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PAGE 1 OF 7

KAI's PKC Program Nabs \$340M Deal With Sankyo

By Jennifer Boggs
Staff Writer

KAI Pharmaceuticals Inc. signed a potential \$340 million deal expected to be announced today with Daiichi Sankyo Co. Ltd. for the global development and commercialization of KAI-9803.

As KAI's first pharma alliance since mid-2003, when it was founded on protein kinase C (PKC) modulation technology licensed from Stanford University, the deal with Sankyo not only provides the privately held South San Francisco-based company with an up-front cash infusion of \$20 million, but also "paves the way for us to commercialize our own products someday," said Steven James, KAI's president and CEO.

KAI will retain the right to co-promote products in the North American acute care and hospital market.

See KAI, Page 4

Tioga's Series A Round: \$24M For Phase IIb Trial Of IBS Drug

By Karen Pihl-Carey
Staff Writer

Six months after licensing a promising early stage product for irritable bowel syndrome, Tioga Pharmaceuticals Inc. raised \$24 million in a Series A round to launch Phase II trials.

The product, asimadoline, is a small molecule licensed from its discoverer, Merck KGaA, of Darmstadt, Germany. Proceeds from the financing will fund a 600-patient Phase IIb study of asimadoline for irritable bowel syndrome (IBS) and a 130-patient Phase IIa trial for postoperative ileus.

"The money will take the company through to the completion" of those trials, said Stuart Collinson, Tioga's acting CEO.

By taking the numbers of patients with IBS and making "some assumptions about pricing in line with currently

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Fighting Resistance To Gleevec

How Leukemia Cells Rule Neighbors: With Iron Fist

By Anette Breindl
Science Editor

"The transition from a normal to a cancer cell takes many steps," Michael Green told *BioWorld Today*. But for chronic myelogenous leukemia, one major step is the generation of the tyrosine kinase Bcr-Abl, a constantly active kinase.

In the Dec. 29, 2005, issue of *Cell*, Green and his colleagues from the Howard Hughes Medical Institute and University of Massachusetts Medical School in Worcester, reported on one molecular mechanism by which Bcr-Abl contributes to leukemia. The experiments are part of broader work teasing apart the complex interplay between iron, gene expression, cell death and a secreted protein known as 24p3 and its receptor.

See Iron Fist, Page 5

Despite Revlimid Threat

Millennium's CEO Pledges Still More Velcade Growth

By Randall Osborne
West Coast Editor

Millennium Pharmaceuticals Inc. provided a conference call update in which the firm again predicted profitability in 2006, and forecast annual sales of its multiple myeloma drug Velcade in the range of \$225 million to \$250 million – a revenue goal that raised the eyebrows of some analysts.

But the company's president and CEO, Deborah Dunshire, said she intends to hit those numbers, and referred to the proteasome inhibitor as "a terrific product that hasn't yet made the most out of all the data" supporting it, even as more data flow in.

The company's stock (NASDAQ:MLNM) closed Friday at \$10.22, up 17 cents.

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OTHER NEWS TO NOTE

• **Acacia Research Corp.**, of Newport Beach, Calif., said that its CombiMatrix group signed a nonexclusive agreement with the University of Colorado Health Sciences Center under the company's CombiCore access program. Under the agreement, all University of Colorado researchers can purchase, through their microarray facility, CombiMatrix' CustomArrays and Catalog Arrays, including array processing services performed at the university health center.

• **Affymetrix Inc.**, of Santa Clara, Calif., said it expects that product and product-related revenues will be about \$15 million below previous guidance for the fourth quarter, due to low instrument sales for the quarter and delays in completing genotyping processing under a service contract. Previous guidance projected product revenue for the three months ending Dec. 31 at \$120 million. Shares of Affymetrix (NASDAQ:AFFX) fell \$3.63 Friday, to close at \$43.27.

• **Arginox Pharmaceuticals Inc.**, of Menlo Park, Ill., appointed Robert Terifay as president and CEO. Terifay most recently served as commercial leader on the executive management team of Synta Pharmaceuticals. Arginox is focused on medicines to treat hospitalized patients.

