



India's R&D-The Future Forward

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IP for effective R&D

Clarity in definitions is the starting point

In the decade to come it will be innovation alone, which will determine a company's competitive advantage over its rivals, its monetary returns and revenues, its bargaining power and further incentives in research for its scientists. Having a powerful tool in the form of an efficient IP management strategy and synchronizing it with the DNA of an organization is a pre-requisite to innovation.

Says a well-renowned IP expert, Shamnad Basheer, "There is no dearth of innovative mind in India. Unfortunately company cultures do not foster an environment to bring that idea to fruition." Barring top MNC companies, Indian companies are new to the IP game plan. "Having a strong IP culture, integrating it in the overall strategy will mean that each and every person involved has the incentive to innovate and invent," adds Basheer.

Effective management of IP

In many cases, the root problem lies in the fact, that scientists are not recognized for their inventions. Says Dr Milind Antani, head, Pharma, Life Science and Healthcare Practice at Nishith Desai Associates, "Usually the ownership rights of the invention by a research scientist employed remain with the company and not the individual. Companies need to recognize the individual invention of its scientists in some form. Recognizing such efforts would motivate and encourage scientists to look for innovations." However, this comes about when only when the company has a strong IP management system in place.

"Once you start giving emphasis on IP and its role in strategy planning you are adding value to your discovery, recognize key markets for your products and also catch-up with potential competitors," adds Basheer.

Against this picture, awareness becomes key factor. Says Dr Alka Mehta, IP expert from the Intellectual Property Cell at Cipla, "Training the R&D personnel to understand the patents and its importance in strategy planning for development, frequent discussions with the R&D team to update the IP situation on the products under development, exchange of ideas among R&D, medical, marketing and IP department for new technology and its demand in current and future business prospects and frequent discussions among various departments which are key decision makers for the business is important."

A company needs to be aware of not just their patents but trademarks, copyrights, internal processes, manuals, various technologies and trade secrets as well. "Effective portfolio management of IP enhances the competitiveness, assists in becoming a market leader and improves the economic performance," adds Dr Antani. An emerging trend in IP management is patent landscaping which tells a company its next step in R&D. Patent landscaping helps in identifying and analyzing its patent portfolio pertaining to a technology area critical to the

business needs.

Once a company has a strong IP in place, its valuation increases. This becomes significant when it comes to commercialization of that IP especially when it comes to licensing, brand acquisition or a company acquisition altogether. Efficient integration of IP will also help a company form a clearer picture of the patentability of its product, the possible infringement situations and most importantly the cost factor involved. "All the teams including the IP team need to sit down together right from the start and evaluate the risk and infringement factors and the strategy to adopt in case of an infringement," claims Dr Kausalya Santhanam, founder-SciVista IP & Comm. It is only then that they can evaluate whether to maintain its IP in certain geographies across the world, whether to allocate or withdraw money for a stipulated number of years.

Efficacy of India's IP regime

With effect from January 1, 2005, India switched from a process patent regime to a product patent regime by which only the product and not the manufacturing process of the product would be patented. Once this was in place, the country saw a surge in research work and clinical trials, a churning out of quality scientists and researchers and most importantly, many MNCs who had shut shop during the process patent regime came back to India and geared up to launch their patented drugs in the market. This resulted in India becoming a prime destination for drug discovery opportunities. "More incentive and business opportunities for Indian companies with R&D base is now available," adds Dr Mehta.

However, there are certain hiccups in the IP regime. Basheer puts in a valid point, "I think the system is too complex and needs to be simplified. The patent system should be such that it allows a wider participation of scientists and the common man. Even a layman should be able to evaluate the patentability of his invention," he mentions.

"The system is yet in development phase so it would take some years to give fruits. The NCE policy is yet to be decided plus the Patent Database is not yet created to its fullest extent," agrees Dr Mehta.