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Pharmaceutical incentives are crucial for SMEs

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Thought Leader

Eduardo Bravo discusses the importance of pharmaceutical incentives to SMEs.

Incentives, particularly intellectual property (IP) protection, play a critical role in supporting EU SMEs like TiGenix to discover and develop new medicines for patients. Without patent protection for our innovation, it's impossible to access the finance needed to keep the company and our research going.

Investing in biotechnology is a long-term undertaking with a high risk of failure. IP is the mechanism that gives our investors the confidence to fund our research.

At TiGenix, we hold the patents to the technology behind our medicines, and that helped us secure funding for a company that had to operate without almost no revenues for 17 years. Without incentives my company and the medicines we are developing would not exist.

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Biotechnology is a vibrant sector with the potential to address unmet medical needs and deliver true cures. The EU struggles to bring the brilliant ideas of our researchers to patients. The underfunding of Europe's biotech ecosystem and the departure of companies to the US should be of serious concern to EU policymakers.

Ensuring that the framework of incentives and IP protection in Europe is competitive internationally is a key factor in stemming the flow of companies looking for a more favourable environment to foster and support innovation. In 2015, more than 10,000 new jobs were created in the biotech industry in Europe.

The SME biotech sector was responsible for 27 per cent of all new medicines authorised in Europe from 2010-2012. If we look at orphan indications and rare diseases, the proportion is higher, at 61 per cent.

SMEs are trailblazers in the innovation ecosystem, often working with bigger pharma players to turn early phase research into new medicines for patients.

My own company, TiGenix, a registered SME at the European Medicines Agency (EMA), developed the first advanced therapy medicinal product authorised in accordance with the then-new EU regulation - ChondroCelect, an autologous cartilage cell product used to repair knees.

TiGenix has now submitted for authorisation to the EMA the first allogeneic stem cell product, Cx601, for the treatment of complex perianal fistulas in Crohn's disease, an orphan indication. We are partnering with Takeda to eventually bring Cx601 to patients.

At TiGenix and through our trade association European Biopharmaceutical Enterprises (EBE), we will be following the Commission analysis of pharmaceutical incentives and rewards closely.

By looking for new ways to foster, support and protect innovation, this could represent an opportunity for Europe to attract more cutting edge research, and that's good for growth, good for jobs and good for patients.

About the author

Eduardo Bravo is CEO of TiGenix and European Biopharmaceutical Enterprises president

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