• **Asuragen Inc.**, of Austin, Texas, said it will fund activities with \$35 million in proceeds from the Dec. 23, sale of Austin, Texas-based **Ambion Inc.'s** research products division to **Applied Biosystems Group**, of Foster City, Calif. Recently established, Asuragen is led by Matt Winkler, founder and CEO of Ambion, and is comprised of three business units: Molecular Diagnostics (formerly Ambion Diagnostics Inc.), Molecular Biology Services (formerly Ambion Services) and the research and development unit Discovery.

• **Athenix Corp.**, of Research Triangle Park, N.C., raised \$13 million in a Series C round led by new investor Finistere Partners, of San Diego. Other investors were

Intersouth Partners, of Durham, N.C.; Polaris Venture Partners, of Waltham, Mass.; Boston Millennia Partners, of Boston; Hunt Ventures, of Dallas; and Eastman Ventures, of Kingsport, Tenn. Proceeds will go toward advancing the company's products through field trials and onto registration. Athenix focuses on discovering genes and proteins to develop enhanced plants, microbes, enzymes and processes.

• **Athersys Inc.**, of Cleveland, extended its existing alliance with New York-based **Bristol-Myers Squibb Co.** to provide BMS with additional validated drug targets for high-throughput screening and lead optimization in multiple therapeutic areas. The new agreement will extend the alliance for up to three years, with a guaranteed minimum number of targets to be supplied by Athersys annually. Under the terms, Athersys is entitled to license fees, as well as milestones and royalties on compounds developed by BMS using Athersys' technology.

• **Avant Immunotherapeutics Inc.**, of Needham, Mass., said data from a Phase III study of Rotarix, its two-dose oral rotavirus vaccine, demonstrated safety and efficacy. Results were published in the Jan. 5, 2005, issue of the *New England Journal of Medicine*. Rotarix is partnered with London-based **GlaxoSmithKline plc** for worldwide commercialization.

• **BioDelivery Sciences International Inc.**, of Morrisville, N.C., submitted an investigational new drug application for its BEMA Long Acting Analgesic (LA) product aimed at offering an alternative administration of an existing marketed narcotic for moderate to severe pain. BETA LA will be formulated using BDSI's BEMA technology platform, consisting of a fast-dissolving mucoadhesive disc designed to deliver the active ingredient across the buccal mucosa of the mouth.

• **BioMS Medical Corp.**, of Edmonton, Alberta, exercised its option to purchase additional equity in **BioCyDex Inc.**, also of Edmonton, bringing BioMS Medical's total equity position to 49 percent. BioCyDex is developing a drug delivery technology to deliver both existing and new antiviral and chemotherapeutic compounds directly into cells.

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THOMSON



Tioga

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approved therapies," he told *BioWorld Today*, "you can quite quickly get to a market size of about \$10 billion [worldwide] of diagnosed patients."

Tioga operates as a virtual company based in San Diego and was founded as a Merck spinout in July. Forward Ventures founded it, convincing Merck that asimadoline had a better chance of succeeding as the sole focus for Tioga than it would sitting on a shelf at a large pharmaceutical company. Merck retained an equity interest in Tioga and, if asimadoline is approved, it is entitled to royalties.

"They publicly realigned the company into a couple of therapeutic areas, cardiometabolic and cancer," said Collinson, who also is a partner at Forward Ventures. "This drug didn't fit into [Merck's] portfolio."

After putting up the initial money for Tioga last summer, San Diego-based Forward Ventures led the Series A round and was joined by investors New Leaf Venture Partners, of New York, and BB Biotech Ventures II, of Zurich, Switzerland.

Asimadoline has been tested in almost 800 people and has demonstrated a promising safety profile and encouraging clinical efficacy for the treatment of irritable bowel syndrome. It also appears to have potential for treating other gastrointestinal diseases, such as postoperative ileus, which is decreased or stopped bowel motility.

Tioga may decide to in-license other products "if we see something that is particularly attractive," Collinson said, but its main focus for now is on asimadoline, its only product. The Phase IIb trial in IBS will take about 18 months to complete and, at that point, Forward Ventures will make a decision for Tioga's future.

