Well-structured technology collaborations spur innovation

It is natural that entities facing complex challenges seek collaborators to share knowledge and resources, with an understanding that, while the collective effort may decrease individual risk, the benefits will have to be shared.

There are many examples of collective initiatives in the high technology industry, where diverse and often competing entities have formed alliances to tackle complex challenges.

The life sciences field also has examples of collaborations between funders, scientists and their institutions whereby parties strive to collectively address a research challenge.

Some bioscience collaborations have been formed between for-profit bioscience companies driven by a profit motive, understanding that the research and development (R&D) necessary to create a commercial product or service can be risky and expensive.

Disparate missions

Increasingly, bioscience collaborations are being formed between organizations with disparate missions and purposes, such as for-profit companies, universities and other nonprofit research institutions, and (albeit tangentially) certain government agencies.

There are several factors based in economics and policy driving these bioscience collaborations. The escalating cost of bioscience R&D is encouraging entities to find innovative ways to share costs and resources.

Additionally, the many scientific and other resources necessary to transform a theory into a viable product or service are frequently not held by one company or research institution, and this reality fosters collaborations.

An industrywide increase in outsourcing is also encouraging collaborations. Finally, for-profit companies increasingly appreciate the value of collaborations with nonprofit research institutions and government research grants, particularly because these normally do not reduce shareholder equity interest.

On the policy side, outside forces are pressuring bioscience organizations to work together. Then-Food and Drug Administration Commissioner Andrew von Eschenbach encouraged more collaborations when he stated in November 2008 that “the drug industry will have to break down walls not only between competitors but between big drug companies, smaller biotechnology firms and medical-device makers.”

Funding organizations such as private foundations and governmental agencies are increasingly requiring collaborations between grant recipients, be they for-profit companies or nonprofit research institutions.

These funding organizations realize their grant dollars can be more efficiently used when multiple parties combine their efforts. They also believe that collaborations will reduce the time between initial scientific discoveries share a public purpose of sharing information broadly. If these nonprofit institutions are given preferential tax status, it is reasoned, publication and broad disclosure is one of the ways by which benefits are returned to society.

However, for-profit entities tightly control public disclosures and publications, frequently waiting years to demonstrate how and why their science “works” and infrequently disclosing what doesn’t work. Thus, a successful collaboration must address these divergent viewpoints and come up with a working compromise.

In short, there are many factors driving the creation of more innovative life sciences collaborations between diverse participants, and there are key legal and administrative issues that should be addressed up front when forming and implementing these partnerships.

The benefits of these life sciences collaborations, however, are clear and it is likely they will only increase in number and complexity.

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