

Biotech News

Biotech & Health Fortnightly News

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Welcome

AAR Biotech News is a fortnightly news service to keep you on top of developments in this fast-moving industry. It is updated every other Tuesday, and subscribers are alerted on Wednesday.

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Stem cell legislation - A jurisdictional comparison

In brief: Recent claims of successful human cloning and ever advancing research tools and techniques prompt international bodies to continually review human cloning and associated stem cell research legislation. Lawyer Melissa Foong compares current legislative measures enforced by different jurisdictions.

By AAR Lawyer Melissa Foong.

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Background

On 12 February 2004, South Korean researchers reported that they had successfully extracted stem cells from cloned human embryos. The researchers later, however, promised to suspend experimentation with human embryos due to ethical concerns. This situation highlights the ethical and moral dilemmas faced by regulators and the need for a global consensus on human cloning. There have also been a number of reports in the international press of pregnancies of cloned humans but little hard evidence has been provided in this regard.

On one hand, embryonic stem cell research (using stem cells sourced from human embryos) is an area of great promise, and may eventually provide cures to currently incurable diseases. On the other hand, most people find the idea of human clones morally repugnant and some even consider cloning to be an offence against human rights. Governments and international bodies have responded by either declaring moratoria on all experimentation with human cloning, banning reproductive cloning, banning therapeutic cloning or by simply taking no action. This article examines the variety of approaches taken by different jurisdictions.

Australia

In Australia, therapeutic cloning, reproductive cloning and inheritable genetic modification is prohibited under Commonwealth law, but stem cells may be obtained from excess embryos created by assisted reproductive techniques (**ART**). For a review of the current status in Australia, please refer to our [feature article](#) by Caroline Ryan in the January 2002 issue of Biotech News. If Korean scientists had created cloned embryos in Australia, they would have committed a criminal offence under the *Prohibition of Human Cloning Act 2002* (Cth). The Act also prohibits the implantation in a woman, import or export of a cloned human embryo and human embryos that have been genetically modified. It is also an offence to give or receive valuable consideration for the supply of a human egg, human sperm or a human embryo. Penalties of up to 15 years imprisonment or fines of up to \$495,000 for a corporation or \$99,000 for an individual may apply for breach of the legislation.

The *Research Involving Human Embryos Act 2002* (Cth) permits use of excess ART embryos produced after 5 April 2002 under license from the NHMRC Licensing Committee or for an 'exempt' use (storage, removal from storage, transport, allowing the embryo to succumb, observation or diagnostic investigation). Embryos that are not excess ART embryos may only be used as part of an ART program carried out by an accredited ART centre. It is also an offence to use an embryo created after 5 April 2002 for research that will damage or destroy the embryo (which includes techniques that clone by removing the nucleus of an embryo). Penalties of up to 5 years imprisonment or fines of up to \$165,000 for a

corporation or \$33,000 for an individual may apply for breach of the legislation.

At this stage, a number of license applications have been submitted to the NHMRC, but the approvals process has not yet been completed. A review of the legislation is scheduled to begin in December 2004.

The Commonwealth legislation overrides previous legislative bans in South Australia, Western Australia and Victoria on research likely to damage or destroy excess ART embryos.

The United States of America

Regulation of human cloning in the United States is far from uniform. At the federal level, in August 2001, President Bush authorised funding of stem cell research using stem cell lines existing before 9 August 2001. Such use could only receive federal funding if researchers obtained the consent of donors, the embryos had been created for reproductive purposes and not research purposes, and no financial inducement had been made to donors. However, there is no limitation on private funding of human cloning research.

The House of Representatives voted in 2001 to outlaw therapeutic and reproductive cloning. A companion bill and other bills dealing with cloning were introduced into Senate but were not passed.

At a state level, however, only a number of states have passed legislation prohibiting human reproductive cloning.

