

Marketplace

Biotech expansion. Roche (www.roche.com) will expand its biopharmaceutical manufacturing capacity to meet growing demand. It intends to spend more than \$600 million to build facilities in Basel, Switzerland, and



Penzberg, Germany. The projects will take three

years to complete and will initially produce the cancer drugs Avastin and Herceptin.

Drug partners. Henry Schein, Inc., will distribute MedImmune's FluMist nasal vaccine in the United States. After disappointing first-year sales, Wyeth returned marketing rights to MedImmune (www.medimmune.com). Separately, Millennium Pharmaceuticals (www.mlnm.com) has signed up GlaxoSmith-Kline as its European partner for the blood-clot inhibitor Integrelin; Schering-Plough will continue to co-promote the drug in the United States.

Biotech jobs. U.S. Secretary of Labor Elaine L. Chao has launched a \$17.2 million Biotechnology Worker Training Initiative. The program, which addresses skill needs and workforce challenges, is part of the federal High Growth Job Training Initiative (www.doleta.gov). Grants so far include \$2.4 million to the Pittsburgh Life Sciences Greenhouse and a combined \$4.5 million to two California workforce investment boards.

Deals

Proteasome license. Millennium Pharmaceuticals has signed a research agreement with Harvard University and chemistry professor E. J. Corey, winner of the 1990 Nobel Prize in Chemistry and 2004 Priestley Medal. The company will get rights to a family of proteasome inhibitors and a related chemical synthesis process, which it plans to use in developing second-generation cancer therapies. The university will receive milestone fees and royalties on any resulting products.

Oncology deal. Vertex Pharmaceuticals (www.vrtx.com) and Merck (www.merck.com) will work together to develop Vertex's VX-680, an Aurora kinase inhibitor expected to enter clinical development this year against cancer. Merck will pay \$20 million up front and \$14 million in research funding over two years in exchange for commercialization rights and clinical development responsibility. Vertex could also receive up to \$350 million in milestone payments, as well as royalties on any product sales.

Mergers and acquisitions. Consolidation continues among biotech and drug producers, with several deals recently taking shape.

- ▶ QLT (www.qltinc.com) will acquire Atrix Laboratories (www.atrxlabs.com) for \$855

million in cash and stock. The combined company will have two marketed and partnered products, a dermatology business in collaboration with Sandoz, and about \$300 million in cash.

- ▶ Sandoz, meanwhile, has agreed to purchase Canada's Sabex Holdings (www.sabex.ca) for \$565 million in cash. Sandoz, the generic drug business of Novartis (www.novartis.com), will expand its presence in injectable generics and the Canadian market through Sabex.
- ▶ V.I. Technologies ("Vitex," www.vitechnologies.com) and Panacos Pharmaceuticals (www.panacos.com) will merge in a stock-based deal worth \$48.6 million. The merger will combine Vitex's anti-infective technologies with Panacos's antiviral R&D efforts.
- ▶ France's ProSkelia (www.proskelia.com) and the U.K.'s Strakan Group (www.strakan.com) will join to create a yet-to-be-named specialty pharmaceutical firm. Headquartered in Scotland, its principal R&D operation will be in Paris. ProSkelia was created in 2002 from the spin-off of Aventis's bone R&D unit. Strakan was founded in 1995 by Harry Stratford, former CEO of Shire Pharmaceuticals, and John Kanis, emeritus professor at Sheffield University.



People

Start-up appointment. Acceleron Pharma has named Glenn Batchelder, a former senior executive at Millennium Pharmaceuticals, as its new president and CEO. Founded in 2003, Acceleron is exploiting the therapeutic potential of a family of growth and differentiation factors.

Executive hire. EntreMed (www.entremed.com) has appointed James S. Burns as president and CEO. Burns has more than 25 years' experience

as a drug and biotech industry executive. In February, EntreMed decided to focus on small-molecule oncology drug R&D and transferred rights to its protein-based candidates,



endostatin and angiostatin, to Children's Medical Center Corp. and Alchemgen Therapeutics.

New head, new name. Scott M. Rocklage has become executive chairman of Ilypsa (www.ilypsa.com), formerly Symyx Therapeutics. He is a venture partner at 5AM

Ventures and chairman of Cubist Pharmaceuticals, where he had been CEO from 1994 to 2003. In June, Ilypsa moved into its own R&D facility in Santa Clara, CA.

Tech leader. Gyros (www.gyros.com) has named Jan Würtz president and CEO, replacing company founder Maris Hartmanis, who becomes head of corporate research at Gambro (www.gambro.com) on September 1. Würtz most recently worked as a consultant but has been president and CEO of Pharmacia Diagnostics and Decim. ■