Charles River builds drug validation services

Charles River Laboratories (CRL; Wilmington, MA)—a provider of animal models for disease research—has made two strategic acquisitions, boosting its repertoire of preclinical drug-testing services. In January, CRL purchased Pathology Associates International (Frederick, MD) for $37 million, providing the company with expertise in disease models, which complements CRL's own strength in this area. In February, CRL purchased Primedica (Worcester, MA) from Genzyme Transgenics (Framingham, MA) for $52 million, which filled existing gaps in its drug efficacy and safety testing services. Eric Schmidt, biotech analyst at SG Cowen (New York), says that both acquisitions fit well with the company's stated goal of being a leading provider of preclinical drug testing services for the research and biopharmaceutical community, and are expected to be accretitive to earnings in 2001. The deals are also timely given the imminent flood of genomics-derived drug targets that drug companies will find hard to digest, says Joseph Dougherty of Lehman Brothers (New York). *LF*

Supercomputer for proteomics

Celera Genomics (Rockville, MD), Compaq Computer (Houston, TX), and the US Department of Energy's Sandia National Laboratory (Albuquerque, NM) agreed on January 19 to design a new computer capable of performing 100 trillion operations per second to better study the function, structure, and interactions of proteins in humans and other organisms. The four-year project will see Compaq and Sandia collaborate on the development of systems hardware and software, while Celera and Sandia will develop algorithms and visualization technologies for analyzing the large amounts of data. Compaq supplied Celera with the computers to produce a rough draft of the human genome in 2000 (*Nat. Biotechnol.* **18**, 810, 2000). *EN*

Germany confused about agbiotech


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A research and monitoring program on genetically modified crops in Germany has been cancelled. In an effort to help public acceptance of GM foods, Chancellor Gerhard Schröder had outlined plans last June to finance more risk assessment research and begin a voluntary moratorium of GM crops for the industry, following the government's ban of Novartis Seeds' *Bt* maize (*Nat. Biotechnol.* **18**, 375, 2000). But in a letter dated 26 January, Walter Steinmeier, who heads the chancellor's office, withdrew the funding for this program—something Gerd Spelsberg of the German Consumers' Organization (Bundesverband der Verbraucherinitiativen) feels will be detrimental to public perception of plant biotechnology. Currently about 13 transgenic crops are waiting for approval by the Bundessortenamt, Germany's body for approving plant varieties. *EP*

Affymetrix patents defined

On January 22, a US District Court issued a Markman ruling defining the claims in DNA chip company Affymetrix's (Santa Clara, CA) patent infringement cases against database provider Incyte (Palo Alto, CA) and genomic-based biopharmaceutical company Hyseq (Sunnyvale, CA). Incyte and Hyseq allegedly both infringe two patents concerning physical DNA chip apparatus; additionally, Incyte is charged with infringing a fluorescent DNA detection method, while Hyseq is accused of infringing a computer-based system for determining the sequence of a DNA sample. The court did not narrow the claims of the patents—which means they could be deemed invalid if they are found to be too broad. However, general counsel Vern Norviel is confident about their validity, and has asked for an infringement trial as soon as possible; Affymetrix, which controls 90% of the DNA chip market, saw its stock soar nearly 20% to $70 in the week following the Markman ruling. Being found to infringe would be bad news for both Incyte and Hyseq: Incyte's database, which generated over 75% of its 2000 revenue, was built using the technologies in question, and Hyseq already received a $20 million credit line from its CEO George Rathmann on February 8 to combat dwindling cash reserves. *AB*

Research collaborations

Company 1	Company 2	$ (million)	Details
GPC Biotech (Martinsried, Germany)	Byk Gulden (Konstanz, Germany)	100	A five-year oncology target identification and drug discovery alliance. GPC will develop tumor-specific targets whose inhibition selectively drive cancer cells into apoptosis. GPC will receive approximately $40 million in up-front and research milestone payments, up to $60 million in clinical milestones, as well as royalties on resulting products.
Maxygen (Redwood City, CA)	ALK-Abello (Horsholm, Denmark)	80	A broad, three-year agreement to research and develop novel therapies for treating specific allergies, including dust mites and grass. Maxygen will receive up to $80 million in license fees, technology access fees, R&D funding, and potential milestones in exchange for combining its directed molecular evolution technologies and protein modification expertise with ALK-Abello's allergen pipeline.
Oxford Biomedica (Oxford, UK)	Wyeth-Aherst Laboratories (Philadelphia, PA)	24	A deal to develop and commercialize one of BioMedica's antibodies as a novel anti-cancer therapy. Wyeth-Aherst will pay for development, clinical research, marketing,and manufacturing of products, as well as giving BioMedica up to $24 million in upfront payments, license fees, and milestones. The companies will share royalties of resulting products.
Cerus (Concord, CA)	Kirin (Tokyo, Japan)	12	A joint development of leukocytic products to reduce graft-versus-host disease in patients with hematologic malignancies (such as lymphoma and leukemia) who receive stem cell therapies. Kirin will pay an initial fee of $1 million, up to $11 million in milestones, and market products in the Asia-Pacific region; Cerus will receive royalties on those sales and have marketing rights elsewhere. *AB*