Europe

In continental Europe, 29 countries have signed the Council of Europe Protocol prohibiting the cloning of human beings. The European Parliament has also adopted a Resolution on Human Cloning, which states that human cloning is a grave violation of fundamental human rights which cannot under any circumstances be justified or accepted. Australia, Denmark, France, Finland, Germany, Hungary, Iceland, Norway, Russia, Spain, Sweden and the United Kingdom have prohibited reproductive cloning.

The approach taken by the United Kingdom to human embryo research is similar to that of Australia, with the important difference that therapeutic cloning is permissible under license from the Human Fertilisation and Embryology Authority in the UK. Research licenses will only be granted if the use of human embryos is necessary or desirable to promote advances in the treatment of infertility, to increase knowledge about the causes of congenital disease, to increase knowledge about the causes of miscarriages, to develop more effective techniques of contraception or to develop methods for detecting gene or chromosome abnormalities in embryos before implantation. Further, the creation, storage, handling and use of human embryos outside the body can only be undertaken in licensed facilities.

International

Several international bodies, such as the World Health Organisation and UNESCO have stated their opposition to reproductive cloning of humans on the basis of human rights-based international law. In August 2001, a convention to ban reproductive cloning (to be followed by a treaty addressing research or therapeutic cloning) was proposed by France and Germany. This initiative was supported by 75 countries. The United States of America, Spain, Australia and other countries opposed the convention on the basis that it did not prohibit therapeutic cloning. In November 2003, the United Nations voted to suspend debate on the proposed convention until late 2005, due to the inability of member nations to reach a consensus.

Conclusion

Since the creation of Dolly the cloned sheep was made public in 1997, the possibility of human cloning has loomed large in the public imagination. The response has varied between nations and internationally, with some countries (such as Australia) taking a conservative approach, some declaring moratoria, and others choosing to allow cloning without limitation. Despite the apparent lack of progress in reaching a consensus, it will be interesting to see whether agreement can be reached about a technology that has as much potential to dehumanise as to help humanity.

For further information on the issues raised in this article please contact Richard Hamer +613 9613 8705.

IP law update

Regular intellectual property news from Australia and overseas.

- [ACIP examines experimental patent provision](#)
- [Pfizer wins painkiller patent dispute](#)
- [Victoria University staff found to hold IP on trust for employer](#)
- [WHO unveils IP investigational body](#)

ACIP examines experimental patent provision

February 27 – The Commonwealth Government has requested The Advisory Council on Intellectual Property to examine whether some types of patents inhibit advancements in research and development, particularly within the biotechnology industry. The paper entitled 'Patent and Experimental Use' explores possible ways in which to better licensing practices by introducing an experimental use exemption or public domain system. The paper considers current Australian and international legislation regarding experimental use policies whilst discussing economic arguments behind such exemptions. In examination, ACIP is to consider whether an experimental use exemption would help researchers more effectively use the patent system to commercialise their research and development. ACIP welcomes written or electronic submissions including empirical information and data until April 30. The paper and further information are available on the [ACIP website](#).

[Source: Media Release]

Pfizer wins painkiller patent dispute

February 22 – The US Court of Appeals affirmed a ruling that dismissed patent infringement claims against Pfizer and Pharmacia. The University of Rochester had sued the two companies, claiming billions of dollars from the sales of painkillers Celebrex and Bextra, alleging that the two products infringed one of its patents. In March 2003, a New York district court found Rochester's patent invalid, thereby dismissing its claims. The court ruled that Rochester's patent did not claim for the drugs subsequently developed by Pfizer and Pharmacia. "Celebrex was invented and patented by GD Searle, which was subsequently acquired by Pfizer" said Jeffery Kindler, general counsel of Pfizer. "While Pfizer recognises the valuable contributions made by academic research into disease and potential new treatments, this decision makes clear that, in this case, the University played no role in the development of Celebrex."

