



The fight against counterfeit drug sales comes up against many obstacles, and one of the most frustrating is a lack of political will to crack down on the culprits.

Andrew Jackson,

Novartis, tells Phin Foster what weapons he has in his armoury.

Unmask the fakes

'I hesitate to disparage technology vendors,' Andrew Jackson begins, 'but they have an obligation to be clear about what their innovation is intended for and not to try to hawk each development as the solution to all our problems.'

As executive director and deputy head of corporate security at pharmaceuticals giant Novartis, Jackson knows that the fight against counterfeiting is far more complex than that. 'Novartis has not seen one piece of empirical research to convince us that any single piece of technology in packaging has done anything to deter, suppress or prevent drug counterfeiting,' he says.

With the US Centre for Medicines in the Public Interest forecasting that counterfeit drug sales could reach \$75 billion by 2010, a 92% increase from 2005, the statistics support Jackson's case, although he is not a particularly fan of numbers either.

'There are many meaningless statistics thrown around,' he counters. 'That magical 10% figure commonly attributed to the World Health Organisation (WHO) estimates that one tenth of medicine on the global market is fake, or that the trade is currently worth \$37 billion: how can anyone know? When it comes to discussing criminal activity, in particular, on this scale, there's no such thing as reliable data.'

DO IT YOURSELF

In fact, according to Jackson, sometimes the only thing that one can rely on is oneself. Heading up a team underpinned by the core philosophy of 'preventing any counterfeit-Novartis products reaching distributors or patients', the Switzerland-based Brit

Counterfeit drug statistics

- Illegal drug trade is worth \$37 billion
- Drug sales to reach \$75 billion by 2010
- One tenth of the world's medicine is fake

addresses everything from liaising with foreign governments and security forces to putting the latest technological innovations through a robust testing process. It must at times feel like a losing battle.

'A major obstacle is the lack of a political will in the problem

countries,' he says. 'Take Russia as an example: the industry knows who the big counterfeiters are – many are pretty prominent, public faces. Some might say that the government turns a blind eye to it. The more cynical would say it's closer to collusion.'

Such unwillingness in certain quarters to tackle the problem dictates the direction of much of the activity that Jackson's team undertakes. 'A lot of time, people and money are invested in intelligence and investigative work,' he explains. 'By knowing who's producing what and where, we can do 99% of the work ourselves and then take law enforcement by the hand and tell them which door to kick down. It suits both parties: we protect our product and they get their pictures in the paper.'

CHALLENGE AND CHANGE

In a post-9/11 world, where customs officials and security agencies are already stretched to the brink, such work is vital. Jackson has no qualms about bringing similar tactics to bear on other sectors. 'My role is to challenge our technology people,' he

says. 'We have to challenge the effectiveness of everything we review through what we have seen in the real world.'

What Jackson has to say is likely to irk some in the technology trade. 'What we need to ask is what technology actually does,' he says. 'There are some innovations that will track products but, when you're discussing the pharmaceutical industry, the distinction between product and packaging is of the utmost importance. If Novartis sells a product to Greece, a Greek wholesaler can apply for a licence to sell that product to the UK under EU fair trade rules. To do so, the product needs to be repackaged so that the box and leaflet are in English. And any holograms, security ink or other security features from the original packaging often end up in the counterfeit market. There is a risk that packaging with security features can be recycled and actually end up legitimising fake products.'

NO WAY OUT

For a man whose working day is spent combating these circumstances, it must be particularly galling. Research has shown that medicine placed on UK shelves can have previously changed hands as many as 30 times, its original packaging long-discarded. 'The sheer number of entities in the supply chain scares me,' says Jackson. 'We have to make sure that all our suppliers comply with Novartis' security standards and ensure that our packaging is well-secured and doesn't slip into the hands of the bad guys.'

To achieve this, Jackson places as much emphasis on intelligence and education as he does on technology. The irony that technological innovation can be as much of a hindrance as a help is not lost on the security chief. 'It can be a problem on a strategic political level,' he says. 'Politicians look for the quick fix. If they are continually being told that sticking a hologram on a box or the use of an RFID tag will solve the problem, we will see fewer police and judicial resources at our disposal. Technology can be part of the solution, but never anything more.'

UP CLOSE

The concept of a multilayered approach is one that Jackson returns to and, despite some longstanding concerns about the hard-sell approach of the technology industry, he is anything but a Luddite. 'It is essential that we get as close as possible to the actual tablet,' he says. 'I'm talking about the actual blister or tablet. The closer we get to the product, the less of an issue repackaging becomes.'

The fear is that whatever measures the pharmaceutical industry takes, the counterfeiting business is now so large, fast and

Counterfeits: the global trade

Pirated and counterfeit goods are estimated to account for around \$512 billion or 7% of global trade (source: US Customs and Border Protection). In 2006, the EC adopted a proposal for a directive to combat intellectual property (IP) offences. According to the EC, criminal organisations are focusing on counterfeiting and piracy, as these are often more lucrative than other forms of trafficking and attract less attention from the authorities.

Towards the end of 2007, the

EC announced that it would seek a mandate from European Member States to negotiate a new Anti Counterfeiting Trade Agreement (ACTA) with major trading partners, including the US and Japan. Such an agreement would strengthen efforts to protect European IP globally, a key part of the EU's Global Europe trade strategy.

ACTA's goal is to provide a high-level international framework that strengthens the global enforcement of IP rights and it helps in the fight to protect consumers

from the health and safety risks associated with many counterfeit products.

'Europe has always been at the forefront of global attempts to protect IP rights and fight counterfeiting,' says Peter Mandelson, EU Trade Commissioner. 'A new international anti-counterfeiting treaty would strengthen global cooperation and establish new international norms. As other countries sign up, ACTA could help create a new global gold standard on IP protection.'

highly evolved, that it will never be that far behind with a ready solution. 'All you need for the packaging is a decent printer and a computer,' Jackson says. 'It's all about quick money. There's this popular misconception that these people will only go after the high-end drugs. Expensive and life-saving drugs are targeted by counterfeiters, but where these criminal groups can make big profits is in counterfeiting huge quantities of lifestyle drugs and inexpensive over-the-counter products.'

All is not doom and gloom. For an industry founded on confidentiality and competition, the level of pan-industry cooperation is heartening. Novartis is active in both the Pharmaceutical Security Institute and the International Medical Products Anti-Counterfeiting Taskforce. Many governments appear to be making moves towards cracking down on corrupt officials and criminal gangs, and the measures that Novartis are taking may be making an impact as well.

'We have a tape of a telephone conversation between two Colombian counterfeiters,' Jackson adds. 'They're discussing potential products and mention Novartis. "We can't do them," one says, "they go after you."'

With Jackson at the helm, it's a safe bet that Novartis will continue to do so. [pci](#)

Andrew Jackson

Andrew Jackson has been executive director and deputy head of global corporate security with Novartis International AG since August 2002. He oversees Novartis' global anti-counterfeiting programme. Previously, Jackson worked as a security adviser for Société Générale de Surveillance AG and as an independent security consultant. Prior to moving to the private sector, he spent 13 years with the UK Foreign and Commonwealth Office.



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