

WHEREAS, the U.S. biopharmaceutical industry is a global leader in innovation, producing life-saving medicines that treat and cure disease, while contributing to U.S. economic growth; and,

WHEREAS, the U.S. pharmaceutical sector is one of the few manufacturing industries that still maintains a significant employment footprint domestically, supporting more than 4.7 million American jobs and is responsible for a larger share of business R&D than any other industry in the U.S. economy; and,

WHEREAS, on average, a new medicine costs over \$2.6 billion to bring to market and 12 years to go through the entire R&D process, not including the time and cost of medicines that do not make it to market, constituting substantial economic risk; and,

WHEREAS, the United States is a world leader in R&D intensive industries due to strong intellectual property and patent protections that provide incentive and predictability for industries to invest with assurance of the opportunity to recoup investments; and,

WHEREAS, according to the World Trade Organization, compulsory licensing is “when a government allows someone else to produce a patented product or process without the consent of the patent owner or plans to use the patent-protected invention itself”; and,

WHEREAS, compulsory licensing would undermine innovation and eviscerate the market-based structure that America relies on to encourage development of new treatments; and,

WHEREAS, PILMA has steadfastly opposed policies that reduce investment incentives and weaken protections of intellectual property rights, because without these Constitutional safeguards in place innovation-investment dries up and quickly, jobs are lost; therefore,

BE IT RESOLVED, that the trade union and company trustees of the Pharmaceutical Industry Labor-Management Association recognize that compulsory licensing will stifle medical innovation, upend current and future investment in R&D and eliminate American jobs supported by the biopharmaceutical industry; and,

BE IT FURTHER RESOLVED, that compulsory licensing is inconsistent with the intent to provide exclusive rights which protect innovation and incentives to take economic risks for the health of all Americans and the world; and,

BE IT FURTHER RESOLVED, that the trade unions and companies that comprise PILMA will advocate and urge legislators to oppose compulsory licensing.