



Clinical contractors have been put under the spotlight by a recent drug trial in London.

spending on drug development grew by 11%. "The factors driving growth now are not going to change," says Getz.

Parexel has declined to discuss the circumstances of the London trial in detail. Six healthy volunteers became seriously ill soon after injection of a monoclonal antibody made by the tiny German firm TeGenero. They were dosed rapidly one after another — according to a protocol approved by regulators — so that all the subjects had received the drug before the first one fell ill.

Parexel did issue a statement on 5 April, the day the British Medicines and Healthcare Regulatory Agency (MHRA) released an interim report stating that nothing in the way the trial was run contributed to the volunteers' illness (see *Nature* 440, 855–856; 2006). "The MHRA has confirmed that the trial was run according to the approved protocol," the Parexel statement said. "These findings support our internal review that best practices and policies and procedures were correctly followed."

The MHRA's interim findings "should be seen as a positive for the industry," says Alex Alvarez, an analyst at Goldman Sachs. But he cautions that the booming industry needs to watch its step. "The one area where the whole industry could fall apart is if one of these CROs decided to do something improper or skip steps simply to expedite a trial or reduce the cost of a trial." In Alvarez's judgement, industry managers are unlikely to let this happen. "They know that's probably the biggest risk to them and to the industry. That's not an area where they would be looking to cut time or costs." ■

## IN BRIEF

**GREEN LIGHT FOR BIOGENERIC** The European Commission granted its first-ever approval to a generic biological drug — for Omnitrope, a copycat version of human growth hormone, made by the Sandoz unit of Swiss drug-maker Novartis. The landmark decision was made under a 2005 law that opens a route to market for biogenics in Europe (see *Nature* 438, 154–155; 2005). In the United States, meanwhile, a federal judge ordered the US Food and Drug Administration to end four years of inaction on Sandoz's application to market Omnitrope in the United States.

**VALLEY SUNSET** Sun Microsystems founder Scott McNealy, one of the best-known business leaders in California's Silicon Valley, stepped down as chief executive of the computer company, after 22 years. McNealy, known for his hard-driving management style and his endless feuding with Microsoft's Bill Gates, will remain company chairman but be replaced as chief executive by another Sun manager, Jonathan Schwartz. Sun has struggled to cope with soft demand for its Internet servers since the dot.com boom collapsed in 2001.

**VIOXX SCORECARD** Merck suffered a setback in litigation over the painkiller Vioxx. A jury in south Texas ordered the company to pay \$32 million in damages to the family of Leonel Garza, a 71-year-old man who suffered a fatal heart attack after taking the painkiller for less than a month. The New Jersey company has now lost three of six Vioxx cases to reach juries, and is facing about 11,500 more lawsuits over a drug that it withdrew in 2004, after a study linked its long-term use to an increased risk of heart attacks and strokes.

## MARKET WATCH



Nanotechnology stocks continued their strong run in the spring, with the Lux Research index rising about twice as fast as wider measures of the technology market over the past two months.

Strong performers during this period included Immunicon, a Pennsylvania-based company that develops magnetic particles for use in cancer diagnostics, whose shares soared from just over \$3 to touch \$5 last month after it announced the extension of a collaborative research agreement with Pfizer at the end of March.

Another stock that powered ahead since March was Arrowhead Research, a diversified Californian nanotechnology group. According to Peter Hebert, president of Lux Research, the New York consultancy that compiles the Lux index, Arrowhead

owns several small companies that may soon be ready to make initial public stock offerings.

There have been no such offerings so far this year in the United States, but Cap-XX, an Australian company that makes supercapacitors, launched successfully on London's AIM on 27 April, raising about £17 million (US\$31 million) from investors.

Hebert says that adverse reports about the safety of nanotech — notably those that followed the withdrawal of a bathroom cleaner called Magic Nano in Germany on 30 March — have had little effect on overall market sentiment. "It's a significant issue," he says, "and it's important that research is done into health and safety. But large companies are not shifting away from nanotechnology and neither are national governments."

Colin Macilwain

SOURCE: LUX RESEARCH