

Massachusetts Institute of Technology (MIT), for example, investors don't put in funds but do offer advice to managers of its gap fund, which is run from the Deshpande Center. Set up in 2002 with a \$20-million gift from optics entrepreneur, Desh Deshpande, this centre has so far given grants to about 50 projects. These have yielded nine companies, which between them have attracted \$40 million in venture funding.

But many universities have had a tougher time with their initiatives. When the BioGenerator was founded in 2004 in St Louis, Missouri, for example, it said it hoped to be managing seven companies within two years.

"New ideas need new organizational structures."

for its charges — including more money to take their research forward.

"We now understand the importance of putting money into translational research while technology is still at the university, before making a commitment to create a company," says Marcia Mellitz, a BioGenerator board member who also runs the Center for Emerging Technologies, another St Louis business incubator.

Indeed, venture-capital groups can shy away from university-based projects that incubate new companies. Investors sometimes claim that the universities — which are keen to please academics and satisfy local political demands to create jobs — don't assess commercial potential objectively enough, and will continue to support ideas that don't meet expectations.

"A venture capitalist putting a company together is a whole lot different from what happens in a university setting," says Patricia Beckmann, chief scientific officer of Homestead Clinical Corporation, a blood-diagnostics company that originated at the ISB and is being backed by Accelerator. "Our feet are in the fire for returns," she says, referring to the demands that are placed on her company to meet milestones.

Institutions in other cities, from San Diego to St Louis, have visited Seattle to spy on how Accelerator is shaping up. "We're not saying it's the only model, but it's a model that works," says David Schubert, Accelerator's business officer. He acknowledges that it will take another five years to measure its success or failure.

Hood ascribes the idea to his frustration in the past with the amount of time it can take to obtain venture-capital funding. After three decades in biotechnology, he says he has learned at least one thing: "New ideas need new organizational structures." ■

So far it has found only three, and is being restructured to provide more intensive support

IN BRIEF

TOTALLY WIRED The United States has reclaimed pole position in a league table of the 'most-wired' nations, according to the World Economic Forum. Singapore, Denmark, Iceland and Finland fleetingly supplanted it last year as the nations where telecommunications and information technology had the widest and deepest reach, the forum's annual survey finds. It describes the United States as a 'powerhouse' in information technology that continues to set the standard for other nations.

GENERIC GRAB Europe's largest pharmaceutical company has carved out a piece of the burgeoning market for generic drugs, buying one-quarter of a fast-growing East European generics developer. Sanofi-Aventis has bought 24.9% of Zentiva, a Czech generics maker with 4,200 employees, for €430 million (US\$520 million). The move makes Sanofi-Aventis the largest single shareholder in Zentiva, which markets 270 drugs in eastern and central Europe, and has additional production sites in Slovakia and Romania.

NUCLEAR SELL-OFF The UK government has confirmed that it will sell its nuclear clean-up business, British Nuclear Group, by autumn 2007. The group is currently part of the state-owned BNFL. The government also upped its estimate of the total future cost of cleaning up existing UK nuclear sites from £56 billion (US\$98 billion) to £70 billion — the British Nuclear Group is likely to be well-positioned to win contracts under this huge clean-up programme

MARKET WATCH

BIOTECHNOLOGY STOCKS



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

The Nasdaq biotechnology index rose in February and dropped back in March, but the overall trend remains positive, with a gain of 6% since the start of the year. February saw strong 2005 financial results posted by many of the major biotech companies, bolstering investor confidence in the sector.

The changing fortunes of Biogen Idec in Cambridge, Massachusetts, had a particularly strong influence on the index. The company's year so far has been a tale of two antibodies. Its shares rose 12% in February when the US Food and Drug Administration (FDA) approved its anticancer antibody Rituxan to treat rheumatoid arthritis and an FDA advisory committee recommended that the antibody Tysabri should return to market to treat multiple sclerosis. Tysabri had been withdrawn from sale in February

2005 on safety grounds. The FDA subsequently delayed making a final decision on the drug, causing Biogen's shares to shed much of their earlier advance.

Other share movements were dictated by the results of clinical trials. Adolor of Exton, Pennsylvania, saw its share value rise by more than half after good trial results for its post-surgery bowel treatment Entereg. Another Pennsylvania company, Novavax in Malvern, enjoyed a whopping 79% increase in its share price after presenting promising preclinical data on its early-stage bird-flu vaccine.

But Antigenics of New York lost almost half its share value when experimental cancer drug Oncoophage failed to meet expectations in kidney cancer patients. And unexpected side effects from hepatitis C treatment valopicitabine shaved nearly 40% from the share price of Idenix Pharmaceuticals of Cambridge, Massachusetts. ■