

Intellectual property rights

Worries about China

If you can't beat your enemy – confederate with him. With over 70 percent of counterfeit products worldwide originating in China, the emerging Asian nation continues to threaten Western economies with a vast number of patent rights violations. To protect intellectual property rights (IPR), an initiative for securing intellectual property rights in China was launched in April by the European Patent Office (EPO), its Chinese counterpart (the Chinese State Intellectual



Forgery and plagiarism can be perilous, mainly in the medical sciences (pictured left a genuine urological rectoscope and right, a fake).

Property Office, SIPO), the Chinese government and the European Commission. The resulting EU-China Project on the Protection of Intellectual Property Rights (IPR2) has a budget of about €16 million.

One fact, however, raises questions. Why is the EPO referring to the initiative's participants as "equal partners", even though the European Union will contribute €10.8 million to the effort and China only €5.4 million?

UK: Early stage science funding

Money for Application

MRC Technology, a British organisation aiming to commercialise discoveries for the UK Medical Research Council, has approved a further €7.6 million of funding. This "pre-seed" money will restock the existing Development Gap Fund (DGF) that boosts "cutting edge science [...] which could have a significant impact on the health as well as the competitiveness and growth of the UK economy" at the earliest possible stage of technology transfer. As the MRC claims, a typical

award falls between €25,000 and 250,000 and is mainly intended to strengthen new patent filings or to support the application of patents from commercially interesting ideas. The MRC comes to rapid decisions (says the MRC).

Until now, the DGF has funded 51 applied research projects in biomedical research. It is explicitly desired (but not required) to found a company afterwards. More information on the programme at www.mrcrctechology.org.

Cancer Research UK breaks new ground

Charity aims high

A solution of striking simplicity? Or just another desk-born crazy idea? The charity Cancer Research UK (CRUK) is planning to launch a set of "crack teams" to solve cancer's most pressing scientific challenges. As the organisation announced in a press release in May, these teams will be composed of "hand-picked scientists" as well as of pharmaceutical companies' representatives.

Cancer Research UK didn't explain how they want persuade dozens of "world lead-



Want to be part of a "crack team"? The competitors at the "CRUK Race for Life" at Knowsley Hall wanted some exercise – and not to become team mates.

ing scientists, each a leader in his own discipline," to dismiss their current activities and to enter a British CRUK crack team. CRUK also didn't disclose the names of "the world's foremost pharmaceutical companies" that will be part of the game.

However, CRUK disclosed how they want to achieve these "new treatments and diagnostic tools to help beat cancer" with a lean "half a million pounds [€0.6 million] over a two-year period".

The solution: CRUK "hopes [that] each team will attract an industry partner which will bring know-how and further finance to the project". Well, hope springs eternal.



Strüngmen to boost 4SC's drug pipeline

Taking Norwegian Refreshment



Filling the pipeline with prospective cancer drugs: The German biotech company 4SC has acquired therapies from Nycomed.

The Martinsried (Germany)-based biotech firm 4SC has acquired eight experimental cancer therapeutics from Nycomed, a Norwegian pharmaceutical company. 4SC will pay €14 million for the property rights. One of the cancer projects is in clinical phase I, the others are preclinical. To finance the transaction and further development of the drugs, the Germans have raised additional funding of €25 million, mostly from its largest single shareholder, Santo Holding (a venture of the Strüngmann twins, former owners of generics producer Hexal). With lean revenues of €1.4 million and a loss of more than €8 million in 2007, 4SC is one of those young drug developers with sparse amounts of cash (€17 million) and great hopes, dreaming of future sales of €3 billion.