[Source: Legal Media Group]

Victoria University staff found to hold IP on trust for employer

18 February 2004 - Justice Nettle of the Supreme Court of Victoria has found that academic staff at Victoria University held a patent on trust for the University. The staff developed the technology during the period that they were employed by the University and the University argued that it was entitled to the patent on at least three grounds. First, that the technology was developed in in the course of employment and under common law the patent was University property. Secondly, that the University's IP policy provided for ownership of inventions made by staff to vest in the University. Thirdly, that the staff had breached a fiduciary duty owed to the University not to use their senior positions in the relevant department for personal gain.

The court rejected the first two arguments. It found that the staff were not employed by the University to develop technology and the University did not have a formal IP policy in place at the relevant time. The University however, succeeded on the third ground.

The staff had spun off a company to hold the patents and had expended significant personal time and expense working on the venture. It was not clear that the University would have sought to commercialise the technology had it been given the opportunity. However, in the early commercialisation phase, the staff had referred to their positions at the University in presentations to potential commercial partners and had held themselves out as representatives of the University. For example, by signing correspondence in their academic capacity and including the University logo on PowerPoint presentations. The court found that the staff had placed themselves in a position where the duty to the University was in conflict with their own personal interest, and thus acted in breach of fiduciary duty in excluding the University from the opportunity to be involved in the venture. The court indicated that it would order either that the staff hold their shares in the spin off company as trustee for the University or pay to the University an amount of money equal to the value of those shares plus the proceeds of any shares already sold, less subscription moneys already paid and just provision for appropriate expense and allowances.

Although the technology did not relate to biotechnology, the case is a timely reminder of the need to exercise caution on issues of ownership of IP. The case may be the subject of an appeal and Biotech News intends to review the decision in more detail in a Feature Article in the near future.

[Source: Supreme Court of Victoria]

WHO unveils IP investigational body

February 22 – Last month the World Health Organisation (WHO) established the Commission on Intellectual Property Rights, Innovation and Public Health following a resolution at its annual assembly. The aim of the Commission is to carry out an independent study of existing research and innovation efforts, IP rights and their effects on public health and the development of new medicines. The study will also look at the effects of funding and incentive mechanisms in the creation of new health products targeted at diseases affecting developing countries. The pharmaceutical industry has welcomed the study, which it hopes will set out the appropriate global framework to boost more research and indentions of new medicines. The 10-member commission will have its first meeting in March and is expected to submit its final report to the WHO's executive board in January 2005.

[Source: Legal Media Group]

Company news

Regular news within the Australian biotech industry.

- [Amrad half year results](#)
- [Arrow Pharmaceuticals half year results](#)
- [Bionomics and WEHI ion channel collaboration](#)
- [Compumedics half year results](#)
- [CSIRO says Biota drug beats bird flu](#)
- [Peptech builds on Domantis investment](#)
- [Sonic Healthcare half year results](#)
- [Ventracor's heart pump ready for commercial production following human trials](#)

Amrad half year results

February 19 – Amrad Corporation has recorded a 10 per cent increase in revenue to \$8.14 million and a 48 per cent reduction in its operating loss to \$2.2 million, for the half year to December 2003. Announcing his first result since his appointment of CEO in October 2003, Dr Pete Smith said the company had performed well for the period. The increase was greatly assisted by a \$4.2 million milestone payment from Merck Sharp and Dohme, bringing to \$11.7 million the funds received under the exclusive licence and research collaboration to develop a treatment for asthma. Overall, the Merck agreement, one of Australia's largest biotech deals, could realise revenues of up to US\$112 million plus royalties. Amrad aims to streamline its R&D portfolio to focus on targets in the area of cytokine biology, involved in allergy, inflammation and infertility. Amrad will also implement a strategy to spin out their virology business under the proposed name of Avexa.

