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Domestic Drugs Company Gets Global License

By The Moscow Times

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Pharmaceutical company R-Pharm has become the first domestic drug maker to get a worldwide license for developing and selling a medication with an international nonproprietary name.

The Moscow-based firm signed an agreement with Belgian drug giant UCB to develop, register and sell olokizumab, a medication for rheumatoid arthritis, both in Russia and abroad, Vedomosti reported Friday.

The deal stipulates that R-Pharm will make an upfront payment to UCB, one of the world's biggest manufacturers of drugs for epilepsy, and that the Belgian company will then receive further royalties at the development stage and upon introduction into the market.

The companies did not disclose the financial terms of the deal.

The agreement is the first example of a Russian drug maker being licensed to develop medication globally, chief executive of market researcher DSM Group Sergei Shulyak said. Domestic pharmaceutical companies are usually given the right to develop medication only within the territory of Russia and the CIS countries.

Privately-owned R-Pharm, which has manufacturing facilities in the Kostroma, Novosibirsk and Yaroslavl regions, will spend tens of millions of dollars on clinical trials and subsequent registration of the medication worldwide, the company's chief executive Vasily Ignatyev said. Sales of olokizumab in Russia are expected to begin in 2016 before its introduction in other countries over the following two years, he said.

UCB already had a local partner before entering into the agreement with R-Pharm. In 2011, the Belgian company signed an agreement with biotech firm Binnopharm under which the Russian company would package some of UCB's products for supply to the local market. UCB said at that time that it might subsequently manufacture part of its medications at Binnopharm facilities.

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