Amgen to spend \$80 million to create Canadian institute

Washington. A Canadian subsidiary of Amgen Inc. of Thousand Oaks, California, will spend C\$100 million (US\$80 million) over the next ten years to create a medical research institute in Toronto that will study the human immune system and how it relates to diseases such as cancer. The institute is another indication that the US biotechnology industry has matured to the point where its leading companies can begin to emulate the global pharmaceutical giants by looking outside their own laboratories for the next blockbuster drug. However, that strategy is not without its own risks (see below).

The Amgen Institute will be located next to and will retain strong links with the Ontario Cancer Institute/Princess Margaret Hospital (OCI/PMH). It will be headed by Tak Wah Mak, an immunologist who in 1984 discovered the T-cell receptor. Mak resigned as head of the division of cellular and molecular biology at OCI/PMH to take up the new post but will still be a member of that department. The affiliation agreement will allow OCI/PMH, Canada's largest cancer treatment and research centre which is affiliated with the University of Toronto, to create a fully endowed research chair and strengthen its training programme as well as to recruit top scientists to the area. The grant-funded research arm of OCI/PMH has an annual budget of about C\$15 million.

In return for its investment, Amgen has acquired the exclusive rights to all pending patents currently held by the cancer centre in the area of gene knockout mice (based on Mak's work for the past four years) and all rights to any inventions derived from the new institute. Those rights extend only to the work of Mak and employees of the new institute and not to the 36 senior scientists who will continue to work for the cancer centre. As part of the affiliation agreement, the cancer centre will retain some influence over the governance, recruitment and review procedures of the new institute.

Founded in 1980 and with two of the top-selling biopharmaceuticals on the market (in Epogen and Neupogen), Amgen is in the enviable position of being one of a few biotechnology companies generating product sales, with revenues last year of US\$1.128 billion. Setting up a complementary research arm with close ties to an academic institution will provide Amgen with "a direct pipeline into the newest technologies, techniques and information", says Mak.

Preliminary negotiations were focused on a collaboration with the cancer centre. Eventually, however, Amgen decided to create an institute affiliated closely with OCI/PMH and led by Mak that would carry

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REASONS

Canada's Tak Mak is the man for Amgen.

out basic research. "In order to get a productive research unit you need a man at the top", says Daniel Billen, general manager of Amgen Canada. "That man at the top for us is Tak Mak."

The new institute, to be completed in March 1994, will occupy 25,000 square feet

in a building owned by OCI/PMH that will be adjacent to and physically joined by a connecting bridge to a new OCI/PMH facility to be ready the following year. When fully staffed, the institute will employ about 70 people, including a dozen or so senior research scientists.

Mak says that he will be looking for individuals with backgrounds in lymphocyte activation, neurobiology and the regulation of cell growth as well as specialists in immunoregulation, his own area of interest.

New employees will also be eligible for cross-appointments in the research divisions of the cancer centre and will be able to apply for research grants from outside sources.

Under the terms of the 10-year agreement, the cancer centre will receive C\$2 million from Amgen to fund a fully endowed research chair, most likely in molecular biology, as well as money to expand by 10 positions a year its current level of 60 graduate students and 50 postdoctoral scientists. The cancer centre will also receive payment by Amgen for use of its core facilities, including its animal colonies and media preparation facilities.

Although this will be the first centre of its kind set up by Amgen outside its California headquarters, Billen says that the company has plans to fund two additional research centres — both in the United States.

Diane Gershon

Terms of Scripps-Sandoz agreement may be more common than its critics believe

Washington. Bernadine Healy, the outgoing director of the US National Institutes of Health (NIH), last week sharply criticized an offer from the Sandoz Pharmaceuticals Corporation of New Jersey to spend \$300 million over ten years at the Scripps Research Institute in La Jolla, California. In testimony that was not screened by her political bosses, Healy told a congressional subcommittee chaired by US Representative Ron Wyden (Democrat, Oregon) that the proposed contract "does not seem to be in the best interests of the biomedical community, the public or US competitiveness" and that it "does not match similar agreements between other nonprofit laboratories and industry".

The first point is open to interpretation, of course; Wyden is concerned that Sandoz will have a monopoly over \$100 million a year in federal research in return for its investment, a view hotly disputed by officials from Scripps and Sandoz. An answer to the second point must await the responses of 104 academic institutions to a request

made last month by NIH to describe their collaborations with industry. But a preliminary analysis suggests that Healy's description of the agreement as an "aberration" is, in certain respects, incorrect.

At the heart of the Scripps-Sandoz agreement, due to take effect in 1997, is a panel of seven scientists each from Scripps and Sandoz that would decide how to spend \$12 million of the \$30 million a year coming from Sandoz. (The rest will go into a general account for nondirected research.) The group, called a Joint Scientific Council, would operate much like an NIH study section, rating proposals submitted by Scripps researchers and funding those it likes best.

That is precisely the way an advisory committee created by the largest existing collaboration between a pharmaceutical company and a US research institution — a \$100-million agreement between Monsanto and Washington University medical school in St Louis, Missouri — has operated since 1982. Once a year, five senior scientists from each institution sift through the re-

sponses to a request for proposals and choose those most worthy of support.

