Intellectual Property Management in Pharmaceutical Firms

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In this paper, we focus on the drug product life cycle management to study the organizational management of intellectual property (IP) in pharmaceutical firms. The drug life cycle management is a strategic approach to maximize the total sales of drug after market introduction. However various patents are acquired during the stage of research and development. Therefore, we assume that “IP life cycle ” starts from the stage before the market introduction. We define this approach the “IP life cycle management ”. To clarify the present state of the “IP life cycle management ” in Japanese pharmaceutical industry, we did the 4 case studies and the questionnaire survey.

As a result, we confirmed many research-based pharmaceutical firms are working on the drug life cycle management. In general, the IP life cycle management include “to get substance patent”, ”to get broad usage patent ”,”to examine patenting conditions of other firms”, ”to strengthen the cooperation between IP management and other departments ”, and so on. The firms that work on the IP life cycle management are working on these activities inclusively. The firms that work on the IP life cycle management evaluate the effectiveness of prolonged product life cycle and entry exclusion of generic drugs. So, new drug firms can gain appropriability through the activity of IP life cycle management. On the other hand, it could hinder technology diffusion through generic drugs.

The result from the analysis of performance of IP life cycle management shows that formal project team is especially effective in the prolonging product life cycle. We established hypothesis that the life cycle can be prolonged by increasing communication. But hypothesis

was not supported. We suppose close cooperation that exceeds the wall between departments is important, not just communication between IP department and other departments.