



Stanford eCorner

Impact of Generics on the Biotechnology Industry

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Video URL: <http://ecorner.stanford.edu/videos/1616/Impact-of-Generics-on-the-Biotechnology-Industry>

Joe comments on the widely held debate in the biotechnology industry about the legality and effectiveness of generic drugs. Joe feels that as long as the follow-on biologics are effective and safe, they would be great for the industry. He states the Genentech will compete by continually innovating better drugs.



Transcript

So the second question was, what's the impact of the generic drug companies on the biotech industry? The generic pharmaceutical companies have had a major impact on the traditional pharmaceutical companies, the companies that make traditional small molecules, the kinds of drugs that can be taken as pills (The simple molecule's molecular weight around 500 versus high molecular weight therapeutic proteins like antibodies). Because drugs and biologics are actually regulated differently and there's a completely different set of regulations that deal with generic drugs versus what we now call follow-on biologics. So in so far as the biotechnology companies are focused on high molecular weight proteins, there's been really no impact at all. In so far as the biotechnology companies are focused on traditional small molecules, I think there are concerns that those companies have around patent expiration and price erosion. But many of those companies haven't been around long enough or in the market long enough to really have any significant impact. At Genentech, our view on follow-on biologics and generic drugs is that we think follow-on biologics, if they're safe, if you can demonstrate that they are safe and effective, that we think follow-on biologics are good for patients. They're good for the industry and we're not opposed. Same true with small molecules. We think generic drugs are good for patients. We think they're good for the industry.

And our answer to follow-on biologics, our answer to generic drugs is, have a better drug. There are lots and lots of unmet medical needs. There are lots of opportunities to develop innovative drugs. And our answer to patent expirations and to generic or follow-on drugs is to have better, innovative drug.