BUSINESS BRIEFS

Merck, Galapagos Make Deal

Galapagos, a Belgian firm already partnered with Eli Lilly & Co. on products for osteoporosis, has struck a deal with Merck to seek novel therapies for obesity and diabetes. Merck will pay Galapagos $2.01 million up front along with discovery, development, and regulatory milestones that could pass $228.3 million for multiple products. Under the arrangement, Galapagos will perform preclinical research on targets selected by a joint screening committee. Merck will then have the option to take candidates produced by this process into development, although Galapagos may perform some phase I clinical studies and will retain development and commercialization rights to any compounds Merck does not pick up.

Kaufman Takes Medtronic Post

Dr. Francine Kaufman has been named vice president of global medical affairs for Medtronic's diabetes business. In that role, she will be "a key architect of the company's global diabetes strategy," Medtronic officials said in a statement. Dr. Kaufman will retain her title as distinguished professor of pediatrics and communications at the University of Southern California, Los Angeles. "After a full and complete career in academic medicine, patient care, and advocacy, taking on an industry role with Medtronic represents an exciting new phase in my career," said Dr. Kaufman, who also recently began a 3-year term as chair of the federal government's National Diabetes Education Program.

Metabasis Cuts Staff by 43%

Metabasis Therapeutics Inc. announced last month that it was laying off 38 employees, or 43% of its staff. The San Diego–based biotechnology company develops treatments for type 2 diabetes, hyperlipidemia, and liver disease. The company said it will focus on two product candidates, MB07811 for the treatment of hyperlipidemia and MB07803 for the treatment of type 2 diabetes, and also will work on advancing its glucagon antagonist program. "Given the tough market conditions, we have decided to refine our research and development focus," said Dr. Mark Erion, president and chief executive officer of Metabasis. "We continue to make progress toward recommending a glucagon antagonist for development and as such are optimistic that this program will result in a significant collaboration."

The company also will look for a strategic collaboration for MB07803, its second generation fructose-1,6-bisphosphatase inhibitor for type 2 diabetes, he said. The company will take an estimated $1.4 million charge in connection with one-time employee termination costs.

Akesis Files for Bankruptcy

Also last month, Akesis Pharmaceuticals Inc. announced that it has discontinued its only clinical development program, which is for AKP-020, a phase IIa diabetes drug candidate. "After analyzing the data from our 3-month preclinical safety program, we have decided to discontinue the diabetes program," said company president Carl LeBel, Ph.D. Because the AKP-020 program is being discontinued, the San Diego–based company is also filing for Chapter 7 liquidation. "We have determined that we can no longer operate as a business enterprise," Dr. LeBel added.

Device Partnership Extended

Continuous glucose monitor maker DexCom Inc. has amended its joint development agreement with insulin pump maker Animas. The revised agreement gives Animas, a unit of Johnson & Johnson, exclusive rights to DexCom CGM technology for integration into Animas insulin pumps outside the United States. Animas will pay DexCom $5 million for the first regulatory body approval outside the United States for the new system. DexCom anticipates the integrated system will be available to patients in the first half of 2010.

—From staff reports

Reporters and editors from Elsevier's "The Pink Sheet" contributed to this column.

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