Hoffman La Roche planning to leave Pharma

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Hoffman La Roche is severing its ties to Big Pharma.

The venerable drug maker this week plans to drop its membership in the Pharmaceutical Research and Manufacturers Association.

PhRMA, as it is known informally, is the leading trade group for the U.S. pharmaceutical industry.

After taking over a biotech giant and relocating to its windswept corporate campus in South San Francisco, Roche is shedding its century-old identity as a traditional U.S. pharmaceutical company.

As part of its evolution, Roche is aligning itself with a new lobbying force and plans to pull out of another pharma-related affiliation, its sponsorship of a special pharmaceutical management program at Rutgers Business School.

Earlier this year, Roche acquired its long-time drug developing partner Genentech, one of the world's leading biotechnology firms. Genentech belongs to another trade group, the Biotech Industry Organization. And now, so does Roche.

"Genentech and Roche believe BIO's purpose is closely aligned with the direction of the new company and, therefore, can represent the company's interest in Washington,'' spokeswoman Darian Wilson said in a statement last week.

Billy Tauzin, the president and CEO of PhRMA, said the trade group sent its chairman, AstraZeneca CEO David Brennan, to Roche's headquarters in Basel, Switzerland, to make a personal appeal to Severin Schwan, Roche's chief executive.

"It's a Genentech decision not to join PhRMA,'' Tauzin said. "They feel they are different.''

With its rich pipeline of powerful biologic medicines -- one of which was used to treat Tauzin's cancer -- Genentech has cache. The company is a heavy-weight, giving heft to the industry's lobbying efforts. "They are hugely important,'' Tauzin said.

Tauzin's group represents about 72 percent of the biotech industry, which focuses on medicines made of proteins and genes rather than the more conventional small molecule drugs.

Without Roche, PhRMA also loses critical revenue for carrying out its lobbying activities. Tauzin declined to say how much Roche contributed, though membership fees are based on a company's annual sales.

Mahmud Hassan, director of the pharmaceutical management MBA program at Rutgers Business School, said most of Roche's product pipeline are medicines developed by Genentech. Roche had a majority stake in Genentech before it acquired the remaining interest in the biotech earlier this year.

"I understand their logic,'' Hassan said of Roche's departure from PhRMA, "Once they became part of Genentech, they have more of an identity with BIO.''

As part of the merger, Roche is moving its corporate offices and marketing operations to Genentech's headquarters in California. Those moves, Hassan said, led to the decision to end the company's sponsorship of the MBA program. "Obviously, it's a big loss for us,'' he said.

Roche's business dates back to 1896 in Switzerland. In 1929, the company moved its U.S. operations from New York City to Nutley, where it built a sprawling research and manufacturing campus.

The Roche name will remain on the Nutley campus and the company plans to continue its membership in the Healthcare Institute of New Jersey, a trade group of the state's pharmaceutical business. Its membership, according to Roche's spokeswoman, will be listed under the Genentech name.

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