It might decide to sell the company, enter a partnership or raise more money and take asimadoline into Phase III trials on its own, Collinson said.

Irritable bowel syndrome, or IBS, affects about 10 million people in the U.S. and is a chronic condition marked by abdominal pain and disturbed bowel function. Health care costs associated with the disease exceed \$25 billion annually.


Some companies have found IBS to be a difficult disease to treat. Pain Therapeutics Inc., of South San Francisco, terminated development last month of its IBS drug, PTI-901, which showed a statistically meaningful relief in the second month of treatment in a Phase III trial, but not in the third month of treatment, which was the primary endpoint. (See *BioWorld Today*, Dec. 13, 2005.)

There are two products approved for IBS: Zelnorm, by Basel, Switzerland-based Novartis AG; and Lotronex, by London-based GlaxoSmithKline plc. Both carry warnings of adverse events, such as ischemic colitis, constipation and diarrhea.

"We hope that our medicine is going to have a better profile," Collinson said, adding that asimadoline, a kappa-opioid agonist, has a different mechanism of action than the approved therapies. ■

OTHER NEWS TO NOTE

- **Breakthrough Therapeutics**, of Greenwich, Conn., said interim Phase II data of VAX100 for patients with persistent chronic myeloid leukemia (CML) who were on imatinib mesylate (Gleevec, Novartis AG) demonstrated an immunological response in 17 of 18 patients who showed peptide specific T-cell response. The vaccine has displayed a good safety profile with injection site reactions as the only side effect. VAX100 is a Bcr-Abl peptide vaccine designed to reduce persistent disease in patients with CML whom have had stable disease during conventional therapy. The ongoing trial is being conducted at Memorial Sloan Kettering Cancer Center and MD Anderson Cancer Center in Houston.



Clarus Lifesciences I, L.P.

\$500,000,000

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Cambridge, MA San Francisco, CA

December 2005

KAI

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Beyond the initial payment, KAI could receive development and commercialization milestones of up to \$300 million for the first two indications for KAI-9803, plus milestones for other potential PKC inhibitors and a double-digit royalty.

Tokyo-based Sankyo agreed to fund all future development in exchange for global development and commercialization rights.

KAI also will continue to actively participate in further delta PKC inhibitor development. The company will have the option to perform certain clinical studies with KAI-9803, and KAI also could receive another \$20 million over five years from Sankyo to identify new delta PKC compounds, routes of administration and indications.

"This target is really kind of a pipeline in itself," James told *BioWorld Today*, "and it would be too difficult for us as a small company to fully exploit it by ourselves." The deal provides KAI with both "access to Sankyo's deep cardiovascular expertise and the ability to conduct some development on our own."

The lead product, KAI-9803, a delta protein kinase C inhibitor, was granted fast-track status by the FDA and recently started enrollment in a 150-patient Phase I/II study (DELTA-MI) to evaluate the product's safety and efficacy in patients with acute myocardial infarction undergoing reperfusion via balloon angioplasty. Results from the trial are expected around the middle of the year.

KAI-9803 is designed to reduce the damage from reperfusion, or the reopening of blocked blood vessels, and is intended for an acute care setting.

When a patient arrives at the hospital with chest pains, and a blocked coronary artery is observed during an angiogram, the patient requires a balloon angioplasty to reopen the vessel and restore blood flow. But that reperfusion can "kick off a dual cascade of cell death, as well as necrosis in that injured heart tissue, which can lead to congestive heart failure, morbidity and, potentially, death," James said.

KAI-9803 is administered through the balloon catheter directly into the coronary artery just prior to reperfusion.

"What we showed in numerous animal studies is that [KAI-9803] can greatly reduce those damaging effects," he added. The drug showed an effect in size of the infarct and area of tissue death, and "we found that we could reduce that by a significant amount, up to 70 percent."

Preclinical work also demonstrated the drug's ability to improve microvascular blood flow following reperfusion.

KAI-9803 also might be effective in other ischemic indications, such as stroke.

