

Canadian Lab Loses Amgen Backing

A Californian biotechnology company is pulling the plug on a successful mouse-genetics institute at the University of Toronto. The withdrawal of support from the Amgen Institute is the latest indication that biotechnology and pharmaceutical firms – faced with declining profits and empty drug pipelines – are losing some of their appetite for backing basic university research.

The six laboratories at the institute were considered to be exceptionally productive. But an agreement this week between Amgen, based in Thousand Oaks, California, and Toronto's University Health Network hands over the administration of the institute to the Ontario Cancer Institute (OCI) in Toronto. Although the financial details of the agreement have not been made public, Tak Mak, the Amgen Institute's director, says it will mean a sharp decrease in support from the Californian company. The institute's researchers will resort to individual grants for most of their funding. Since the institute's birth in 1993, its 50 or so scientists and technicians have been employed by Amgen, giving the company control of any intellectual property rights arising from their discoveries.

The move is the part of a larger restructuring at Amgen, one of the oldest and largest biotechnology firms, with 7,000 employees and sales last year of \$4 billion. The reshuffle is expected to align research more directly with product development. Amgen will continue to provide support at a level appropriate to the new arrangement. It is estimated that Amgen's previous support amounted to around \$8 million per year. Christopher

Paige, vice-president of research at the OCI, says there are no plans to reduce the size of the research group.

Source: RIS, based on *Nature*, 417, 2/5/02, p.4.

Novartis: Tapping into US Science

The decision by Novartis A.G. to move its global research headquarters to Cambridge, Mass., from Basel, Switzerland is as much a comment on an increasingly unfavorable European pharmaceutical market as it is on NVS's belief that the world's best science is currently found in the US. While the company is not abandoning its European presence, it is expanding to follow the market and establish more intimate US regulatory ties, and certain technologies and development programmes will be transferred to the Cambridge facility.

According to NVS head of development Joerg Reinhardt, the main changes will be in high throughput screening (HTS) capacity. Currently, 80 per cent of the company's HTS is done in Basel, with the remaining 20 per cent done in the US. However, that ratio is expected to change to 50-50 when NVS's Institute for Biomedical Research opens, which is set for the first half of next year.

Research staff in Basel will also be cut roughly to half from 2,800 to about 1,400 – a number the company said is enough to maintain the main Basel facility and its drug development needs for the European market. In addition, Reinhardt said, all US anti-infective research will be moved to the Cambridge facility, as well as some small-scale US cardiovascular research programmes.

In addition, establishing the Cambridge institute as NVS's global research headquarters means the company will be closer to the FDA. With the complications of both the US and European regulatory climate in the last few years, it is extremely important to stay very close to the FDA. While Reinhardt dismissed the idea that the move to Cambridge was a purely economic one, he did say the company realized that the Basel facility was not going to grow as expected. He contrasted this with the dynamism of the US market and science community.

Indeed, NVS already has a long track record of tapping into the US science spigot through partnering with US academic institutions, particularly those the West Coast. In 1998, NVS established the Novartis Agricultural Discovery Institute at the University of California at Berkeley to develop genomics-based agricultural products. The same year, NVS formed the Institute for Functional Genomics, which is situated next to the University of California at San Diego and the Scripps Research Institute, and is an example of what the company calls a “new approach” to coupling academics and industry.

According to Reinherdt, the approach involves adding financial incentives to researchers via stock options in companies spun out of institute research. To date, three companies have been spun out in San Diego, including Kalypsys Inc., which validates therapeutic candidates using cellular disease models; and Phenomix Corp., which develops physiological disease models to identify and validate genes and drug targets; and Syrrx Inc., which is using high throughput technologies to discover small molecule preclinical drug candidates.

For the moment, Reinhardt said the Cambridge institute will be based on a slightly different paradigm than the La Jolla institute. “For now, Cambridge will be a much more conventional, mainstream research organization. But we are not excluding that in the long-term, set-ups like La Jolla may be possible,” he said.

The institute will rent space from the Massachusetts Institute of Technology, and has chosen Harvard Medical School chief of cardiology and zebrafish pioneer Mark Fishman as its global director.

Reinhardt said Fishman will remain affiliated with Harvard, but in a capacity that has yet to be determined. However, he told *Bio Century* that Fishman’s relationship will not be same relationship as that of Peter Schultz, head of the La Jolla institute, who spends 50 per cent time at the institute and 50 per cent as a professor at Scripps.

Source: RIS, based on *BioCentury*, May 13, 2002, p. A11/12.