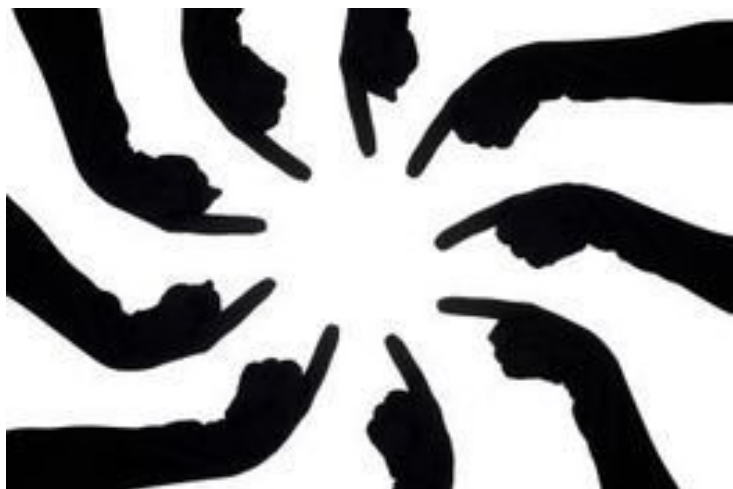


## India leverages on big pharma's 'profit together' model

08 April 2013 | Analysis | By BioSpectrum Bureau



Charles Darwin had pointed out that "In the long history of humankind (and animal kind, too) those who learned to collaborate and improvise most effectively have prevailed". The same is now true for the several industries, which have performed marvelously when they have collaborated with other firms. One of the most successful examples of collaboration is that of Apple. Apple redefined the mobile music sector by outsourcing the production of devices and accessories while retaining control of the iTunes software. The company, in the beginning itself, recognized that it could make money by creating and orchestrating a network of relationships.

Even in the bioscience sector, gone are those days, when a research was kept very secret and not discussed with the competitors. For instance, big pharma, whose traditional business model relied on the ability to identify promising molecules, test them in clinical trials, and promote them with an exclusive marketing and sales presence, has changed its 'profit alone' model and evolved into 'profit together' model. PriceWaterhouseCoopers predicts that by 2020, no pharmaceutical company will be able to 'profit alone' and will have to profit together by joining forces with a wide range of organizations. Several business models have now evolved allow effective collaborations with companies.

### India riding fast on collaborations

In 2012, Indian companies were swiftly changing gears to expand to different regions of the world through various collaborations. Be it a generic pharmaceutical company such as Ranbaxy or a vaccine firm such as Bharat Biotech, Indian companies felt the need to make their presence felt in other parts of the world and they decided to explore various partnership models for this purpose.

#### Also read:

- [Biocon, BMS take insulin collaboration to a new level](#)
- [Panacea expands its footprint in the US](#)
- [Piramal is on a acquisition spree](#)
- [Ranbaxy's uses hybrid model to expand global footprint](#)

Bharat Biotech, an integrated biotech company, which is famous for developing \$1 rotavirus vaccine, established several partnerships during the past few years to advance basic science research and product development of vaccines against neglected diseases. The company is in the process of developing a novel rotavirus vaccine in partnership with the Center for Disease Control, US; National Institute of Health, US; Stanford University, US; Program for Appropriate Technologies in Health (PATH); AIIMS, New Delhi; IISC, Bangalore; THSTT, New Delhi and Department of Biotechnology, India. The phase III trial is now being conducted of this vaccine which will cost \$1 by the Society for Applied Studies, KEM Pune, and CMC Vellore, in India.

To develop a novel vaccine against Japanese encephalitis disease, Bharat Biotech had partnered with the National Institute of Virology, Pune. This partnership has resulted in the completion of phase III clinical trials for a novel thermo stable Japanese Encephalitis vaccine. This vaccine chromatographically purified inactivated vaccine, is safe and highly efficacious based on existing clinical trial data and offers extended protection. Bharat Biotech has demonstrated by collaborating with several institutes that collaboration to bring out cheaper vaccine in a short period of time is possible through collaborations.

There are several other Indian companies who have collaborated with firms from the US. For instance, Jubilant Biosys, a collaborator for pharma and biotech companies offering end-to-end discovery R&D services, on February 21, 2012, entered into drug discovery collaboration with Mnemosyne Pharmaceutical to identify preclinical candidates in the area of neuropsychiatric diseases. The partnership seeks to leverage the strengths of the two companies to develop first-in-class drugs to address unmet needs in neuropsychotic diseases. The successful outcomes from this collaboration will provide first-in-class treatment for cognitive dysfunction in schizophrenia, Rett syndrome which is an orphan indication in the autism spectrum disorder, and treatment resistant depression.

The collaboration covers multiple programs which are being enabled by Mnemosyne's expertise in drug discovery and NMDA receptor pharmacology and supported by Jubilant's translational center in Malvern, Pennsylvania, US, and by scientists from Jubilant's India based facilities. Under the terms of the alliance agreement, Mnemosyne will exclusively own all IP generated and shall be responsible for clinical development and commercialization.

Dr Subir Basak, president, Jubilant Biosys, said that, "Jubilant has always been a preferred partner for large pharma for their integrated discovery need and has worked with large and mid size pharma over the years but has had limited exposure in collaborating with innovative biotech companies like Mnemosyne. However, the nature of the pharmaceutical industry is changing and we have realized that a great deal of cutting edge research is actually been done in these small start-up companies. When Mnemosyne showed interest in Jubilant's integrated discovery capabilities, we realized that this collaboration would be a very good fit with our expertise in neuroscience, and would allow us to showcase our capabilities of the translational center in Malvern."

### **Focusing on biosimilars**

June 2012 saw an important partnership between Dr. Reddy's and Merck Serono to co-develop a portfolio of biosimilar compounds in oncology, primarily focusing on monoclonal antibodies (Mabs). Mr Karnvir Mundrey, director, Atharva Lifesciences Consulting believes, that, "Biosimilars are next big thing for India after generics. Merck Serono's strength in developing, manufacturing and commercialization gives it an edge over its counter parts and Dr. Reddy's banks on its global expertise in marketing generics and biosimilars.

Thus, it would be an obvious option for Merck Serono for a deal with Dr. Reddy's. Not to forget the cost savings for Merck Serono as phase I development is carried out by Dr. Reddy's. Also, to a fruitful extent, the agreement will be a mutual benefit for both the parties as R&D will be carried out on cost sharing basis, and commercialization will be done by both parties in the US and Dr. Reddy's will receive royalties. The deal will help Dr. Reddy's expand its presence in the biosimilars space in select emerging markets and enables participation globally."

### **Collaborations will not stop**

These are some of the examples of economic globalization that can be witnessed in India. The nation has swiftly recognized that its strengths lie in generics, clinical research and vaccine space and the players of these spaces have swiftly moved to collaborate with some of the renowned names of the industry to diversify their footprints all over the world primarily in the US. In the near future, there can be numerous examples that can be quoted to stress upon the fact that collaboration is becoming the key to succeed in life sciences industry.