[Source: Company Announcement]

Arrow Pharmaceuticals half year results

February 27 – Arrow Pharmaceuticals announced a profit after tax for the full year 2003 of \$12.537 million. This represents a growth in profit of 38% over the 2002 result. Although revenue only increased by 6% to \$263.6 million, the result was highlighted by the company's ability to shift business away from low margin distributed sales to higher margin generic sales. Sales of Arrow's generic range grew by 37% in 2003 and this produced an improved profit margin. The directors of Arrow declared a special dividend on ordinary shares of 20 cents fully franked to be financed out of a combination of profit and debit. Arrow's goal was to ensure an active balance sheet was maintained, and to reward shareholder loyalty.

[Source: Company Announcement]

Bionomics and WEHI ion channel collaboration

February 25 – Bionomics and the Walter and Eliza Hall Institute (WEHI) have established a drug discovery collaboration focussed on Bionomics' proprietary ion channel targets and animal models, which have been the basis of Binomics' R&D Start Grant funded program. The collaboration aims to identify new lead molecules for the treatment of central nervous system disorders including epilepsy and anxiety. It is anticipated that WEHI's capabilities and expertise in chemistry and

advanced drug screening techniques will compliment Bionomics strong experience in genomics based research in epilepsy gene discovery, to establish a platform for discovering new drugs for a range of CNS disorders.

[Source: Company Announcement]

Compumedics half year results

February 18 – Sleep diagnostic company Compumedics has posted record interim revenues of \$17.3 million and profit of \$1.1 million for the December half, despite the exchange rate diminishing its US earnings. The strong Australian dollar has stripped \$3 million from revenue and \$1 million from net profit, said executive chairman David Burton. The results reflect restructured distribution in the US and Germany, and the release of new products. The switch to German distributor Draeger lifted sales by 45 per cent, including a contract to fit out Germany's second-largest sleep disorder laboratory. Continued profitable growth will be achieved by a focus on building a strong pipeline of new products and technologies across its sleep diagnostic and neurological markets with the cutting of operating costs and restructured distribution.

[Source: Company Announcement / The Age]

CSIRO says Biota drug beats bird flu

February 20 – CSIRO has confirmed laboratory testing of Biota's influenza drug, Relenza, to be effective against the Bird Flu virus currently sweeping through Asia. The tests showed Relenza inhibited a sample of an G5N1 strain of the influenza virus. The CSIRO found a direct correlation between enzyme activity and the ability of the drug to prevent the virus from multiplying. The design and action of Relenza is based on a CSIRO discovery that a section on the surface of the influenza virus is highly conservative, proving difficult for mutations in the virus to avoid binding to the drug. Currently the disease is not able to pass from human to human, however in the event that the virus mutates allowing this to occur, Relenza will be an available treatment. CSIRO aims to obtain clinical data to establish that Relenza is effective in humans infected with bird flu.

[Source: Company Announcement]

Peptech builds on Domantis investment

February 23 – Peptech announced it would strengthen its relationship with UK-based drug discovery and development company, Domantis Limited following last year's successful trials of Peptech's new anti-TNF arthritis drug. Domantis has announced that it raised approximately AU\$42 million through capital fund raising in which Peptech has participated. Peptech's investment will ensure the company maintains its 36.1 percent equity position in Domantis. Other venture capitalists involved include MVM, 3i and an undisclosed institutional investor from the US. The investment allows Domantis to further develop their lead domain antibody (dAbs) programs into clinical trials. Domantis has a unique proprietary position in dAbs, which means it is the only company capable of fully exploiting these molecules for therapeutic and diagnostic purposes. At present the company has eight proprietary therapeutic programs and three partner programs with Peptech, ImClone Systems and Abbott Laboratories. The current Peptech project is aimed at medical conditions where TNF is a factor, such as arthritis. Peptech's share in the capital raising will be paid in two instalments - 50 per cent immediately and 50 percent in 12 months time.