KAI hopes to file an investigational new drug application this year for a second compound derived from its PKC modulation platform. Unlike KAI-9803, which inhibits the

enzyme, this one would activate it.

The epsilon PKC activator "would be targeted for preconditioning, or protecting against ischemia in a number of surgical situations, such as coronary artery bypass graft surgery," James said.

"If a surgeon knows they're going to be creating ischemia by clamping off an organ or causing potential debris or emboli to go through the system and potentially block an artery, they can give this drug prior to that surgery to protect the tissue," he said.

KAI retains full ownership of the epsilon PKC program, and James said the company plans to advance it through proof of concept as rapidly as possible.

"Our goal is to be a leader in approaching PKC modulation," he said. "The PKC family is involved in a number of disease processes, and there's a potential for a very deep pipeline that we can develop in partnerships and on our own."

Besides ischemia, drugs targeting PKC also could be developed in neuropathic pain, oncology and inflammatory disease. ■

OTHER NEWS TO NOTE

• **CanBas Co. Ltd.**, of Shizuoka, Japan, raised about \$20 million in its fourth financing round, which closed Nov. 30. The round was co-led by NIF SMBC Ventures and MVC (Mitsui Ventures), and included Nikko antfactory, MBL Venture Capital, Mizuho Capital, Nomura Securities, and Marubeni. CanBas develops drugs that target the G2 checkpoint, and are in Phase I studies with its lead compound, CBP501, as a G2 checkpoint blocker.

• **Cardinal Health Inc.**, of Dublin, Ohio, entered a feasibility and commercial option agreement with **Centocor Inc.**, of Malvern, Pa., to develop cell lines using Cardinal Health's gene product expression cell line engineering technology. Cardinal Health will use its patented GPEX technology to engineer cell lines expressing undisclosed Centocor monoclonal antibodies.

• **China Biopharmaceuticals Holdings Inc.**, of Nanjing, Jiangsu province, China, said that on Dec. 31 it entered an agreement with the shareholders of **Chengdu Tianyin Pharmaceutical Ltd. Co.**, of Chengdu, Sichuan province, China, to immediately assume operation control of Tianyin in all aspects of its business operations and to acquire a 51 percent ownership interest in Tianyin. The company will be issuing 3 million shares of its common stock to the shareholders of Tianyin, or their designees, and has agreed to invest \$2 million into Tianyin operations. An additional 300,000 shares of common stock will be issued to shareholders of Tianyin, or their designees, if Tianyin's after-tax audited profit for the year ended Dec. 31 reaches at least US\$3 million.

Iron Fist

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24p3 is a known pro-apoptotic protein, and the scientists wanted to investigate the relationship between 24p3 and Bcr-Abl. "The simplest model that we imagined was that Bcr-Abl was preventing 24p3 from being expressed," said Green, professor of molecular medicine and senior author of the paper. "That turned out to be 180 degrees wrong."

Instead, Bcr-Abl up-regulates 24p3, which should have the opposite effect of the extended life span that leukemia cells have. "These cells should be dead," Green said.

The reason they are not is that Bcr-Abl, by an unknown mechanism, also prevents the expression of the 24p3 receptor. That renders the cancerous cells resistant to their own 24p3 and changes the balance of power between leukemia cells and their normal neighbors.

"Any normal cell in the vicinity gets killed because it has the 24p3 receptor," Green said.

Novartis AG's chronic myeloid leukemia drug, Gleevec (imatinib), blocks Bcr-Abl activity. As a result, several biotechnology companies, including New York-based Inovio Pharmaceuticals Inc., as well as Structural GenomiX Inc. and Ambit Biosciences Inc., both of San Diego, are working on treatments for Gleevec-resistant CML. There also is Breakthrough Therapeutics, of Greenwich, Conn. (See *BioWorld Today*, Dec. 9, 2004, and Jan. 6, 2006.)

In the experiments presented in *Cell*, Gleevec increased the expression of the 24p3 receptor in cells expressing the Bcr-Abl kinase; as a consequence, the cells no longer were protected from 24p3's apoptotic effects. Green said that "in patients with leukemia, if you were able to intervene to inhibit 24p3," – either through an antibody against circulating 24p3 or via a small molecule at the transcriptional level – "it could have a beneficial effect, particularly in instances such as acquired Gleevec resistance."

