

**Patent update.** In the latest jockeying over biotech patent rights, Hoffmann-La Roche (Nutley, NJ) is suing Genentech (South San Francisco, CA), charging that the biotech company's recombinant human growth hormone infringes a patent Roche has licensed from the Hormone Research Foundation (Berkeley, CA).

Cetus Corp. (Emeryville, CA) charged Amgen (Thousand Oaks, CA) with infringing Cetus's patents covering interleukin-2 made via genetic engineering. Amgen had previously sought a declaration from the U.S. Patent Office that it was not infringing the Cetus patents.

Eli Lilly (Indianapolis, IN) reported that a federal appeals court overruled a lower court and upheld a patent on "sandwich immunoassays" held by its Hybritech (San Diego, CA) unit. Monoclonal Antibodies Inc. (Mountain View, CA), the firm Hybritech is suing for infringement, is expected to appeal.

Johnson & Johnson (New Brunswick, NJ) reached an out-of-court settlement in its patent infringement suit against Becton Dickinson (Paramus, NJ). J&J reportedly will receive a \$5-million payment from Becton, which in turn will get a license for the research and diagnostic uses of the monoclonal antibodies in question.

**Stock performances.** Recent announcements, favorable and unfavorable, have buffeted the stock prices of a number of biotech companies. Monoclonal Antibodies Inc. dropped from \$13 per share at the end of August to around \$6 by the beginning of October on news of Hybritech's successful patent infringement suit and the recall of Monoclonal Antibodies' ovulation predictor test by Ortho Pharmaceutical (Raritan, NJ) because of stability problems. Bio Logicals (Toronto), on the other hand, increased some 70 percent to \$2.25 a share on news of its proposed merger with Rose Group (Toronto), a real estate developer. Bio Logicals management maintains that the company will continue its biological R&D. And Genetics Institute (Cambridge, MA) stock rose close to 25 percent since the middle of September, in part due to its discovery of interleukin-3, which could find application in AIDS treatment.

**Tax legislation implications.** According to PaineWebber (New York, NY), the biotechnology industry does not stand to gain in the near-term from the proposed new tax rules...because biotech firms currently do not pay significant taxes. Less favorable tax-loss carry-forwards and decreased investment tax credits will also hurt biotech companies. By 1989 and beyond, however, the proposed minimum alternative tax will tend to lower these firms' tax rates.

**Swedish consolidation.** Pharmacia AB (Uppsala) says Incentive AB accepted an offer of \$114 million for 61 percent of LKB Producter AB (Bromma). The deal would give Pharmacia, which intends to pursue the remainder of LKB's outstanding stock as well, 82 percent voting control of LKB. The union of the two instrumentation and separation technology companies produces a biotechnology supply conglomerate with projected annual revenues well over a quarter of a billion dollars a year.

**Anti-biotech lobbying.** Jeremy Rifkin of the Foundation on Economic Trends (Washington, D.C.) seems to have turned some of his attention away from combating the deliberate release of genetically engineered bacteria and toward the U.S. Department of Defense (DoD). In suits against DoD, he is seeking to enjoin the entire U.S. biological defense research program, and he charges the Army with fabricating test results of an experimental chikungunya vaccine and failing to investigate the 1981 disappearance of quantities of chikungunya virus from the Ft. Dietrich Bio-Warfare Research laboratory. The Foundation also established a \$100,000 Whistle Blower's Fund to protect scientists from reprisals that could result from their presenting evidence of biological warfare experiments conducted in violation of the 1972 Biological Weapons Convention.

**The business of AIDS.** Acquired immune deficiency syndrome is continuing to generate business for biotech companies. The U.S. National Institutes of Health (NIH) awarded Repligen Corp. (Cambridge, MA) a 27-month, \$1.9-million contract for the production of recombinant pro-

teins for research on an AIDS vaccine. Separately, Centocor (Malvern, PA) announced that it will market to the research community two genetically engineered peptides from the core and outer envelope of the HTLV-III virus. The peptides were developed in collaboration with Repligen and Robert Gallo of the National Cancer Institute. In another government contract, NIH awarded Biotech Research Laboratories (Rockville, MD) \$1 million over two years to develop more sensitive and specific tests for the detection of HTLV-III antibody and virus. Finally, the U.S. Army gave Damon Clinical Laboratories, a division of Damon Corp. (Needham Heights, MA), a \$6-million contract to test active duty Army servicemen and National Guardsmen for AIDS.

#### **New product introductions:**

- The joint venture between Cetus Corp. and Ben Venue Laboratories (Bedford, OH) received U.S. Food and Drug Administration (FDA) approval to begin marketing its first anticancer product, Methotrexate. The Cetus-Ben Venue Therapeutics partnership reports filing 17 Abbreviated New Drug Applications with FDA for seven off-patent chemotherapeutic drugs.

- Celltech (Slough, U.K.) introduced the world's first bovine serum albumin (BSA) reagent, Reselute™-BSA. This immunopurification product will be used to remove BSA, a contaminant in pharmaceutical compounds produced via mammalian cell culture.

- Serono Diagnostics (Norwell, MA) introduced the MonAbrite Legionella Poly-Screen Panel which requires only one hour to detect 33 of the known strains of bacteria responsible for Legionnaires' Disease.

#### **New agreements involving biotech companies:**

- Chiron Corp. (Emeryville, CA) and Ciba-Geigy (Basel, Switzerland) formed a 50-50 joint venture to develop recombinant vaccines against infectious diseases, such as AIDS, herpes, hepatitis, malaria, and cytomegalovirus.

- DNA Plant Technology Corp. (Cinnaminson, NJ) and Du Pont (Wilmington, DE) will develop unspecified value-added plant varieties.