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## Eli Lilly and Company

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## Lilly statement regarding the ongoing arbitration with the government of Canada under Chapter Eleven of the North American Free Trade Agreement (NAFTA)

Following is a statement from Eli Lilly and Company regarding Canada's filing of its Counter Memorial:

"We have reviewed Canada's Counter Memorial filing in our ongoing arbitration under Chapter 11 of the North American Free Trade Agreement (NAFTA), in which Lilly is seeking compensation for losses resulting from the improper invalidation of two of our patents on useful medicines. Nothing in their filing changes our strongly held belief that Canada's improper invalidation of our patents under its unique and burdensome promise utility is inconsistent with Canada's NAFTA obligations and that Lilly is entitled to compensation for its losses.

As recently as this week, the U.S. Chamber of Commerce issued a <u>report</u> ranking Canada among the outliers related to intellectual property protection. For the second year in a row, this Index, released by the Global Intellectual Property Center, highlights a significant erosion of patent rights in Canada due to its onerous patent utility requirements.

Lilly is committed to bringing new medicines to patients who need them. Protection of intellectual property rights is extremely important to the biopharmaceutical industry as these rights provide assurances that support the development of next generation treatments for unmet medical needs. Canada's internationally inconsistent patent utility requirements are leading to the improper revocation of patents for innovative medicines."

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