[Source: Company Announcement]

Sonic Healthcare half year results

February 19 – Sonic Healthcare has reported a net profit for the half year of \$55.3 million, an increase of 14.1% over the previous year. The result was achieved on revenues of \$509.9 million, 5% higher than the previous year. Sonic's Managing Director, Dr Colin Goldschmidt, said the result was ahead of budget and that Sonic was well placed to meet its full year guidance. The acquisition of Omnilabs pathology and its subsequent merge into TDL, Sonic's UK operation, and TDL's joint venture with the University College London Hospital are significant operational milestones that have aided in Sonic announcing a 25% increase in interim dividend to 10 cents per share. Ongoing expansion in local and overseas markets place Sonic in a very strong financial and operational position, well placed to create further shareholder value in the future, stated Dr Goldschmidt.

[Source: Company Announcement]

Ventracor's heart pump ready for commercial production following human trials

February 19 – Ventracor is moving closer to a global trial of its cardiac assist device, VentrAssist left ventricular assist system (LVAS), after demonstrating a successful transition from animal testing to clinical use. Ventracor is now seeking to

move from the current Pilot Trial to a Pivotal trial to test the safety of the device in a wider range of patients as soon as possible. The Pivotal trial will begin when Ventracor believes sufficient safety data is obtained from all implanted patients currently taking part in the current Pilot Trial. Five patients at The Alfred Hospital in Melbourne have received a VentrAssist implant, all that have end-stage heart failure. Four are said to be doing well, while the fifth died due to an unrelated pre-existing condition. Ventracor says its advanced design places the product technically ahead of its competitors and serves as an advantage to bring the product to market in the shortest time possible. Ventracor will base manufacturing of the VentrAssist product in Australia.

[Source: Company Announcement]

Government news

Regular news from state and federal governments.

- [Expert Council supports GM food crops in NSW](#)
- [Government Agenda focus on scientific tools](#)

Expert Council supports GM food crops in NSW

February 24 – A meeting of the NSW State Government expert council has supported plans for the planting of 3500 hectares of GM canola in NSW as soon as April. Monsanto and Bayer have applied to plant trial plots of GM canola and have asked that the participating farmers be allowed to sell the crops. A moratorium on GM food crops bans their commercial production but allows field trials to take place. The legislation also grants Minister for Agriculture, Ian Macdonald, the power to grant exemptions to the moratorium at any time. The Federal Office of the Gene Technology Regulator decided last year that GM canola posed no risk to either human health or the environment with one or two hectare trials having already been planted. Minister Macdonald's office or the council are yet to received the final proposal for the Monsanto/Bayer trial although approval is expected. Opponents claim the council is being pressured to make a decision about the trial so GM canola can be sown this season.

[Source: Sydney Morning Herald]

Government Agenda focus on scientific tools

February 26 – The Science Industry Action Agenda, launched by Minister McGauran, aims to identify and develop strategies to overcome impediments to growth in the industry. "Scientific instruments are a key enabling technology that underpin the international competitiveness of a wide-range of industries," Industry, Tourism and Resources Minister Ian Macfarlane said. Greater market share of the USD \$3.5 billion laboratory instrument market, increased domestic sales and improved collaborations are some of the goals to be realised through the Action Agenda. The Government hopes the Action Agenda will help unify Government, science, industry and the research and innovation community.

[Source: Media Release]

Science news

Regular science news

- [Howard Florey Institute study shows environmental factor in Huntington's](#)
- [Monkey protein blocks HIV in humans](#)

Howard Florey Institute study shows environmental factor in Huntington's

February 20 – A team of scientists at the Howard Florey Institute are investigating how providing a stimulating environment alters the onset and progression of Huntington's disease. Despite strong genetic factors, evidence from a

mouse model with a human Huntington's disease gene mutation suggests environmental factors play a major role. Headed by Dr. Anthony Hannan, the team exposed mice with the disease to different environments and compared the effects of complex sensory, motor and cognitive stimulation. They uncovered evidence for molecular changes relating to communication between nerve cells in distinct regions of the cerebral cortex, as well as other brain areas, which may explain the behavioural changes. The link between environmental stimulation and changes in the nerve-cell connection gives new insight into the way gene-environment interactions may delay onset and progression of Huntington's disease and numerous other neurodegenerative diseases. While further research is required the team believe the finding will help to develop new drug treatments.

