an HIV vaccine "is an expensive, long-term effort of uncertain outcome at this point," says biotechnology analyst David Stone of Cowen & Company in Boston. By creating a separate entity, however, Genentech is able to "keep the project alive in some fashion" and at the same time "make a better match between the nature of the investment and the investors."

In what Francis calls a "developmental partnership," Genentech will provide $1 million in seed capital and a further $1 million after Genevax raises at least an additional $18 million from private investors. The task of attracting investor capital will fall to Robert Nowinski, a virologist-turned-entrepreneur, and Genevax's chairman. "If they had the money, they'd say they had it," says Stone, "so they're somewhere between having it and believing that they can [get it]." But as he points out, Nowinski has "been around the block a few times," having founded a number of biotechnology start-ups such as ICOS, Genetic Systems and PathoGenesis.

Contingent upon Genevax's ability to raise private funds, Genentech will hand over exclusive rights to the gp120 vaccine to Genevax, which will cover use of the vaccine and adjuvants, as well as access to preclinical and clinical data. Moreover, Genentech staff scientists Philip Berman (immunology) and Tim Gregory (process science) will be on Genevax's scientific advisory board.

"The company's very simple," says Francis. "We're going to take MN [the Genentech gp120 vaccine] and do an efficacy trial with that in the United States and Thailand," with trials beginning early next year. Given that Genentech has stockpiled an estimated 300,000 doses of the MN vaccine, which contains HIV subtype-B antigens, Francis says "the $20 million will allow us to do a phase III study only — no development of new antigens," an effort he estimates may cost another $10 million. (Although almost all HIV-1 in the United States and Europe is subtype B, in Thailand both B and E subtypes are found, and in Asia and Africa non-B subtypes are mostly responsible.) Francis says that over the past year or so he sat down repeatedly with officials at Genentech to discuss how best to take the gp120 program beyond the early-stage clinical trials, during which time he was introduced to Nowinski by a mutual friend. Their personalities and skills were so complementary, according to Francis, that both saw "eye to eye on how to do it."

DIANE GERSHON

Chiron buys Hoechst vaccine interest

As Genentech was bowing out of being so directly involved in the HIV vaccine business, Chiron Corporation of Emeryville, California, was busy shoring up its position as a dominant player in the global vaccine business. The company has agreed to pay $116 million for a 49 percent stake in the human vaccine business of Behringwerke AG, one of the largest vaccine suppliers in Germany and a wholly owned subsidiary of Hoechst AG. With an option on the remaining 51 percent, the joint venture will provide Chiron Biocine, Chiron's vaccine business, with access to the largest market in Europe (by dollar sales) for its promising pipeline, which includes a replacement whooping cough (recombinant acellular pertussis) vaccine and brand-new vaccines for genital herpes and cytomegalovirus.

Behringwerke's vaccine business has been profitable, with revenues of $163 million in 1995. But according to Rajen Dalal, Chiron's vice-president of corporate planning and business development, this still represents only a small portion of Hoechst's overall $10 billion business. Dalal says it was this lack of strategic importance, coupled with the realization by Hoechst that Behringwerke's presence in vaccines until now has been largely "regional" at a time when the business is becoming increasingly global, that prompted Hoechst to look for ways to exit the vaccine business.

This is not the first time that Chiron has sought out a regional vaccine partner in Europe. The Italian vaccine company Sclavo of Siena was bought jointly by Chiron and Ciba in 1992; last year Chiron acquired Ciba's share of the business. The recent deal with Behringwerke may be the second of its kind, but it is not expected to be the last.

DIANE GERSHON

DID YOU KNOW?

Making the most of managed care

Consumers looking for information on managed health care plans may soon be assisted in their quest by a new program. The Agency for Health Care Policy and Research, a division of the US Department of Health and Human Services, has announced a cooperative effort to develop and conduct a consumer assessment of health-care plans and services.

The Consumer Assessment of Health Plans Study (CAHPS) is the result of a cooperation between the Research Triangle Institute, the RAND Corporation and Harvard University. CAHPS differs from previous studies in that it not only will look at overall consumer satisfaction with the different plan types, but also will include assessments of other areas such as access to care, reasons for using or not using particular plan services and the "hassle factor" associated with different plans.

Although not yet selected, several sites will be chosen for the initial implementation of the program. The ideal site, according to Christine Crofton, co-project officer of CAHPS, is one that exemplifies different service delivery settings. Work at the demonstration sites is expected to begin in early 1997.

HANNAH KERBY

Outpatient tonsillectomy?

During the 1950s, a tonsillectomy was considered a normal part of the American childhood experience. Despite the growth of antibiotic use for tonsil infection in the 1960s, tonsillectomy is still the second most common childhood surgery, although there is substantial risk to the procedure (including heavy postoperative bleeding, severe sore throat and blocking of the airways). But now that risk may be substantially reduced, according to Mark S. Volk and colleagues at the Tufts University School of Medicine in Boston. Volk and colleagues have successfully performed a procedure on dogs they call MILTA (mucosal intact laser tonsillar ablation), which uses lasers to perform "incisionless tonsillectomies." MILTA causes the animals' tonsils to shrink and disappear within three weeks.

Despite the fact that humans trials of MILTA are at least a year away, Volk is optimistic that the simple procedure will eventually be done under local anaesthesia in a doctor's office.

MARY WILSON