



## Pharmaceutical SMEs & importance of brand protection

Chander Shekhar Jeena

In today's global world, Small and Medium Enterprises (SMEs) are playing a major role in most economies, particularly in developing countries. Formal SMEs contribute up to 60 per cent of total employment and up to 40 per cent of national income (GDP) in emerging economies. They are widely spread across the country and produce a diverse range of products and services to meet the needs of the local markets, the global market and the national and international value chains. However, the figures are not as impressive.

In Indian scenario, particularly in the pharmaceutical sector, we are heavily dependent on these SMEs.

There are more than 24,000 registered units in the Indian pharma sector, which meet around 70 per cent of the country's needs, contributing 35-40 per cent in terms of production, 48 per cent of pharma exports and in forefront in terms of employment generation.

While, there is a positive side, there are also some challenges which these SME's face. The sector is facing challenges to be in pace of adoption of recent global regulations like serialization. The other is to make secure their products from counterfeit / spurious ones.

It is high time pharma SMEs stepped up innovations to gain a larger share of global markets and became more responsive to emerging global market trends.

For this they need to understand the value of Intellectual property rights (IPR) and brand protection. The reasons are as follows;

### Protection of innovation/ importance of IPR

By nature, most of the SME are entrepreneurs and innovators. Almost every SME has a trade name or one or more trademarks. However, they almost never protect their IPR as a preventive measure, and there are ample chances that their products/ideas can be cloned or duplicated by unscrupulous elements. They need to understand that brands are their biggest assets. Without intellectual property protection, there is a strong risk that investments in

R&D, product differentiation and marketing may be stolen/copied. Intellectual property rights enable SMEs to have exclusivity over the exploitation of their innovative new or original products, their creative designs and their brands.

### Need for secure packaging

The year 2009 case was a classic example when the Nigerian Government Drug Regulatory Authority (NAFDAC) reported about the detention of a large consignment of fake anti-malarial generic pharmaceuticals labelled "Made in India" but produced, packed and shipped in China. This was a classic example to malign India's name and to destroy the export market of Indian pharmaceutical companies which have acquired a strong position as a producer and exporter of inexpensive generic medicines which can treat with efficacy and safety at par with their patented alternatives, but at a very reasonable cost. Subsequently, the Government of India advised all pharmaceutical manufacturers to adopt authentication/tracking solution in order to avoid similar incidents.

Packaging is no more considered only for protection and preservation of products. These days with the increasing market competitiveness, brand owners are adopting different packaging techniques. Usage of authentication technologies like colour changing features, holographic images, tamper evident seals, track and trace etc for primary and secondary product packaging not only helps companies in protecting the products from being duplicated, but also acts as a potent marketing and sales promotion tool.

Suresh Prabhu, the Indian Government is working on national industrial policy aims to develop global value chains and boost India's manufacturing capabilities.

The Prime Minister of India is already promoting the 'Make in India' initiative with the intention to make India a manufacturing hub. SME's in pharmaceutical sector should step in an earlier stage to be part of the global value chain and regulation. In the case of pharma sector it is already there. Perhaps, there is a need to build a mechanism and system to tell the world that all medicines produced in India are of the highest quality.

Regulatory hurdles are associated with market access, such as product approval or registration, ingredient disclosure requirements, marketing approval, import licensing, documentation requirements, inspection processes including local testing and clinical trial requirements, consumer protection, religious regulations (e.g. halal certifications), labelling /marking / packaging requirements, and other variables. Clearing these hurdles can cause an increase in production costs that an individual SME can hardly afford. Otherwise, SMEs may experience difficulties in acquiring information on such hurdles due to their lack of capabilities.

The Government must incentivize legitimate SME's for adoption of brand protection & anti-counterfeiting solutions. This will set an example to the international fraternity about India's commitment to quality product as well as make Industry capable to be at front runner in GVC in cost-competitive & quality conscious market.

At association level, Authentication Solution Providers' Association (ASPA) is also conducting brand protection workshops, issuing guidelines and contributing articles to create awareness towards implementation of authentication solutions as an important tool for combating fakes.

SME's are the nurseries for entrepreneurship and innovation. In conclusion, it is safe to say that protection of brand and Intellectual Property must be considered to be a pre-requisite in the process of building a business, and an SME business definitely has a greater chance of success when it adopts the old adage - "prevention is always better than cure".

(The author is the Secretary of ASPA and Editor Authentication Times, Advisor Tax Stamp & Traceability News)

## Visit North India's Largest Pharma & Lab Expo

An International Exhibition on Pharma Machinery, Formulations, Nutraceuticals, Analytical, Lab & Packaging Equipment.

9<sup>th</sup>

EDITION

19 20 21

APRIL, 2019

Powered By:

We do more for productivity

VENUE : Parade Ground, Nr. ISBT, Sector - 17, Chandigarh

200+ Exhibitors

5000+ Visitors

SEMINAR 19<sup>th</sup> APRIL 2019  
Recent Development in INDIAN  
Regulation & Need of Pharma Industry

Organised By :

Exclusively Supported By :

Seminar Partner :

Event Supporter :

Platinum Sponsor :

Gold Sponsor :

Silver Sponsor :

Supported By :

Media Partners :

Official Media Partners :

: FOR FURTHER INFORMATION CONTACT :

<p>Manan Doshi : +91 9377235673</p> <p>Mahesh Kayal : +91 9009990277</p> <p>Nikhilesh Vadke : +91 9327104010</p> <p>Pankaj Shah : +91 9510496083</p>	<p>Ravi Soni : +91 9824046368</p> <p>Karishma Agrawal : +91 7575011442</p> <p>E: mckayal@pharmatechnologyindex.com</p> <p>E: expo@pharmatechnologyindex.com</p>
--	---

www.PharmaTechExpo.com

### Opportunity to be part of global value chain

Globalization and trade liberalization have made it crucial for most enterprises, including SMEs, to become internationally competitive even when operating wholly in the domestic market. Globalization has also increased the chances of counterfeiting in the supply chain. Further, the use of serialization as an anti-counterfeiting measure has expanded across the world, and across sectors. This is especially true in the pharmaceutical sector, where more than 75 per cent of the world's pharmaceutical supply will be under serialization regulations by 2020.

According to Union Minister