Last year, for example, the Monsanto–Washington University committee funded about a third of the proposals it received; at any given time, the \$9 million a year from Monsanto is supporting about 50 projects. Those rejected are free to find other support, typically from NIH; the same would be true at Scripps. The concurrence rate between university and company scientists “is very high”, says David Kipnis, who helped to negotiate the agreement and who was until recently chairman of the department of medicine at the medical school.

No such council exists in the current agreement between Scripps and Johnson & Johnson (J&J) of New Jersey, on which the company spent \$10.5 million last year. (As in the Sandoz agreement, J&J spends some of its money on specific projects with the rest going into a general pot for use as Scripps sees fit.) Instead, there is a medical utility evaluation committee that discusses the results of work by Scripps scientists; anyone doing work deemed of interest to the company is asked to submit a proposal, which is reviewed by several J&J officials. “We think that the council is a much better way of doing things”, says William Beers, a senior vice president at Scripps. “It’s something that scientists are already used to.”

Healy last week testified that the agreement “forbids too many things and runs counter to the spirit of science”. In particular, she is concerned about the authority of Sandoz officials to terminate research projects that they feel are ripe for development and to review existing agreements between Scripps researchers and other companies as they expire.

Beers admits that at present J&J “does not have the right to intercede” on the fate of existing agreements with other companies but that under the Sandoz contract “we will have to go to them [Scripps] first”. However, he says that Sandoz would not assume control of a project until it is ready for commercialization and that Scripps “is not in the business of developing drugs”. Speaking only about his university’s collaboration with Monsanto, Kipnis says that “most of the time it’s the other way around: a scientist thinks that he has a cure for something and wants it to be developed right away and the company says it’s not interested.”

Lawyers for Scripps believe that Healy has spent insufficient time reading a lengthy technical document and that her comments misinterpret the spirit of the contract. Healy acknowledges that NIH lawyers had barely a day to review the agreement, which may also explain why her sharpest criticism did not appear in the advance version of her testimony that is routinely reviewed by White House officials. The Clinton administration has no official position on the controversy, which arose shortly after the agreement was announced in early December.

Jeffrey Mervis

British JET workers protest against hiring discrimination

Oxford. Fusion research at the Joint European Torus (JET) laboratory at Culham in Oxfordshire continues to be disrupted by British scientists striking in protest against future employment barriers based on age and citizenship.

their colleagues are employed by EC’s nuclear agency, Euratom. As a result, British researchers are treated as external applicants when applying for positions at other EC projects.

Some 150 workers participated in the most recent strike, held on 5 March. It was a response to the rejection on 26 February by the JET Council of their request to be made temporary EC employees. Last September, an independent panel appointed by Filippo Pandolfi, then EC research commissioner, recommended that the AEA staff at JET should be given temporary EC contracts or at the least that they should in future receive preferential treatment over outside applicants. The JET Council rejected

Striking JET workers and their families offer their views.

JET is due to close at the end of 1996, and many of its 420 employees hope to be employed by other research projects supported by the European Commission (EC). That has already happened to 13 of the 20 staff made redundant last year. But the remaining seven — all Britons — have failed to find work partly because of an EC policy that new employees must be under 35 years old for junior posts and under 50 for senior posts.

British workers at JET are employed by the UK Atomic Energy Authority, while

the first suggestion and endorsed the second, which it has no power to implement.

The only concession so far to British workers has been to raise the age limit to 50 for all vacancies at the forthcoming International Thermonuclear Experimental Reactor (ITER) project. But representatives of the striking workers say that the change is too little, too late: ITER is only one of many EC projects, and it will employ only a hundred people in its initial stage.

Oliver Tickell

NASA shrinks station, elevates life sciences

Washington. Facing a mismatch between money and ambition, US President Bill Clinton has told the National Aeronautics and Space Administration (NASA) to design a smaller space station with fewer functions than the one now being built. The new station will orbit for half the scheduled 30 years, will be easier to maintain and may not be permanently inhabited. Some 40–50 engineers and scientists from NASA, industry, universities and the project’s partners in Europe, Japan and Canada have been given until 1 June to propose options.

The overall cost to build the new station will be “significantly less” than the former estimate of \$31 billion, according to NASA Administrator Daniel Goldin. Lifetime operational costs for the facility — which have been estimated to be as high as \$100 billion — will be reduced by half. NASA has al-

ready spent \$8.5 billion on the project, and the redesign team, will try to retain as much of that work as possible. Clinton wants the station to be completed within five years and he wants NASA to begin conducting research — whether on the space station, on a space shuttle modified for long stays in orbit or on a Russian orbiting station — by 1997.

Last week, on the same day as Goldin announced the station redesign, NASA also announced changes in the organization of its research programme. New offices within the agency will be responsible for life and microgravity sciences; advanced concepts and technology; planetary science and astrophysics; and Earth science. The reorganization is consistent with NASA’s emphasis on biological research as an essential activity for the station.

Tony Reichhardt