Sanofi-Aventis cuts 800 jobs

Lamentation in France

It's not great being a representative of Sanofi on days like these. We recently heard through the grapevine that the French drugmaker wants to fire nearly a thousand employees at its headquarters. Now the rumours have been confirmed by the pharmaceutical company itself. About 800 sales representatives have to go (that's nearly one-third of Sanofi's domestic sales force). The laid off will be in respectable (but sad) company. Several drugmakers cut jobs radically this year, including Merck, Johnson & Johnson and Wyeth. What remains at Sanofi-Aventis are 95,000 slightly queasy staffers. -wk-

€215 million for polyclonal antibodies

Danish Symphony

Symphogen, a Copenhagen-based developer of recombinant polyclonal antibodies, has closed a huge contract with Genentech (San Francisco). For a sum of €215 million, the Danish are to discover new antibodies for three infectious disease targets. Genentech will receive a worldwide license for the developed candidates. The research and development expenses will also be paid by Genentech.

Recombinant polyclonal antibodies (rpAbs) have one significant advantage over established monoclonal antibodies (mAbs): they bind to different sites on the same antigen and thus have the ability to tackle complex and highly mutagenic targets, accord-



Photo: Ernst & Young

Symphogen's founders Thomas Feldthus and Kirsten Drejer were declared "Biotech Founders of the Year 2007" by Ernst & Young.

ing to Symphogen. In short, mAbs are specific, rpAbs are specific and efficient, making the latter well suited for the treatment or prophylaxis of diseases. According to their own statements, Symphogen has developed a rapid process for cloning rpAbs as well as an efficient manufacturing process.

The Genentech deal is not the first for the Danish. Symphogen, founded in 2000 by former pharmaceutical managers and biotech consultants, has smaller deals with Biovitrum of Sweden and Meiji Seika Kaisha, a drugmaker from Tokyo, Japan. In addition, the company has five drug candidates in own development. The most advanced, Sym003 (for the prevention of respiratory disease), Sym004 and Sym005 (both for the treatment of cancer), are preclinically researched. WINFRIED KOEPELLE

U3 Pharma goes Japan

Sweetheart Sold

The Japanese pharmaceutical trust Daiichi Sankyo has taken over a small (but promising) German drug developer. Its prominent founder plans to slow the pace from now on.

When asked by a *Lab Times* reporter in 2006 about his favourite biotech company, German biochemist Axel Ullrich answered, "Well, U3 Pharma combines everything that I have been trying to realise." This was in June 2006, when Ullrich had already founded four companies (Sugen, Axxima, U3 Pharma and Kinaxo). Two of them had been snapped up by bigger fish: Sugent by Pharmacia/Pfizer in 1999, Axxima by GPC Biotech in 2005.

Now Ullrich has sold his sweetheart to Japan. The pharmaceutical trust Daiichi Sankyo, Tokyo, recently acquired the Martinsried-based cancer drug developer U3 Pharma for 150 million euros. Daiichi Sankyo is Japan's second largest pharmaceutical company and is continuing its takeover strategy. Just weeks after the U3 buyout, the Japanese announced plans to acquire Ranbaxy, India's largest pharmaceuticals company (a deal that could become a take over battle with US rival Pfizer).

U3 was founded in 2001 by Max Planck researcher Ullrich and others. The firm, which develops targeted cancer drugs (aka human or humanized therapeutic antibodies), has raised more than 45 million euros in funding up until now. U3 Pharma currently has 27 employees (mostly working directly in research and development), but still no drugs in clinical trials. However, U3's lead programme, U3-1287, for breast cancer, a cooperative project with Amgen, will go to clinic later this year, the company says. The substance is a monoclonal antibody that inhibits oncogenic signalling and tumor proliferation.

With its acquisition, the new mother company, Daiichi Sankyo, could have made a clever move. Ullrich's research has in the past led to lucrative cancer blockbusters like Herceptin (sold by Genentech/Roche) and Sutent (sold by Pfizer). Takashi Shoda, President and CEO of Daiichi Sankyo, places great hope in U3 Pharma and its preclinical

pipeline, "[This] acquisition is an ideal strategic fit for our oncology portfolio." Together with U3 Pharma's four monoclonals, Daiichi Sankyo now has seven potential cancer therapeutics in its pipeline.

Luckily, U3 Pharma's 27 employees mustn't prepare for relocation to Asia. According to the new owner, they will be kept on by Daiichi Sankyo in Martinsried.



No more biotechs?
Axel Ullrich assures us
that he is satisfied.

