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Cipla seeks adoption of pragmatic IPR policy

Pharma growth in 2013-14 was the slowest in 15 years

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PHARMA major Cipla has sought adoption of a pragmatic Intellectual Property Rights (IPR) policy including in-licensing within the present framework of its international obligations.

"We have always believed that free competition is the only way to ensure fair prices and better availability of drugs. We strongly believe that there should be no monopolies in healthcare; and in that context, India should adopt a pragmatic Intellectual Property Rights (IPR) policy including in-licensing within the present framework of our international obligations", Cipla chairman Y K Hamied said in its annual report.

"Many countries such as Brazil, Thailand, Indonesia and Malaysia have already introduced compulsory licensing provisions. The Republic of South Africa is seriously reconsidering their position on IPR in order to promote affordable healthcare. India must also examine the monopoly position of drugs and build safeguards to ensure that this does not happen. India has always stood for the promotion of knowledge and consideration for the 'greater good", Hamied said.

India's pharmaceutical exports registered the slowest growth in at least 15 years at 1.2 per cent to $14.84 billion last fiscal amid growing tension with the US over intellectual property rights (IPR)-related issues.

Crucial steps

- Countries like Brazil, Thailand, Indonesia and Malaysia have already introduced compulsory licensing provisions
- According to a government strategy paper, pharma exports might miss the target of $25 billion set for 2014-15
- According to commerce ministry data, in 2012-13, the country's pharma exports aggregated $14.66 billion

As the IPR issues raised by the US—India's biggest market—are unlikely to be resolved any time soon, industry observers say that pharma exports will miss the target of $25 billion set for 2014-15 in a government strategy paper. According to commerce ministry data, in 2012-13, the country's pharma exports aggregated $14.66 billion.

The growth registered in 2013-14 is the slowest in nearly 15 years. The previous slowest was in 2009-10 when the pharma exports grew by just 5.9 per cent. In calendar year 2000, they grew by 7 per cent. As part of the future growth plans, Cipla has decided to focus on key markets in the year 2014-15.

"We will further strengthen our position in India and South Africa, and build a front-end presence in select international markets. The focus will be on our European respiratory launches and proactive exploration of partnership opportunities to monetise our assets. We will continue to invest in R&D," Cipla managing director Subhanu Saxena said.

During the current fiscal, Cipla's filing intensity will increase and we will continue to embed end-to-end project management and exploit our distinctive platform technologies.

"We will enhance field force productivity, drive procurement effectiveness, cut waste and manage cost with a high degree of discipline", Saxena said.

The company will also look to rationalise its portfolio and simplify business. It will continue to build 'world class' R&D, regulatory, quality, and manufacturing capabilities and will focus on developing general management capabilities, he added.

During the FY 14, the company has set up additional capacity for Active Pharmaceutical Ingredients (APIs) at Patalganga and Kurkumbh in Maharashtra. At Kurkumbh, Cipla has recently increased API capacity for antiretrovirals (ARVs).

Besides the new facilities, all the existing facilities are upgraded regularly to meet current GMP, safety and environmental standards. The company has also scaled up its anti-cancer formulations facility at Goa.

Cipla has over 2,000 products in 65 therapeutic categories available in over 40 dosage forms. Its key products include the following drugs — Escitalopram (anti-depressant), Lamivudine, Fluticasone propionate.

Indian law from 1972 until 2005 allowed no (end-product) patents on drugs, and provided for compulsory licensing, Cipla was able to manufacture medicines which enjoyed patent monopoly in certain other countries (particularly those where large, multinational pharmaceutical companies are based).

Cipla was among the first companies to register AIDS drugs under the US relief program PEPFAR. It has also been a major supplier of ARVs to the Clinton Foundation's HIV/AIDS Initiative, which has negotiated low-cost drug supplies for numerous developing countries.

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