

## INDIAN PHARMA INDUSTRY ON AN UPWARD TRAJECTORY

The year 2007 was year of filing patents for India. Patent applications, filed mostly at the Chennai Patent Office, emerged from the pharmaceutical companies engaged in basic pharmaceutical research. This development is a pointer to the pharmaceutical sector's growing engagement in the development of NCE [New Chemical Entities] both in contracted research for foreign companies and with-in in-house research organizations.

In 2005, India took key steps to cement its position within the new global landscape of pharmaceutical patents. The Indian patent law became TRIPS compliant and formally recognized pharmaceutical product patents. The industry experts feel that patent protection on drugs could give an impetus to Research & Development. An Indian pharmaceutical company's initiative in drug development worth a couple of million dollars compared with billion dollar plus developmental costs in the west may be able to change the paradigm of drug discovery.

Since the revision of patent laws to become TRIPS compliant there had been much speculation on how the pharmaceutical industry would progress. Prior to 2005, the Indian patent policy placed emphasis on manufacturing and process innovation permitting generic medicines rather than on Research & Development of NCE's. With the new regulations in place the pharma patenting scenario seems to be undergoing a change coupled with a considerable increase in R&D expenditure. Many of the leading Indian companies have increased their research intensities so as to enable themselves to comply with the product patent regime. As a corollary there is an increase in Indian pharmaceutical companies aggressively pursuing investments in new chemical entities and new products which could successfully give a challenge to the existing patented drugs in the market.

The swell in the pharma patenting signifies that the TRIPS compliance of India's patent regime has actually made Indian innovators more innovative. This seems more so when measured in terms of patents and overall Research & Development.

The TRIPS regime has forced Indian pharmaceutical sector to boost Research & Development which in turn has increased competitiveness thus encouraging consolidation within the industry through mergers and acquisitions. Another strategy adopted by pharmaceutical companies to enhance their portfolio of complex research and developmental activities like novel drug delivery system and new drug discovery is by hiving off a company only for this purpose. This is certainly a welcome step and definitely going to give an impetus to an industry which always seems to have strategies of innovation in place.