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Seminar: Smaller Drug Companies May Have Niche Role In Neglected Diseases

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By Tove Iren S. Gerhardsen

There may be a market advantage for small and medium-sized pharmaceutical enterprises (SMEs) in focusing on diseases prevalent in developing countries that are neglected by larger companies, according to a recent seminar.

The seminar was held by the World Intellectual Property Organization (WIPO) in cooperation with a United Kingdom-based free-market think tank, the Stockholm Network.

Cathy Garner, CEO of Manchester Knowledge Capital, said that it is “false, wrong and naive” to think that all SMEs involved in public private partnerships will focus only on neglected diseases. But nevertheless, she said, “there are opportunities,” adding that because of the fact that these are smaller markets, larger pharmaceutical companies are “less interested in those markets.”

She said it is important to bring health and economic development together, and that “small companies may be able to access this.”

The topic of the 25 October event was, “Intellectual property rights, small and medium-sized enterprises and health-related public private partnerships – climbing up the value chain.” It was held at WIPO headquarters and attended by some 30 people.

Garner also suggested small companies consider “creative licensing deals” in Africa, and highlighted the prospect for them of cooperating with larger pharmaceutical companies.

Nikolaus Thumm, senior economic counsellor of the Swiss Federal Institute of Intellectual Property, referred to patent management in his discussion of a survey carried out among Swiss biotechnology companies.

The survey found that patenting is very important to these companies, but some SMEs use patenting excessively, he said. There is also a “common misunderstanding,” Thumm said, related to patenting and innovation, that the stronger the protection, the more innovation one will get. Thumm said that there is a point of maximum protection somewhere, after which the innovation curve will fall.

Public interest patent management was also discussed by Roya Ghafele, associate economic officer of the intellectual property and economic development division at WIPO. She said that at an industry conference she had been surprised at the attitude of some of the IP lawyers. Some said they knew that their companies’ patents were useless, but they try to play that down. Others said that nobody ask the companies how their patent portfolio relates to the company portfolio, Ghafele said.

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