

Aspirations for collaboration can be bigger and bolder in US-India Biopharma & Healthcare Summit 2010

The Summit focussed on the need for greater and more transparent collaborations, and the perils of spending more money protecting early-stage intellectual property (IP) than on early-stage research

US-India BioPharma & Healthcare Summit 2010 organised by the USA-India Chamber of Commerce in Boston attracted over 350 senior biopharma executives, investors and academic leaders. Inaugurating the summit, Karun Rishi, President of the USA-India Chamber of Commerce stated, "It is extraordinary to find so many senior global R&D leaders, academicians and venture capitalists in one day at one place." This ecosystem has helped the organisers come out with innovative ideas to foster innovation and expand BioPharma R&D partnerships between the US and India. We are confident, business and research

providers, is key to harnessing wider networks, improving pipeline attrition and bringing effective drugs to market faster and cheaper. Instead of speakers rushing in for a presentation and rushing out again, leaders from the world of Biopharma R&D, venture capital, academic elites and Indian biopharma leaders remained at assigned tables in a hotel ballroom in a setting reminiscent more of an evening banquet than an all-day BioPharma conference. They listened to panels and keynotes, and engaged in a back-and-forth interactive dialogue, often at the prodding of summit MC, Dr Martin Mackay, President Pharma Therapeutics R&D Pfizer, who flashed a smile as he threatened to call on participants directly if they did not request a microphone on their own.

Innovation will unlock value

Innovation will unlock value through new ways of working and a focus on broader set of knowledge and capability areas. It is still early in the game, but a new world of collaboration is emerging. Mackay highlighted two such partnerships he believes are a sign of things to come. In one, Pfizer and GlaxoSmithKline (GSK) have teamed up on a wholly owned subsidiary, ViiV Healthcare, focusing on HIV and AIDS, with each company contributing products and pipeline candidates. But Mackay also mentioned another benefit; one he thinks dovetails with the trust and partnership theme of the summit. Although Pfizer controls only two seats on ViiV's board, compared to seven for GSK, one seat is occupied by Mackay, who noted that board meetings are held on GSK's campus, facilitating regular dialogue between Pfizer and GSK scientists. "This is the way we should have been working for years," commented Mackay, hinting that additional collaboration between Pfizer and GSK could be in the offing. "And maybe if we had been, we would not be in this productivity issue we have now."

In another example, Mackay mentioned a pre-competitive collaboration among Pfizer, Lilly and Merck to launch the Asia Cancer Research Center, which aims to collect and share pharmacogenomic data on Asian cancers, focusing on biomarkers for lung and gastric cancers. Like with the GSK example, Mackay made the point that he had met recently with scientists at Lilly's Singapore Center for Drug Development, which under the partnership will manage more than 2000 tissue samples in an open-source platform.

Pre-competitive collaborations were a major focus of discussion at the summit. Johnson & Johnson's Global Head of R&D-Pharma Paul Stoffels mentioned development of HIV biomarkers during the 1980s as another example where big pharma worked together to develop a framework that allowed for competition further up the R&D stream. Stoffels sug-

gested that industry leaders sit down and hammer out how to better share and collaborate in the pre-competitive space. But there is a limit to how far collaboration can go, Stoffels noted. In the end, networks do not discover drugs, people do. And pharma companies need teams of dedicated scientists who are likely to fail many times before getting it right, he said. Nevertheless, pharma should work together to find targets or select likely responders, and save competition for later trials and R&D execution, suggested Rod MacKenzie, head of worldwide research at Pfizer PharmaTherapeutics. MacKenzie also suggested that Pfizer needs to transform its one-to-one partnerships by linking them together into a "Collaboration of collaborations." Once accomplished, Pfizer should then link its network of partnerships to networks created by other big pharmas like Lilly and Merck, MacKenzie said.

Sanofi Aventis Executive Vice President and Global Head of R&D Marc Cluzel summarised his partnership strategy in a PowerPoint slide that said, "Shared Strategy, Shared Networks, Shared Resources and Expertise, Shared Benefits." Like Pfizer, Sanofi has been active recently in Asia, signing a deal with India's Glenmark for transient receptor potential vanilloid (TRPV3) antagonist molecules, with the Mumbai-based pharma company getting \$20 million upfront and milestone payments that could bring in \$305 million more. Sanofi also wants to turn its 'preferred partners' into 'preferred networks,' Cluzel said. The R&D chief is also on board for pre-competitive deals, telling attendees that big pharma could define the pre-competitive space in a contract, which would allow collaboration until research reaches a pre-defined point.

