IN brief

Teva hits bull's eye with Cephalon

A battle for Frazer, Pennsylvania–based Cephalon ended in early May when Petach Tikva's Teva flashed a $6.8 billion tender, trumping Valeant Pharmaceuticals' $5.7 billion unsolicited buyout offer. Cephalon and Teva boards unanimously approved the deal, which is expected to close in the third quarter, and Mississauga, Ontario–based Valeant withdrew their offer, which was 12% below the Israeli company's bid. "Teva seems more interested in keeping Cephalon's pipeline rather than rationalizing the pipeline and divesting the elements," says senior research analyst Eric Schmidt, of New York's Cowen Group, who believes Valeant would have focused on cost-cutting and the laying off of some of Cephalon's 4,000 worldwide employees. "I do think the Teva outcome is better than the Valeant transaction." Cephalon's pipeline of central nervous system, oncology and pain candidates includes small cell lung cancer drug Obatoclax (GX15-070) a pan-B-cell lymphoma 2 inhibitor, in phase 2, and Cinquil (reslizumab) a humanized monoclonal antibody against interleukin-5 for severe asthma, in phase 3. Among Cephalon's marketed products are Provigil (sparlon) for excessive sleepiness, which accounted for 41% of 2010 net sales, but loses exclusivity next year, and Treanda for non-Hodgkin's lymphoma and chronic lymphocytic leukemia, that loses exclusivity in 2015. Interest in Cephalon followed the death of chairman and CEO, Frank Baldino, Jr., who founded the company in 1987. "Ever since Cephalon lost its CEO to illness last December, it's sort of had a target on its back," Schmidt says. *Karen Carey*

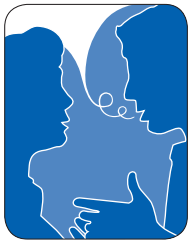
Amgen's Brazilian buying spree

Amgen has set its sights on the lucrative Brazilian pharma market in two recent moves: a $215 million takeover of star-performer Bergamo of São Paulo, and a separate agreement to buy back rights to several of its own drugs licensed previously to Mantecorp, now a subsidiary of São Paulo–based Hypermarcas. Bergamo, which supplies Brazil's hospital sector with oncology treatments, has seen 19% growth over the past four years and earned $80 million in 2010 alone. The acquisition provides the Thousand Oaks, California, biotech with a large portfolio of marketed products, an experienced workforce and sales channels for its own products. In parallel, by buying back rights to its products from Hypermarcas, Amgen regains Mimpara (cinacalcet) for hyperparathyroidism and Vectibix (panitumumab) for colorectal carcinoma, which are already marketed in Brazil, along with Nplate (romiplostim), a platelet growth factor for immune thrombocytopenic purpura approved by the US Food and Drug Administration and under regulatory consideration in Brazil. According to Rolf Hoffman, senior vice president of Amgen's international commercial operations, the company sees potential for "strong future growth" in Brazil for biopharmaceuticals and biologics, and its recent deals allow immediate access to the market, in-country capability and a firm foundation on which to further build its business. The activity should complement Amgen's 2009 establishment of a clinical development hub in São Paulo to conduct clinical trials in Latin America. But the firm's international expansion coincides with shrinkage closer to home: the laying off of 134 employees in two Colorado plants. *Jennifer Rohn*

Biologic Indian detour adds value

In May, Sanofi inked a $613 million licensing deal with Indian drug maker Glenmark over a novel anti-inflammatory monoclonal antibody (mAb) GBR 500, which the Mumbai-based pharma had earlier snapped up from a small Canadian biotech firm. It is "fascinating" says William Haddad, CEO of New York–based Biogenerics, referring to what appears a neat example of globalization in drug discovery in which an Indian company sells profitably to a Western pharma a drug originally developed in the West. In 2007, Glenmark reportedly paid less than $1 million to Chromos Molecular Systems of Vancouver, British Columbia, for two mAbs along with Chromos' proprietary ACE System technology used for manufacturing them. During the next three years Glenmark invested around $17 million to develop one of them—GBR 500, a VLA-2 (α-2 β-1) integrin antagonist—as a potential treatment for multiple sclerosis. Paris-based Sanofi paid an upfront $50 million to develop the drug for treating Crohn's disease and other anti-inflammatory conditions. "The deal speaks volumes about Indian innovation capabilities," says Sujay Shetty, of the PricewaterhouseCoopers Mumbai office. The euphoria should, however, be tempered by the fact that Glenmark's discovery efforts have suffered recent setbacks, including asthma drug oglemilast licensed to New York-based Forest Laboratories and a painkiller molecule to Eli Lilly, that failed in phase 2 trials. Shetty says past failures don't usually deter big pharma from collaborating with Indian firms. "It is only a matter of time before an original biologic from India enters the world market," he adds. *Killugudi Jayaraman*

IN their words



"We all agree that big pharma is useless at discovering new drugs and has to get its ideas from somewhere else." Mark Pepys, head of medicine at London's Royal Free and University College Medical School, has his own way of expressing thanks to GlaxoSmithKline for choosing him for a long-term partnership. (*Xconomy*, 10 May 2011)

"Biogen has been way too conservative, way too much like big pharma." George Scangos, newly appointed Biogen CEO, has been at work shaking up the company's compensation system to make sure the message comes across loud and clear. (*Reuters*, 10 May 2100)

"That is the pathway to destruction, as far as I can see." Roy Vagelos, former head of Merck, comment on the proposed National Center for Advancing Translational Science to an audience at the annual meeting of the Pharmaceutical Research and Manufacturers of America. (*Wall Street Journal Health Blog*, 15 April 2011)

"You have to become awfully large to be unaffordable—there's lots of cash, lots of capital out there for acquisitions." Medco CEO David Snow on why he expects a biotech merger and acquisitions foray as pharmas set out to quench their appetite for innovative drugs. (*Reuters*, 10 May 2011)

"The bottom line is that Washington is attempting to reduce health-care spending by constraining the speech of private firms that promote pricey drugs while promoting government research that discourages their use. The advance of medical practice will suffer if Washington can decide the standards for medical decision-making and control the flow of scientific information." Scott Gottlieb, former deputy commissioner of the FDA, sees dark clouds ahead after the sentencing of W. Scott Harkonen, former InterMune CEO, to six months in jail for issuing a press release about a retrospective analysis of clinical trial data for Actimmune. (*Wall Street Journal*, 6 June 2011)

"**The future of the National Institute for Health and Clinical Excellence is assured.**" Soon to be former chairman of the UK's NICE, Michael Rawlins, pronounces all will be well despite some changes. In addition to a name change (to the National Institute for Health and Care Excellence), becoming a nondepartmental body will remove some of the political influence, he claims. (*The In Vivo Blog*, 11 May 2011)

"The nadir has been reached and we're coming up the other side." The FDA's Janet Woodcock's optimistic view of the year to come at the FDA. She points out that smaller biotech companies are pushing a jump in approvals this year, with 12 new drugs approved already this year. (*Reuters*, 11 May 2011)