

spoke at a National Academies seminar on drug advertising on 3 August. "There's no reason to believe that pharmaceuticals are an exception to that." Calfee says that advertising provides information that consumers would not otherwise have, and helps them get the prescriptions they need from their doctors.

But the data are open to different interpretations. Richard Kravitz of the University of California, Davis, investigated how physicians respond to patients who walked into their surgeries to complain about depression (R. L. Kravitz *et al.* *J. Am. Med. Assoc.* **293**, 1995–2002; 2005). Like the drug ads, Kravitz's study provided employment for actresses, who feigned the symptoms of major depression or of a milder version known as adjustment disorder. On different visits, they asked for Paxil, an antidepressant made by GlaxoSmithKline; or for an antidepressant without naming one; or they didn't specifically ask for medicine at all.

"It was a complicated study, with some complicated findings," Kravitz says. Patients with the symptoms of major depression were much more likely to get the prescription that most doctors think they should get if they ask for a drug by name. But patients who reported the symptoms of adjustment disorder and don't need an antidepressant were also more likely to be prescribed one if they named Paxil.

### Political pressure

Matt Hollon, a physician at the University of Washington who wrote an editorial accompanying Kravitz's finding (*J. Am. Med. Assoc.* **293**, 2030–2033; 2005), says it is not known whether the advertising influences people who really need treatment or gets the attention of those who don't. "That's the big, unresolved question about direct-to-consumer advertising," he says.

The reception for the industry's voluntary guidelines has also been mixed. "It's a welcome step but it is insufficient," says perennial industry critic Sidney Wolfe of the US consumer group Public Citizen.

Perhaps more significantly from the industry's point of view, powerful Republican politicians say the guidelines don't go far enough. Chuck Grassley (Republican, Iowa), chair of the Senate finance committee, says he will continue to back legislation requiring the ads to be vetted by the FDA before transmission.

Bill Frist (Republican, Tennessee) called the guidelines "an important first step" but repeated his call for a moratorium on advertising newly approved drugs.

But Tauzin says the guidelines will lead to ads that are "more educational, more balanced and more complete". If he's right, the public will experience a difference, and regulatory pressure on advertising could wane. ■

## IN BRIEF

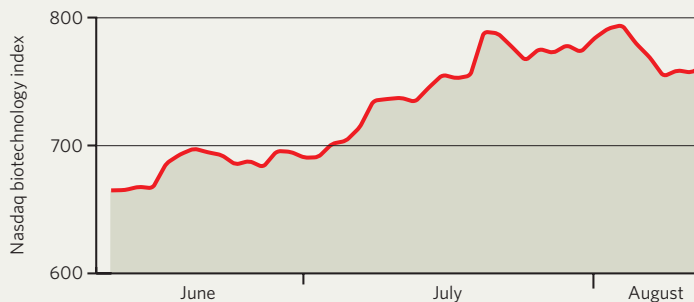
**WALL STREET PROBE** The Securities and Exchange Commission (SEC) has been asked to investigate claims that stock-market analysts are paying doctors to leak early findings from clinical trials of drugs. Senator Chuck Grassley (Republican, Iowa), chair of the Senate finance committee, has asked the SEC to look into the allegations, which were first reported on 7 August in *The Seattle Times*. The report said that analysts used the information to promote biotechnology stocks, whose values rest heavily on single trial outcomes.

**OUT OF ORBIT** The man in charge of satellite and intelligence programmes at aerospace company Boeing is to retire early, amid allegations of cost overruns on vast contracts to build secret networks of satellites for the US government. Roger Roberts, the senior executive responsible for the programmes, will retire at the age of 58. Information about one of the contracts — a \$20-billion project to build spy satellites for the National Reconnaissance Office — has leaked into the public domain as members of Congress grow concerned at spiralling costs.

**GREATER ELAN** Irish biotechnology company Elan and its US partner Biogen Idec have said that a safety evaluation of their multiple-sclerosis drug Tysabri is proceeding well and could be completed this summer. Shares in Elan rose by about a fifth to \$7.25 on the news. They had crashed earlier this year after it became known that two patients who had been taking part in the trials had died of a rare brain disease. Elan and Biogen are expected to resume large-scale trials of the drug soon.

## MARKET WATCH

### BIOTECHNOLOGY STOCKS



This week Wood Mackenzie, an Edinburgh-based research and consulting firm, reviews recent trends in biotechnology stocks.

Having been fairly flat since April, the Nasdaq Biotechnology Index twitched upwards in mid-June and then gathered momentum to show a sustained rise during July. Thanks to stronger than expected second-quarter financial results from several companies, the index rose by an encouraging 14% over the past two months.

In July, industry bellwether Amgen of Thousand Oaks, California, regained its crown as the largest single company in the sector by market capitalization, after announcing strong sales growth of its existing drugs, as well as positive clinical-trial results for several new ones. The tussle for the top market valuation between Amgen and Genentech of South San Francisco, California, has helped to bring investor attention to the sector as a whole, with

a positive effect on stock valuations.

Other companies reporting strong second-quarter results include Genzyme of Cambridge, Massachusetts, whose improved gross margins on drug sales led to increased earnings, and Kos Pharmaceuticals of Cranbury, New Jersey, which saw increased sales of its cholesterol and asthma drugs.

Protein Design Labs of Fremont, California, announced that it expects to achieve sustainable positive cash flow by the end of 2005. The company was also buoyed by the announcement of a strategic alliance with Biogen Idec of Cambridge, Massachusetts, to co-develop monoclonal-antibody drugs.

Despite the index's recent good performance, it has still merely regained the value it had at the beginning of the year. The industry needs to maintain its momentum for a few months more if it is to achieve a turnaround in its fortunes. ■

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