Mervyn Turner, Chief Strategy Officer, Merck called business model innovation the true strength of India. That strength matches an acute need, Turner said, as big pharma firms understand that truly innovative drugs are innovative only if they reach the right patients. "We have to think very hard about a number of approaches to innovation in the business model, to surround our products with business and services, and to make sure that the molecules we do discover reach patients all around the world who can benefit from them," Turner explained. "India has a phenomenal track record in innovating in the business model," Turner said, and cited as an example the Nano, Tata's low-cost, four-passenger car, launched in India in 2009. "I am quite sure that innovations in the healthcare delivery model will be made in India, and they will turn out to be transportable into other parts of the world." Turner said life science companies must develop products that are portable, rugged, unconventional and easy to use in order to succeed in India and other emerging markets. Turner, half jokingly, said that more money is



partnerships will continue to grow leading to the development of new drugs helping the mankind globally, said Rishi.

Besides a power-list of senior industry professionals, both as speakers and audience, over 14 deans/chancellors and Vice Chancellors of top medical and public health schools participated along with their outstanding senior research colleagues. Industry-academic partnerships will gain momentum due to this senior level participation.

Greater R&D collaboration was the theme of the day at the summit. Industry leaders across companies agreed that building trust among big pharma companies, and with other stakeholders including academics and Indian service

spent protecting early-stage intellectual property (IP) than on early-stage research, and singled out tech transfer offices, in particular, as standing in the way of patent pooling. Amgen's Senior Vice President Research David Lacey was more direct, saying that pre-commercial collaboration and expansion of R&D networks falls in the cross hairs of IP lawyers, including big pharma attorneys, who look to protect everything they can as IP. It is already difficult for lawyers to sign off on one-to-one partnerships, said Lacey, who predicted that hashing out terms for a pre-commercial network could be a Herculean task. "We basically have to decide that we don't like intellectual property lawyers to do this, because we would be so tangled up in language," Lacey said.

McKinsey and Company presented the USA-India Chamber of Commerce commissioned Position Paper at the summit. McKinsey & Co. researchers outlined four barriers that prevent multinational companies from capitalising on the opportunity. These include firstly, little awareness of the most critical healthcare needs; secondly, access and supply chain challenges; thirdly, affordability and finally, a failure to align products and business models to the unique needs of the segment.

To overcome these barriers, international firms must innovate locally and across the value chain. Or put another way, they should turn India and China into a 'second home market,' McKinsey India Principal Vikas Bhadoria told those attending the summit, with the same level of C-suite focus as traditionally enjoyed by the US and Europe. Supply chain and health system challenges mean life science companies must look to non-healthcare examples for innovation at the bottom of the pyramid, such as leveraging mobile phones for e-payment and e-medicine solutions, McKinsey analysts say. Infrastructure challenges may mean utilising community health workers on bicycles or motorcycles, and developing new formulations that will not require refrigeration. Companies may need to minimise cost per purchase by developing single-serve packages, or invest in education for rural health care workers.

Creating communication networks

USA-India Chamber of Commerce has created net-

work between local and global innovation communities – academia and industry, which necessarily do not communicate with each other said Dr Barry Bloom of the Harvard School of Public Health. Seed innovation in Indian academia has been suboptimal, pointed out Kiran Majumdar, Chairman, Biocon. To stay ahead of the innovation curve Biocon has actively collaborated with John Hopkins, as

Majumdar opined that a huge amount of learning can be shared between US and Indian academic institutions. She also announced endowment scholarships for post doctoral candidates at Koch Institute of MIT.

Finding the ideal network

While investment and capital exists for the right opportunities, investment opportunities panelists felt the need

for the right networks that help capital and investors to access ideas and generate value creation opportunities. The ideal network has a few stakeholders closely connected in real time. It will bring the best of what different parties have to offer, ie., domain knowledge from global investors, an intimate understanding of the realities of India (strengths, weaknesses and appropriate assessment of

risk) from Indian investors / VCs and a keen understanding of how to enhance value creation from MNC pharma.

The discussions and energy at this year's summit highlight that greater opportunities exist for US India BioPharma collaborations and the power of frequent high quality interactions between critical stakeholders that can catalyse and shape the nature and trajectory of the opportunity. ■

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