Green and his colleagues discovered 24p3 as a pro-apoptotic gene while studying how growth factor deprivation drives cells to suicide. In those studies, which were published in *Science* in 2001, they demonstrated that interleukin-3 deprivation leads to the up-regulation of 24p3, and that 24p3 induced apoptosis. The details of the experiments reported in *Science* led Green and his colleagues to believe that there must be a cellular receptor for 24p3, and the work described in *Cell* began with the isolation and characterization of that receptor.

At the membrane, the receptor can bind 24p3 whether 24p3 itself is bound to iron or not. In both cases, 24p3 is taken up into cells, but with opposite consequences. Once in the cell, iron-bound 24p3 will ditch its load (which actually consists of a complex of iron with a so-called siderophore) and return to the membrane empty. An empty 24p3 molecule, in contrast, will acquire an intracellular iron-siderophore complex and extrude it from the cell when it returns to the surface.

Intracellular iron levels, in turn, affect a cell's penchant for suicide, or apoptosis, in an inverse relationship; that is, the lower the intracellular iron, the higher the likelihood of apoptosis. Green said that under physiological conditions, "the weight of the evidence" favors the idea that most 24p3s are empty and thus bind intracellular iron and remove it from the cell, lowering iron levels.

Green and his colleagues investigated the exact mechanism by which iron deprivation drives cells to suicide. They were guided by the knowledge that interleukin-3 deprivation induces the pro-apoptotic protein Bim, a member of the well-known Bcl-2 family, which is already in the sights of biotechnology firms such as Berkeley Heights, N.J.-based Genta Inc. and Montreal's Gemin X Biotechnologies Inc. (See *BioWorld Today*, Dec 13, 2005, and Dec 30, 2005.)

Studies confirmed that "empty" 24p3 increased Bim levels; interfering with Bim levels via RNA interference reversed the effects of 24p3, as did the addition of either free iron or iron-bound 24p3, and prevented apoptosis in response to interleukin-3.

Green's lab is working on determining whether other oncogenic tyrosine kinases, like Bcr-Abl, alter the expression of 24p3 and its receptor. While he described his own space as a basic research lab, his group is "certainly interested" in the clinical applications of the discovery.

"We'd be happy to work with anyone who has a clinical interest in this," he said. ■

OTHER NEWS TO NOTE

• **Enzon Pharmaceuticals Inc.**, of Bridgewater, N.J., said it is returning its rights to ATG-Fresenius S, a polyclonal antibody preparation used for T-lymphocyte suppression, to Fresenius Biotech GmbH, a subsidiary of Bad Homburg, Germany-based **Fresenius AG**. The product was being evaluated in the prevention of organ graft rejection in organ transplant patients. Enzon said its decision to return product rights was based on its ongoing efforts to redirect research and development investments to projects aligned with its business objectives, with an increasing focus in cancer and adjacent therapeutic areas.

• **Favrille Inc.**, of San Diego, secured a \$20 million line of credit through loan and security agreements with General Electric Capital Corp. and Oxford Financial Corp. The debt financing will be used to fund the company's facility expansion to support commercial-scale manufacturing of Favld, Favrille's lead candidate in Phase III trials for the treatment of follicular B-cell non-Hodgkin's lymphoma. The company believes the expanded facility will be able to supply Favld for up to 4,000 patients per year.

Millennium

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Dunsire pointed to results offered at the recent American Society of Hematology in Atlanta testing Velcade alone or in combination with other commonly used agents in previously untreated multiple myeloma, resulting in overall response rates as high as 92 percent, with complete response rates as high as 30 percent.

Cambridge, Mass.-based Millennium also reported that Velcade (bortezomib), used alone or in combination, in a range of multiple myeloma populations showed overall response rates of up to 78 percent in relapsed and refractory patients, a population in which the landmark Phase III APEX trial demonstrated a median 30-month survival benefit for Velcade as a single agent.