[Source: Media Release]

Monkey protein blocks HIV in humans

February 25 – Researchers at Dana-Farber Cancer Institute have identified a protein in Old World monkeys that blocks infection by the human immunodeficiency virus (HIV -1). Named TRIM5-alpha, the blocking molecule may be the first example of a previously unknown member of the immune system that patrols the body for viruses and, if they enter a cell, prevents them from acting. The protein disrupts the uncoating of the viral capsid disabling the virus from reaching the cells genetic machinery required for replication. "This is the first form of intracellular immunity made up of natural factors that specifically and potently block retroviruses such as HIV -1," said Joseph Sodroski MD. Humans cells contain a similar TRIM5-alpha protein but is less effective than the monkey version in blocking HIV-1 infection. While therapeutic use of the finding remains speculative, researchers might find ways to increase effectiveness of the human TRIM5-alpha molecule or administer the more potent monkey version as a therapy.

[Source: Dana-Faber Cancer Institute]

International news

Biotechnology news from around the world.

- [China approves Monsanto GMO food imports](#)
- [deCODE and Merck form drug development alliance](#)
- [FDA approves Genentech Avastin](#)
- [Fresenius AG exceeds financial targets with US\\$ 5.5 billion in revenue](#)
- [Merck acquires Aton Pharma enhancing cancer research program](#)
- [Nations discuss Cartagena Protocol on biotech safety](#)
- [Novartis, Genentech and Tanox settle three-party dispute](#)
- [Pevion and AlgoNomics establish peptide viral vaccine collaboration](#)

China approves Monsanto GMO food imports

February 20 – China's ministry of agriculture has approved permanent import safety certificates for genetically modified varieties of soybeans, corn and cotton produced in the US by Monsanto. China is yet to approve an additional six GMO corn varieties and an unspecified number of transgenic canola strains from various exporting countries. The approval eases trade relations with exporting countries such as the US since the Agricultural Ministry and the General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ), issued new GMO import regulations in January 2002, said to have cost the US soybean growers more than US\$200 million. US trade officials subsequently negotiated an agreement to allow for uninterrupted trade of GMO imports while Chinese authorities conducted safety assessments of the products needed to comply with the new import regime. While China has previously approved the import of specific varieties of GMO cotton, the latest approvals are the first for GMO food products.

[Source: Checkbiotech]

deCODE and Merck form drug development alliance

February 26 – deCODE genetics announced the formation of a seven-year alliance with Merck & Co. under which deCODE will conduct clinical trials on a range of developmental compounds. Under the terms of the agreement, deCODE will receive royalties on sales of drugs and diagnostics developed as part of the alliance. deCODE will also receive a one-time technology access fee and will share research funding for the clinical development of compounds and

pharmacogenomic analysis, and will receive milestone payments as compounds or pharmacogenomic tests reach the market. In addition, Merck has purchased \$10 million of deCODE common stock at a price of \$14.50 per share, and has received a warrant to purchase up to \$50 million of additional shares of deCODE stock at \$29.00 per share over the next five years.

[Source: Company Announcement]

FDA approves Genentech Avastin

February 26 – The US Food and Drug Administration has approved Genentech's Avastin to be used in combination with intravenous 5-Fluorouracil-based chemotherapy as a treatment for patients with metastatic cancer of the colon or rectum. Avastin is the first FDA-approved therapy designed to inhibit angiogenesis, the process by which new blood vessels develop, necessary for tumour growth and metastasis. The approval was based on data from two trials. Patients in the trial treated with Avastin and IFL chemotherapy were shown to have prolonged survival up to 5 months, the longest obtained in any study of patients with metastatic colorectal cancer.