Photo: wk

And how did Ullrich reply when asked by a *Lab Times* reporter about founding a fifth company now (say, U5 Pharma)? Well, that would mean problems. Ullrich is bound by a well-defined contract with Daiichi Sankyo. He has committed himself never to found any other biotech company dealing with cancer research. It seems that Axel Ullrich mustn't battle with investors and banking institutions any longer.

-WK-

Another breakthrough for Astex

The Dealmaker from Cambridge

A good example of a small biotech company that executes clever deals with large pharmaceutical companies is Astex Therapeutics. After a long series of deals with big names, the cancer drug developer from Cambridge, UK, has announced another collaboration. Janssen Pharmaceutica (a Belgian arm of Johnson & Johnson) has offered €347 million for a licence to develop certain of Astex' FGFR inhibitors as cancer drugs. In all likelihood, Janssen wasn't the only interested party. Astex-CEO Harren Jhoti, who founded the company in 1999, stated that "there's



Astex's CEO
Harren Jhoti

been a huge amount of interest."

In addition to three proprietary therapies in the clinical stage, Astex has been closing large research deals with other pharmaceutical partners active in oncology, such as AstraZeneca, Boehringer Ingelheim and Novartis. The financial situation is excellent, with €90 million raised in several financing rounds so far. However, the British company isn't satisfied yet and Jhoti says that, "there's a capacity for further deals."

An IPO, however, is no option, even if most European biotechs at this stage would have already gone public. "We decided that it [...] isn't a good time," says Jhoti.

French incorporate US firm

Unusual Buyout

US biotech isn't always the measure of all things. In our following example, the French drug developer Ipsen acquired Tercica, a developer of products for patients with metabolic diseases, for €430 million. The US firm already has two therapeutics on the market: a treatment for children of short stature (resulting in dwarfism) and a treatment for adults with acromegaly (a growth hormone deficit resulting in excessive growth).

The acquisition can be seen as Ipsen's starter's pistol for establishing a powerful US division. For that purpose, the French recently bought the US subsidiary of the UK-based company Vernalis (London). -wk-

A true story

Freelance Biobusiness Writers Wanted (But...)

Why make the search for talent easy? Take one *Lab Times* reader's mysterious approach to jobseeking as an example.

Not so long ago (it was April this year), a *Lab Times* editor received an e mail from a *Lab Times* reader who was responding to a small advertisement in a previous issue. In the advertisement, we asked for eloquent natural scientists with a talent for writing and a feeling for economics to contact us. The reader's email went as follows:

Dear Sir/Madame,

I'm contacting you in relation to the advertisement of "FREELANCE BIOBUSINESS WRITERS WANTED" that have seen in the *Lab Times* magazine (Issue 2, March 18th 2008). I would like to ask you for further information about this job in

order to sent you my CV and application. I'm looking forward to hearing from you. Thank you very much in advance,
Olga [...] PhD Molecular Biology
[E-Mail address]

The *Lab Times* editor deduced from her e mail address ("...@yahoo.es"), that the hopeful writer was a Spanish señora. He composed a reply:

Dear Olga,

I'd like to hear from you, so I am looking forward to receiving your short CV (a formal application is not necessary).

Best wishes

[...]

[...]

Lab Times

wk@lab-times.org

[Tel. etc.]

In a couple of minutes, the editor received a response that left him perplexed:

Failed to deliver your message to [...]@yahoo.es: SMTP: The host does not maintain the SMTP mail service. Cannot speak with 'd.mx.mail.yahoo.com' for 30 minutes. Action: failed. Status: 5.0.0.



The editor tried resending the e mail several times. Each time the result was as above.

Well, mysterious Olga from Spain:

1. We at *Lab Times* are glad that you wanted to apply for the job.

2. We are still looking for freelancers from European countries.

3. If you are interested in working for us you need to use a valid e-mail address or at least leave us your telephone number. We go to great lengths in the search for new journalistic talent but, sadly, developing telepathic powers is beyond even the scope of the *Lab Times* team.

4. We don't know what a "Status 5.0.0" is.

All the best

Your *Lab Times* editor