"We've known about [the potential as a combination therapy] all through Velcade's life, but we really saw that at ASH," Dunsire told *BioWorld Today*. What's more, it can be used across a broad range of patients, even those with renal failure, she said.

The compound won approval for third-line treatment of multiple myeloma in May 2003 on data from a 202-patient Phase II study known as the SUMMIT trial, showing median survival time in relapsed and refractory patients to 16.4 months. They usually die six to nine months after they are diagnosed.

Cleared in the second-line setting in March, Velcade sold \$192 million last year, a jump of 34 percent over the previous year, Millennium reported, which means fourth-quarter sales hit \$52 million, in line with Wall Street estimates. Millennium has vowed to grow Velcade sales another 17 percent to 30 percent this year.

"We have three front-line trials running," Dunsire said, and a label expanded to include those patients could mean even better things for Velcade. "Any of those trials could deliver an approval."

Meanwhile, Velcade finds itself under pressure from Warren, N.J.-based Celgene Corp.'s Revlimid (lenalidomide, a derivative of Thalomid, the company's brand name for thalidomide), which gained FDA clearance in late December for myelodysplastic syndromes. A supplemental NDA filing is expected shortly, seeking the go-ahead to officially target multiple myeloma. (See *BioWorld Today*, Dec. 29, 2005.)

Dunsire was quick to point out that Velcade is "the only single agent ever shown to provide a survival advantage" in multiple myeloma, which she called "really a key driver.

When physicians know that, they think about Velcade differently."

Educating physicians with an expanded sales force – while making the most of the data now available and gathering more – will be Millennium's main tasks.

For example, the company knows that "not all patients are getting eight cycles [of therapy]," Dunsire said. "If you want to buy in to the survival advantage, it comes with eight cycles of therapy."

Among the skeptics is analyst Jim Reddoch, with Friedman, Billings, Ramsey & Co. in Arlington, Va., who called the midpoint of Millennium's Velcade sales guidance "tough to achieve," and noted in a research report that the firm expects modest net income of up to \$5 million this year, "basically in line with previous guidance. Breakeven is made achievable more by layoffs than top-line growth."

In the works at Millennium is a Phase III trial with Velcade comparing the compound with and without Rituxan (rituximab), from South San Francisco-based Genentech Inc., against relapsed/refractory, indolent non-Hodgkin's lymphoma, as well as a study in lung cancer.

Both of those ventures are "high risk," in Reddoch's view, and he predicted no other Phase III studies by Millennium until at least 2007. Another candidate, MLN2704 for prostate cancer, seems unlikely to reach Phase III, he added, given the company's "tepid comments" during the conference call.

Dunsire said that when Millennium "put [MLN2704] in Phase I proof of concept, we were looking for some activity, which we did see, but we also saw some neuropathy develop. We've opened a final cohort and that's what we're moving through now." A decision on the next step is expected in the first half of this year, she said.

Another compound moving along, though, is MLN1202, the CCR2 blocker that in August began a 110-patient Phase II trial in patients at risk for atherosclerotic cardiovascular disease. Two other proof-of-concept trials are ongoing, as well, including one in rheumatoid arthritis and one in multiple sclerosis. Another in scleroderma will begin soon.

"We should be able to look at RA and [the atherosclerosis data] during the second half of 2006," said Dunsire, who took over during the summer as the replacement for Mark Levin, who also is Millennium's co-founder. She left her post as head of oncology operations in North America for Novartis Pharmaceuticals Corp., of East Hanover, N.J., the U.S. affiliate.

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OTHER NEWS TO NOTE

• **Immunicon Corp.**, of Huntingdon Valley, Pa., entered a supply and marketing license agreement with **Kreatech Biotechnology BV**, of Amsterdam, the Netherlands, for Kreatech's Universal Linkage System technology. The agreement enables Immunicon to use ULS technology in conjunction with its own technologies, and develop assays for use in confirming whether certain epithelial cells are cancerous. Financial terms were not disclosed.

