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Luqa Pharma is tailoring products for China

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Mr Robert J Braithwaite, who came to China 15 years ago, was greatly influenced following his exposure to the dragon nation. The realization that there is a demand for drugs of various kinds and a huge unmet clinical need, led him to establish a company that would address just that.

Founded in 2010 and self-funded until a year ago, Shanghai-based Luqa Pharmaceuticals is a late-stage pharmaceutical R&D company with two very clear focuses: China and great products. "We are China-based and China-focused, and have a mission to develop, market and build great products suited to the China market," says Mr Braithwaite, who also functions as the CEO of the company and is on the board of directors. "Products are really at the core of our strategy, and are above everything else we do or build. 'Product is king' is our informal motto!"

Luqa's strategy for success in the business is clear. Stay small and stay away from areas where the heavy guns are out, such as oncology and anti-invectives. "These are highly competitive areas, which in general we also see little chance of building sustainable brands in," says Mr Braithwaite. The company's focus areas are dermatology, wound care and otic products.

Special focus is on topical solutions, a niche but a broad area.

Luqa's first product and its key asset is eberconazole (Ebernet), a topical NCE for the treatment of fungal infections. It has a unique profile with a very unique formulation. "What we are most excited about is the long life-cycle that we see ahead. We have two line extensions already, one of them with the potential of being a first-in-class product," says Mr Braithwaite. Luqa acquired the rights for Asia, Middle East and North Africa to this molecule from Salvat in 2010. "We are in development in China, where we are waiting for some positive feedback from the authorities within the next two quarters. Apart from China, we have partnered the product in multiple geographies and now have over 20 active registrations on-going around the globe," he adds. Initial launch of eberconazole is expected between late this year and early 2014.

Mr Braithwaite, a UK national, has been living in Shanghai since 2005, and is a BA (Honours) graduate from the University of Humberside in the UK. Before starting Luqa, he worked with Almirall, a pharmaceutical company, to build the company's presence in China. He also spent five years with Alcon, an experience that helped him gather knowledge about the medical devices market.

Collaboration is key

Luqa's business strategy is to acquire products and develop them further for the China market. With a team of 12 people, the company believes in keeping its operations small. "We intend to stay that way," says Mr Braithwaite, talking about the strength of the company. "We are not constrained by a large team, a large R&D lab, a factory or an army of sales reps. Our products dictate our resource allocation in the efforts to make our products leaders in their category."

As a result, the company banks heavily on outsourcing for clinical trials and partnerships for acquiring products. "Our partnership with Stratpharma of Switzerland is a fantastic example of collaboration and building on mutual strengths. We have just launched Strataderm for scars and have a superb pipeline plan that will see us jointly develop and commercialize some very unique products in the wound care, supportive care and consumer healthcare markets," explains Mr Braithwaite.

Luqa's products come from what the team calls their "search and development effort". "We have very clear parameters as to what defines the ideal China product for Luqa. Our strategy is to acquire products and develop or adapt them to the local needs. We have a healthy pipeline plan, and hope that 2013 will see plenty of news flow from us in respect to products," informs Mr Braithwaite.

At a time when drug development companies around the world are looking to tap the burgeoning China market, often through acquisitions and collaborations, a company such as Luqa provides opportunities for partnerships. "Partnering is key to our business model, so our philosophy as a company is that we all look for partnering opportunities. This goes all the way from the board of directors to our regulatory team. We are all business developers in this company. This is something that we continually try to remind the team," he says." We seeks to have partners who have innovation in their DNA, and are willing to work with us to maximize this innovation for China. This may mean new developments, studies, formulations, etc. tailored to the China market."

Luqa has granted exclusive rights to NewBridge Pharmaceuticals to develop, register, distribute and market Ebernet in Africa and Middle East, Turkey and the Caspion region where NewBridge will obtain required regulatory approvals and launch the product.

It also has an agreement with Kern Pharma for the commercialization of Finasteride in Hong Kong and Macau. Finasteride is indicated for the treatment of initial stages of hair loss.

Luqa has another license agreement with Salvat for the commercialization of Cetraxal Plus, a combination of ciprofloxacin and fluocinolone for treating a wide range of bacterial ear infections. Under the terms of the agreement, Luqa has exclusive license to develop and commercialize Cetraxal Plus for Taiwan. The product is expected to become available in the Taiwanese market by 2014.

Planning for the future

According to Mr Braithwaite, Luqa builds products that are needed by patients and physicians, and build them into recognized brands with a long and sustainable life. "We believe that this makes us very unique in China," he says. What also makes Luqa unique is how they develop and market these products. The company provides the best of China's experts to build value for products along every step of the value chain and has a strong regulatory team that helps negotiate the regulatory processes of the country.

The company is now seeking to build on its expertise by expanding into niche areas such as oral care, supportive care and women's health. "Luqa is growing at a very fast pace and we are ahead of our expectations when we first started over two years ago." Over a year ago, the company is backed by a healthcare-focused investment company. "They know this business, know the timelines, know the pitfalls and most importantly know us. This partnership has helped Luqa to be able to focus on building a long-term plan, again focused on innovative and unique products," signs off Mr Braithwaite.