members of Parliament and one senator.

Conservative Leader Erin O'Toole did not clearly state his party's position on the issue in a separate letter to the Prime Minister, but told Mr. Trudeau he should "replenish the stocks of vaccines you took from COVAX as quickly as possible."

NDP Leader Jagmeet Singh said Thursday a waiver would not affect Canada's domestic vaccine rollout and said Mr. Trudeau needs to support it "so countries around the world can produce the vaccine affordably and so that they can actually save their people."

Pfizer is already contemplating price hikes. In a February earnings call, Pfizer's chief financial officer, Frank D'Amelio, noted that the American price per dose for the COVID-19 vaccine of \$19.50 is dramatically lower than the normal vaccine price Pfizer charges between US\$150 and \$175.

"Obviously we're going to get more on price," Mr. D'Amelio said. In March he told a conference that as the world moves from a pandemic to an endemic the company sees "a significant opportunity for our vaccine from a demand perspective, from a pricing perspective."

Pfizer declined to comment on Thursday and directed The Globe and Mail to a statement from its industry group. Innovative Medicines Canada said it opposes the proposed waiver. It "will not address the real issues of trade barriers, global supply chain bottlenecks, and scarcity of raw materials that are impacting the supply of COVID-19 vaccines," the statement said.

Moderna's CEO also downplayed the impact of a patent waiver. "This will not help supply more mRNA vaccines to the world any faster in 2021 or in 2022, which is the most critical time of the pandemic," he said on a Thursday earnings call.

Experts told The Globe the lifting of patents wouldn't immediately address the global vaccine shortage because it will take time to build up manufacturing capacity, raw materials and the necessary skill sets. But Joel Lexchin, a professor emeritus at York University's school of Health Policy and Management, said it could serve an important function in the years ahead, particularly since it is expected that booster shots will be needed.

The lack of clarity on Canada's position at the WTO is emblematic of the current government's "wishy-washy" foreign policy approach, Prof. Lexchin said.

Canada and a number of other countries are trying to find a third option, which would avoid any mandatory measures, he said, adding the government would rather see voluntary sharing of intellectual property and companies granting licences to others to make the critical shots.

He said Canada's position amounts to: "We don't support the waiver, but we want everybody to get drugs, so lets all sit together and sing kumbaya and figure something out."

With reports from Reuters