

Sugen's European strategy

In April, Sugen (S. San Francisco, CA) established a European subsidiary, Sugen Europe (Schaffhausen, Switzerland), which aims to partner with several small, local pharmaceutical firms in order to distribute its portfolio of cancer products across the continent. According to CEO Stephen Evans-Freke, this strategy will give Sugen Europe a greater share of the European oncology market than could be achieved via one major international pharmaceutical firm. He notes that the three largest European oncology distributors—AstraZeneca (London), Bristol Myers Squibb (New York), and Pharmacia & Upjohn (San Diego, CA)—each hold only 15% of the market; Evans-Freke hopes to beat this. Sugen Europe has already signed a deal with Esteve (Barcelona)—which will market, promote, and distribute throughout Spain and Portugal—and is currently in negotiations with Dompé (Rome) for Italian distribution. Once a distribution network is set up, Evans-Freke plans to license oncology products from US companies and sell them through the network. “The best fishing grounds will be licensing other products,” he says.

Sensational new company

Lubert Stryer, the author of the biologist's bible *Biochemistry*, formed a company in April to develop products that influence olfactory, taste, and vomeronasal (or pheromone) perception. Ambryx (San Diego, CA) raised its undisclosed initial seed financing, split roughly three ways between Domain Associates (Princeton, NJ), Kingsbury Associates (San

Diego, CA), and Kevin Kinsella (president of Ancile Pharmaceuticals [San Diego, CA]). While the status, wiring, and components of the human vomeronasal system are currently ill-defined, Ambryx has an exclusive agreement with the office of technology transfer of the University of California (Oakland, CA) regarding two rat candidate taste receptor genes (*Tr1* and *Tr2*) and a human orthologue of one of them. Ambryx plans to use polypeptides and fragments of polypeptides in product development to synthesize ligands that “tweak” sensory receptors. Stryer, founder and chairman of Ambryx's board of directors, says the olfactory system represents “the ultimate combinatorial recognition problem...a beautiful problem,” and through Ambryx seeks to enhance “the quality of life for consumers.”

Hungary for West's money

Biorex (Budapest), which develops heat shock proteins for use in diabetes, endothelial dysfunction, and neuroprotection, is looking to the West to raise money. According to Tim Earle, group finance director of BRX (London), Biorex's holding company, the firm hopes to tap into both emerging market and health care funds. Spencer Jakab, an emerging-markets analyst with Credit Suisse First Boston (London), says many European institutional investors have a “specific regional mandate to invest in these areas.” However, Earle acknowledges that the company, seen as in double jeopardy thanks to risks related to both emerging markets and biotechnology, faces credibility issues with investors. But “we can gain credibility through licensing deals,” adds Earle. Indeed, Abbott Laboratories (Abbot Park, IL) signed up

with Biorex in December 1997, paying \$28 million in exchange for a 22% stake in BRX and exclusive global marketing rights to Bimoclolmol, Biorex's heat shock protein to treat type II diabetes, currently in phase II trials.

JBA demands reform

In May, the Japan Bioindustry Association (JBA; Tokyo), a nonprofit organization representing the biotechnology industry, asked the government to revise current bioremediation guidelines, which are being managed separately by the Ministry of International Trade and Industry (MITI; Tokyo) and the Environment Agency (Tokyo). Ebara (Tokyo), a manufacturer of industrial pumps, and Kyowa Hakko Kogyo (Tokyo), one of Japan's largest fermented-chemical producer, claim the two ministries are causing confusion by simultaneously releasing overlapping guidelines with different standards for evaluating the safety of such techniques. But the Environment Agency says its guidelines, which were released in March, focus on the potential effects of bioremediation on the environment, and covers studies on how microorganisms interact with different hydrological environments. The agency claims its guidelines “should not be considered as a double standard,” because MITI's regulations on bioremediation cover the industrial application of biotechnology, and therefore do not provide detailed protocols on environmental safety. But JBA argues that the two guidelines should not have different criteria for safety evaluation, and calls for them to be merged in order to minimize costs and to avoid having bioremediation companies follow two different set of rules.

Research collaborations

Company 1	Company 2	\$	Details
CuraGen (New Haven, CT)	Cor Therapeutics (S. San Francisco, CA)	2.6	A product discovery and pharmacogenomics pact whereby CuraGen will supply its bioinformatics expertise to identify new drug targets for cardiovascular disease. CuraGen retains rights to resulting proteins while Cor Therapeutics gets small molecules and inhibitory antibodies. Curagen will receive \$2.6 million research funding from Cor over 18 months.
MorphoSys (Munich, Germany)	GPC (Munich, Germany)	*	MorphoSys will develop and provide human antibodies against specific major histocompatibility complex class II molecules of interest to GPC. The program intends to develop immunology therapeutics to treat autoimmune diseases.
Abgenix (Fremont, CA)	Amgen (Thousand Oaks, CA)	*	Abgenix will receive upfront payments, and milestones for using its Xenomouse technology to generate human monoclonal antibodies against an undisclosed antigen of interest to Amgen. Amgen will develop, manufacture, and market resulting products and pay Abgenix royalties on sales of products.
CellPath (Seattle, WA)	Genzyme Molecular Oncology (Cambridge, MA)	*	Genzyme will provide 1.5 million small molecules from its library for CellPath to screen for new anticancer drug candidates. After screening, the firms will negotiate a research, development, and commercialization agreement.
Pharmacopeia (Princeton, NJ)	Tularik (S. San Francisco, CA)	*	A collaboration to discover small-molecule therapeutics for a range of diseases. Pharmacopeia will provide combinatorial chemistry libraries of compounds in return for upfront and milestone payments, plus royalties on sales. Tularik will provide high-throughput screening technology to identify drug candidates, and will develop and commercialize resulting products.

*Financial details not disclosed.