IN brief

Shutdown by auction

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Bids under seal

On December 8, sphingosine 1 phosphate receptor (S1P1) agonists, including preclinical and toxicology data, came under the hammer in a sealed bid auction. The small molecules on offer were generated by Lexington, Massachusetts–based EPIX Pharmaceuticals in collaboration with Amgen of Thousand Oaks, California. Earlier, EPIX was forced to shut down operations due to lack of funds. Rather than enter a formal bankruptcy proceeding, the company assigned the S1P1 agonists along with its other assets to Joseph Finn Jr., managing partner at accounting firm Finn, Warnke & Gayton, of Wellesley Hills, Massachusetts, to be offered in a bidding sale. The procedure, available in Massachusetts and other states including California, is well regarded by troubled biotechs and their creditors because it enables companies to quickly wind down operations. For instance, Source Precision Medicine of Boulder, Colorado, and Woburn, Massachusetts–based Prospect Therapeutics went through such auctions in the last few years. The process of assigning assets, finding a buyer, vetting creditors and distributing the proceeds can be wrapped up in six months, whereas chapter 7 bankruptcies typically take a year or longer. Finn requests sealed bids, which is faster than an open auction where bidders go back and forth trying to top one another as seen in chapter 7 cases. Typically 50 to 60 companies sign confidentiality agreements with about 10% of those actually making a bid. It is difficult to know whether the one-shot bid process results in higher values. Bids sometimes come in within $100,000 of each other suggesting that's the true value of the asset, although other times Finn said the creditors "catch lightning in a bottle" with one bid substantially higher than the rest. Perhaps more important than speed, the assignment process allows company founders to see where the assets they slaved to develop are headed. "I try to make the process of winding up the company one that gives them closure of their life's work," Finn said. *Brian Orelli*

IN their words

"Our portfolio has had seven NDA submissions since 2008, with five approved and two still pending, That should be a success, except it has taken twice as long to get there as it used to five or six years ago. The math with the FDA just doesn't work anymore for us in terms of a venture fund lifecycle." Scale Venture Partners' Kate Mitchell on why their investment firm is retreating from healthcare. (*Forbes*, 8 November 2011)

GlaxoSmithKline malaria vaccine phase 3 trial heralded

London-based GlaxoSmithKline (GSK) released one-year follow-up data from a phase 3 trial of its malaria vaccine RTS,S (Mosquirix) triggering talk that the world's first vaccine against a protozoan disease could be tantalizingly close to market. It's taken several decades to get to this unprecedented achievement: the protective effect is the highest ever achieved for an malaria vaccine in clinical development (*N. Engl. J. Med.* **365**, 1863–1875, 2011). No one doubts that the RTS,S shot represents a tremendous scientific breakthrough, but opinions remain mixed as to its public-health impact owing to its inability to provide more complete protection against infection.

"After over four decades of malaria vaccine research, we have reached a new stage," says Vasee Moorthy, who works on malaria vaccines at the World Health Organization (WHO) in Geneva. Vaccination with RTS,S showed a 54% reduction in clinical malaria cases, and a 47% reduction in severe malaria cases, in 6,000 children aged 5–17 months compared with controls. More data from this large-scale trial, conducted on 15,460 children in total, across 11 sites in seven African countries will emerge over the next 3 years, and barring any major setbacks, the vaccine could be licensed for use in Africa as early as 2015. "Scientifically, this is startling. Few believed that with one protein of a very complex parasite you would be able to make a vaccine that protects at the level that this does," says Melinda Moree, CEO of Washington, DC–based BIO Ventures for Global Health, and former director of the PATH Malaria Vaccine Initiative (MVI).

Recent efforts to control malaria—including the introduction of insecticide-treated bed nets and drugs such as artemisinin (see p. 1072)—have helped control the disease. Yet despite their success, nearly 800,000 people continue to die of the disease each year, most of them children in Africa under 5 years of age. Since the 1970s, several vaccine candidates have come and gone, thwarted by a parasite that is no ordinary foe. The *Plasmodium* parasite that causes malaria has around 5,000 genes, far more complex than a virus or bacterium, and it is unusual in having three stages in its life cycle, changing its form as it progresses through liver (or pre-erythrocytic) and blood stages in humans, as well as in a third stage that occurs in the mosquito gut. "To be frank, it's very hard to make a vaccine that is 90% or 100% effective against any of these stages, as we've discovered," says Adrian Hill, director of the Jenner Institute in Oxford, UK.

Over the past decade, the field has received some much-needed impetus, mainly from WHO's roll back malaria campaign, and PATH MVI, a global program established through the Bill & Melinda Gates Foundation of Seattle. The Malaria Vaccine Technology Roadmap, drawn up in 2006 by WHO and associated stakeholders, sets an intermediate goal for developing a first-generation vaccine by 2015 that is at least 50% effective against severe disease and death,

John-Michael Maas/AP Photo/

A first-generation malaria vaccine that is at least 50% effective could be licensed for use in Africa by 2015.