

## Transcript of Pharma Insider II

(A video by PharmedOut.org released on November 13, 2007)

Douglas Melnick, MD MPH, a former pharma insider, tells how pharmaceutical companies gather information on the competition while staying within the law. Dr. Melnick, a preventive medicine physician, is a consultant to PharmedOut.org.

**Dr. Melnick:** Competitive intelligence is the process by which one company learns about and begins to understand the business activities – the competitive business activities – of another company. For example, if you both have drugs in the same area – a doctor could choose between either drug – then you might want to know, “Hmm, is that company coming out with a new indication? Do they have a new large study that’s going to show that Company B’s drug is now superior to Company A’s? If you work for Company A, you want to find out about those studies, and be prepared, perhaps start your own study that matches whatever they are adding to their packet insert. Or maybe – all kinds of activities. Maybe just be aware, so that you can then predict how much money your company is going to gain or lose in the future. And perhaps, even executives at Wall Street might talk about how their drug is going to compare against a competitor—that kind of thing.

...There’s a professional company where I worked -- their job was to collect information on other companies. And they had a training about how you can legally collect information about other companies. They kind of compared competitive intelligence versus what you could call espionage. So, stealing would be going in a competitor’s dumpster and taking information out. It could also be (now, I’m not an attorney), but lying about who you are and trying to get information. They explained to us that if you were just honest about who you were – sort of made friends with another person – just human nature, they’re likely to tell you things. So I started to use those techniques at medical meetings and was able to pick up a lot of information about competitors. That way – one of my best techniques was just standing around the competitor’s booth -- a public area – and listening to them talk to other doctors. I had a little pad and maybe I’d write down what they were saying. Or going up to the posters, asking questions of the poster presenter. Perhaps a doctor was hired by the company to do a study. That doctor is not a sophisticated marketing person. I could start asking him about, “How many patients are in your next study?” Oh—here’s an example: “When’s your next paper coming out?” Perhaps the company considered that to be competitive or secret information. But the doctor didn’t mind telling me. I could write that down. And that would be the types of competitive intelligence.

The other thing is, once I learned competitive intelligence, I was very good at determining when people were trying to collect information from me. For example, I worked in a scientific booth at the company. If doctors had off-label questions about a product, they would be brought to the scientific booth. I would say, “Doctor, you know, that’s an off-label indication. I really can’t tell you anything about the product. But if you are specifically asking a question, this is what I know.” And then I’d have information, you know, I could explain that. Well, sometimes Dr. Smith would come up and say, “You

know I need your, uh, when's your next study coming out?" To go back to the example I gave you, they'd say, "Dr. Melnick, can you tell me when your next study is going to be ready?"

...Actually, the most common, they would be maybe not even doctors, they'd be from a financial institution. And I would refer them to the person at my company who talked to investors. They didn't want us talking to investors, news media, I was really there to talk to actual practicing doctors. So just by asking questions, I was able to protect myself from giving out competitive information – and also collect a lot of information about competitors.

...No, I would not go in a dumpster. No. But I was told that that is actually illegal, to take somebody's garbage like that for competitive reasons. Also if the information is stamped "confidential," oftentimes you can't use that. But, if you were walking around a meeting hall and you just saw a piece of paper sitting there, and you picked it up – and it wasn't marked "confidential/private" – and you read it, it's probably information you could use.

...I had a saying that was, "you know, you don't pay me enough to break the law." It was kind of a joke to say, but it was also true. You know, I wasn't willing to, I also had another saying that was, "if you don't want it to appear in the Wall Street Journal in the morning, then don't do it." And I joked with some of my colleagues like that if I thought maybe something they were up to didn't make a lot of sense to me, and I might say something like that.



*PharmedOut (<http://www.pharmedout.org>) is an independent project funded through the Attorney General Consumer and Prescriber Education grant program that educates physicians on how pharmaceutical companies influence prescribing.*