• **Medicure Inc.**, of Winnipeg, Manitoba, expanded its antithrombotic research collaboration with Jawed Fareed, of the Loyola University Stritch School of Medicine in Maywood, Ill. The company's antithrombotic agents have demonstrated a dual antiplatelet/anticoagulant mechanism of action, indicating potential in the management of cardiovascular and cerebrovascular diseases such as myocardial infarction, stroke, pulmonary emboli and peripheral arterial disease. The expanded collaboration will involve a number of new preclinical studies with the objective of moving a lead candidate into the clinic. Medicure's lead product in the antithrombotic program is MC-45308. The company raised C\$12 million in a bought deal financing earlier this month. (See *BioWorld Today*, Jan. 5, 2006.)

• **NexMed Inc.**, of Robbinsville, N.J., received a notice from Nasdaq indicating that it did not comply with the minimum \$50 million market value of listed securities requirement for continued listing. Additionally, the company does not comply with the requirement that total assets and total revenue of \$50 million each for the most recently completed fiscal year or two of the last three most recently completed fiscal years. Separately, **SIGA Technologies Inc.**, of New York, entered a securities purchase agreement, dated Nov. 2, with four investors for the issuance and sale of 2 million shares of SIGA's common stock at \$1 per share for aggregate consideration of \$2 million and certain war-

rants. The investors were also entitled to purchase additional shares of SIGA's stock for a gross amount of up to \$2 million at an initial price of \$1.10 per share for a period of 90 trading days following the effectiveness of a registration statement. The event has pushed SIGA back in Nasdaq compliance.

• **Nobex Corp.**, of Research Triangle Park, N.C., launched a marketing initiative to promote bidding on its intellectual property rights and other assets. The company filed for bankruptcy protection Dec. 1, 2005, after 12 years of research operations. During that time, the company developed a portfolio of 300 patents and patent applications, including several protein and peptide product candidates that have been in clinical study.

• **Perlegen Sciences Inc.**, of Mountain View, Calif., began a collaboration with South San Francisco-based **Genentech Inc.** to study the genetics of cancer. Findings from the study could potentially be applied to the discovery and development of targeted medicines and molecular diagnostics for the disease. Terms of the agreement were not disclosed.

APPOINTMENTS AND ADVANCEMENTS

UCB, of Brussels, Belgium, appointed Bill Robinson and Bob Trainor as new members of the company's executive committee.

Vasogen Inc., of Toronto, appointed Terrance Gregg vice chairman of its board.

VioQuest Pharmaceuticals Inc., of Monmouth Junction, N.J., named Johnson Lau to its board.

Vivus Inc., of Mountain View, Calif., appointed Wesley Day vice president of clinical development.

Xanthus Life Sciences Inc., of Cambridge, Mass., appointed Kris Piper vice president of regulatory affairs and quality assurance.

Millennium

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iate of Novartis Pharma AG in Basel, Switzerland. Dunsire worked for Novartis for almost 20 years. (See *BioWorld Today*, July 6, 2005.)

Reddoch, who maintains an "underperform" rating, characterized Millennium as a "slowing-growth company with a high valuation and an early stage pipeline."

Analyst Phil Nadeau at SG Cowen in New York remained "neutral" on Millennium's shares, citing in a research report "many pipeline milestones in 2006, although none seem sufficient to spark investor interest."

Christopher Raymond, with Robert Baird & Co. in Chicago, also stayed "neutral," and said in a research note that his firm "continue[s] to await signs of increased Vel-

cade traction before recommending the name."

Analysts at Atlanta-based Suntrust Robinson Humphrey downgraded Millennium from "buy" to "neutral" in December. Last fall, Lehman Brothers in New York upgraded the firm from "underweight" to "equal weight."

Reddoch said Velcade is "showing a plateau," but Dunsire disagreed.

"Growth in 2005 vs. 2004 was very strong," she said. Along with the Rituxan combo trial, the company will submit in the second half of this year a supplemental BLA filing to explore Velcade against mantle cell lymphoma. But even without the new indications, "a number of myeloma patients out there in the relapsed settings are getting some old therapies, and there's room for Velcade to penetrate further. We have a really good base for a company that's just 13 years old." ■