[Source: Company Announcement]

Fresenius AG exceeds financial targets with US\$ 5.5 billion in revenue

February 25 – Fresenius Medical Care AG has reported net revenues of \$5,528 million and an operating income of \$757 million for the 2003 financial year, a 9 per cent increase in the previous years figures, exceeding projected targets. "We achieved another record operating and free cash flow for 2003 and we are confident that our global strategy is on the right track," stated Fresenius CEO, Ben Lipps. Dialysis product and clinical care revenue increased internationally by 18 and 34 per cent respectively. Operating and free cash flow increased 37 per cent due to improvements in working capital management. The strong performance has prompted the company to propose its seventh consecutive dividend increase of 8 per cent to 1.02 Euro (AU \$1.70) per ordinary share.

[Source: Company Announcement]

Merck acquires Aton Pharma enhancing cancer research program

February 23 – Aton Pharma, a privately held biotech specialising in treatments for cancer has entered an agreement in which Aton will become a wholly owned subsidiary of Merck. The acquisition will consist of upfront and contingency payments based on regulatory filing, approval and sale of products. Aton will continue to develop its lead product candidate, suberoylanilide hydroxamic acid (SAHA), a cancer treatment for cutaneous T-cell lymphoma, and believes Merck provides the best opportunity for commercialisation. The acquisition will significantly enhance Merck's internal research efforts to develop new medicines for the treatment of cancer. The two companies are expected to complete the acquisition in within the first quarter of 2004.

[Source: PharmaLive]

Nations discuss Cartagena Protocol on biotech safety

February 24 – Over 1000 government and relevant delegates from 84 countries will attend the first meeting of the Parties to the Cartagena Protocol on Biosafety held this week. Adopted in January 2000 as a supplementary agreement to the Convention of Biological Diversity (CBD), the Cartagena Protocol diversity from the potential risks that may be posed by genetically modified organisms (GMOs), resulting from modern biotechnology. It establishes an Advance Inform Agreement procedure for ensuring that countries are provided with the necessary data to make informed decisions on whether to import such organisms. The Protocol also establishes a Biosafety Clearing-House to facilitate the exchange of information on GMOs and to assist countries in the implementation of the protocol. The first meeting will deal specifically with the issues of information sharing; capacity building; liability and redress, compliance; as well as handling, transport and packaging of GMO's.

[Source: Convention on Biological Diversity]

Novartis, Genentech and Tanox settle three-party dispute

February 26 – Novartis, Genentech and Tanox have settled litigation involving their three-party collaboration, begun in 1996, to develop and commercialise certain anti-IgE antibodies including Xolair, a treatment for peanut allergy, and THX-901. The settlement disclosed that Genentech and Novartis will each reimburse Tanox US\$ 3.3 million for a portion of its TNX-901 development costs. Tanox will relinquish any rights to manufacture Xolair and, in exchange, will receive payments based on the quantity of Xolair produced. Genentech and Novartis share US marketing rights for all collaboration products as in the original agreement, while Novartis has marketing rights outside the US. Existing royalty

and profit sharing percentages will remain unchanged. Committees with representatives from all three companies have been established to co-operatively oversee further development and commercialisation of Xolair.

[Source: Company Announcement]

Pevion and AlgoNomics establish peptide viral vaccine collaboration

February 25 – Swiss-based Pevion Biotech and Belgium-based AlgoNomics will collaborate on the design on RSV (Respiratory Syncytial Virus) derived peptides to develop vaccines against the common cold. AlgoNomics Tripole technology will be used to extensively model the peptides and explore their interactions with relevant proteins. The procedure will expose those peptides that exhibit a strong and protective antibody response when formulated with Pevion's virosome technology. The result is a near synthetic vaccine that both parties claim will allow rapid screening of RSV vaccine candidates to enter into initial clinical trials.

[Source: Joint Company Announcement]

Events

Events will no longer be available in the print version of AAR Biotech News due to increased listings. Please visit AAR Biotech News' online events section for information on the latest conferences.

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