

Competition Bureau

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Competition Bureau Reaches Agreement with Insulin Pump Manufacturer to Resolve Competition Concerns

March 13, 2015 — OTTAWA, ON — Competition Bureau

The Competition Bureau announced today that it has reached an agreement with Medtronic of Canada Ltd., Canada's largest supplier of insulin pumps for diabetic patients, that requires the company to amend warranty terms relating to use with non-Medtronic equipment that, in the Bureau's view, limited competition and restricted consumer choice.

Insulin pumps are medical devices used by people with diabetes to continuously infuse insulin under a patient's skin, eliminating the need for multiple daily injections. Insulin pumps are used in combination with disposable insulin reservoirs and infusion sets to deliver insulin to the patient.

Following an investigation, the Bureau raised concerns about Medtronic's terms in the warranty for its popular Medtronic Minimed Paradigm Veo insulin pump (the "Veo"). In the Bureau's view, the warranty terms limited the ability of rival companies to enter the market for insulin reservoir and infusion sets in Canada and limited the choices available to diabetes patients who depend on those products.

The Canadian warranty terms distributed with the Veo indicated that the warranty would be voided if non-Medtronic products were used with the Veo. The Bureau contends that users of the Veo could achieve significant savings by substituting insulin reservoirs and infusion sets offered by other companies and that Medtronic's warranty terms inhibited such substitution.

When advised of the Bureau's competition concerns, Medtronic worked cooperatively with the Bureau to resolve its concerns efficiently, by revising the warranty terms in question. According to the revised terms, the warranty will only be voided if damage results from the use of non-Medtronic products with the Veo.

Quick Facts

- According to the Canadian Diabetes Association, in 2010, 2.4 Million Canadians suffered from diabetes, projected to rise to 4.2 million by 2020, approximately 5-10% of whom suffer from type-1 diabetes.
- Approximately half of type-1 diabetics that use insulin pumps benefit from some level of provincial health care plan coverage for insulin pump supplies. Many provincial health care plans cover at least some of the costs of insulin delivery products and the Bureau expects that this agreement could result in savings for those provincial plans.
- This investigation was conducted under the Abuse of Dominance provision of the *Competition Act*.

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