

British biotechnology

Commons ask for action

The agreement that gives the British biotechnology company Celltech exclusive rights to research carried out by the Medical Research Council was condemned last week by the Education, Science and Arts Committee of the House of Commons. In an interim report on its continuing inquiry into British biotechnology, the committee said that it is opposed to exclusivity in patent rights arising from research council work, and urged that the government should review the issue before the Agricultural Research Council comes to a similar arrangement (see *Nature* 29 July, p.412).

The committee seems to have been influenced towards this conclusion by the arguments of one witness that Celltech, having been put in a "monopoly position", must be assumed to have "responsibilities commensurate with its privileged position". The fear seems to be that some good ideas might not be pursued effectively in these circumstances.

Consistently, the committee also advocates that the British Technology Group should be deprived of its monopoly right to the first refusal of patent rights developed in research council laboratories. This goes back to 1947, when the National Research Development Corporation (now merged in the British Technology Group) was given the right to exploit (if it chose) patent rights arising from publicly supported research.

On this point, the committee seems to be pushing at an open door: the Secretary of State for Industry, Mr Patrick Jenkin, told the committee that a consideration of this question was "long overdue". For the rest (and apart from a proposal that British universities should publish lists of their members of staff holding consultancy agreements with industry), the interim report is a complaint that the British government has responded too hesitantly to the advice it has been given in the past two years followed by a string of detailed recommendations for improving the machinery of government.

Thus, the committee says, the Department of Industry should have a formal channel of communication with the University Grants Committee (UGC) so as to be able to make its opinion felt that a greater share of the universities' budget should be spent on science and technology. UGC should conversely be represented on the department's biotechnology committee (which might raise constitutional difficulties) and should set up a "more specific decision-making structure" for "strategic decisions about biotechnology".

The essence of the committee's interim report is centralist — it pleads for a "more coherent science policy" and in particular for the restoration of support for research

"within the dual support system". But the report also asks that there should be a study of tax incentives as a means of stimulating industrial links with the universities and more deliberate study by the British research councils of the earmarking of student training places for intending biotechnologists.

Entrepreneurship

Monsanto act

A new venture capital fund with ambitions in biotechnology has been set up in Britain on the initiative of Monsanto, the US chemical manufacturer. Other partners in the venture include the Universities of Oxford, Cambridge and St Andrews, Imperial College London and the Nuffield Foundation, to whom the project is primarily another kind of financial investment.

The new fund will have an initial capital of £10 million (of which Monsanto will be contributing a half). The fund will be called Advent Eurofund, and will be managed by a board whose chairman is Sir Kenneth Cork, a skilled accountant.

The prospectus of the new fund is wide, covering most fields of high technology — robotics as well as biotechnology. The immediate objective is to seek minority holdings in new and established companies, investing sums between £100,000 and five times as much in order to acquire them.

Advice on prospective investments will be provided by an advisory committee including Sir Peter Hirsch and Dr W. Graham Richards (both of the University of Oxford) and Sir Hans Kornberg (University of Cambridge). Dr G. Edward Paget, director of biomedical programmes at Monsanto, will also be a member.

One member of the advisory committee said this week that his chief interest was to find ways of helping academics in British universities and elsewhere to turn their bright ideas into commercial realities. In the past few months, the venture capital scene has unexpectedly come to life in Britain. The merchant bank N.M. Rothschild has a \$50 million fund for investment in biotechnology (mostly overseas), while Technical Development Capital, a subsidiary of Finance for Industry (owned by the British clearing banks) has also been active in the field. In microelectronics, there has been ill-informed controversy about the activities of Mr Jack Melchor, the Californian entrepreneur, who has apparently been testing the nerves of potential British businessmen by using £2 million from the British Technology Group to back people with ideas only if they relinquish financial control.

Signs of hope

Biotechnology is alive and well and living in at least 22 British universities. This is the burden of the first report of a body of officials called the Inter-Research Council Coordinating Committee on Biotechnology, published before the House of Commons report. In effect, it is the research councils' reply to the report prepared two years ago by a group under the late Sir Alfred Spinks meeting under the auspices of the Advisory Board for the Research Councils, the Advisory Council on Applied Research and Development and the Royal Society.

The new document, emolliently out of tune with that of the House of Commons committee, says that even before the recommendation two years ago that research council spending on biotechnology should be at least £3 million a year, expenditure amounted to £4 million in 1979-80 (and was more than £7 million the following year).

The group says, however, that it cannot accept the suggestion that successful research grant applications should include some in which there is evidence of industrial interest, but reaffirms the commitment of the research councils to "support the best science".

The research council group also resists the proposal that a small number of the centres of excellence should be established in biotechnology on the grounds of "a lack of support from government", the breadth of biotechnology and the wide distribution of relevant studies in 22 British universities.

The group says that British institutions must reconcile themselves to the loss of a proportion of people trained in Britain to posts overseas, pours cold (or at least lukewarm) water on the European programme in biotechnology and raises two subversive questions for future decision. Should British scientists who have commercial links with companies overseas be denied research council grants to support "underpinning research"? And what should be done to equalize the rewards from commercial collaboration of full-time members of research council laboratories and their intellectual partners, who "stand to gain financially to a substantially greater degree"?

One of the Spinks recommendations is, however, accepted — the need for new mechanisms to bridge what is called the "predevelopment gap" between the bench and the manufacturing plant. The document acknowledges that under peer-review, proposals designed to produce useful products "may be regarded as scientifically interesting".