

And the Helix Award goes to . . .

2 San Diego companies win biotech's top prize

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BOSTON – In 2001, Peter Ulrich was an entrepreneur-in-residence at Forward Ventures, which means he had a desk and access to the San Diego venture capital firm's databases but no salary. He spent his days trying to find the seed of a promising biotechnology company.

He seems to have found it in TargeGen, where he now works as chief executive.

Today, at the annual grand fete of biotechnology, two San Diego companies, TargeGen and Amylin Pharmaceuticals, are receiving the equivalent of the industry's Academy Award.



LAURA EMBRY / Union-Tribune

Scientist Joel Renick made notes on the progress of his experiments at TargeGen, which is working on therapies for macular degeneration and cancer.

Unlike the excruciatingly long list of annual Oscar winners, biotech gives out only three James D. Watson Helix Awards. TargeGen, a Torrey Pines-based company with 60 employees, won the award for private companies. Amylin,

with more than 1,500 employees, received the small-cap public company of the year award.

The other winner is Genzyme of Cambridge, Mass., which won among large public companies. The companies will be presented with the awards today during the annual Biotechnology Industry Organization conference.

“These exceptional companies were chosen by their peers to be recognized as industry leaders,” said Jim Greenwood, president of the international Biotechnology Industry Organization, which hosts the annual industry conference and the Helix awards.

A panel of 12 industry insider judges nominated companies based on their scientific and business accomplishments, said Alan Eisenberg, who oversees emerging-company issues for BIO.

The award was founded by the Center for Biotechnology and Stony Brook University in 1996 and named for the man who discovered DNA. It's awarded to companies that distinguish themselves through innovative science and growth.



LAURA EMBRY / Union-Tribune
CEO Peter Ulrich said TargeGen has identified 20 diseases that are candidates for treatment with its technology.

Amylin has achieved acclaim in San Diego, and increasingly around the country, for two first-in-class diabetes drugs that were approved last year.

TargeGen is not as well-known. But that could rapidly change later this year when the company expects to release data from a Phase 2 clinical trial on an eye-drop treatment for macular degeneration, a disease now treated with regular injections in the eye.

The company is also developing treatment for a rare type of blood cancer, for which there is currently no treatment.

“Since the inception of TargeGen, we have by design sought to develop new therapeutic approaches for major diseases in unprecedented and creative ways,” Ulrich said. “It is gratifying to all associated with TargeGen to be publicly recognized for achieving some small measure of success toward this objective.”

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The science behind TargeGen comes out of San Diego.

The company's story started when Ivor Royston, a managing member of Forward Ventures venture capital, was talking to David Cheresh, an internationally recognized expert in the field of angiogenesis, the process in which the body grows new blood vessels. At the time, Cheresh was a researcher at the Scripps Research Institute, and Royston wanted his opinion on another scientist's discovery.

Cheresh, who is now at the Moores Cancer Center at University of California San Diego, listened patiently to Royston describe a promising scientific discovery he thought might be spun into a new company. Then he told Royston, “I have something much better.”

Cheresh had found something called an Src kinase inhibitor, which could prevent the fluid from leaking out of blood vessels, causing edema. His work on mice shows these inhibitors reduced the incidence of stroke, and he projected they would do the same for myocardial infarction, or heart attack, Royston said.

Royston thought Cheresh's work could be used on a number of inflammation-related problems.

“Now, I'm convinced that is correct,” Royston said.

Royston, excited about spinning the science into a company, shared details of it with Drew Senyei at Enterprise Partners, another San Diego-based venture

capital firm. The two firms invested \$10 million in the formation of TargeGen, the first San Diego deal they had done together.

“It was the combination of good management and a huge opportunity in the advancement of biological insights that could lead to multiple products” that sold Senyei on TargeGen, he said.

“As chief executive, Ulrich has the ability to communicate, plan, motivate and build companies with a lot of energy and a sense of urgency that is required in small entrepreneurial companies,” Senyei said.

Ulrich deserves an honorary Ph.D. in biology, Senyei said, because he is so conversant in the scientific details of the company.

He's just as effusive of the way TargeGen has progressed with the science: “Richard Soll has done a terrific job there,” he said of the company's chief science officer.

To control costs and try to efficiently manage its science, the company collaborates with WuXi Pharma Tech in Shanghai, China, giving TargeGen access to that company's 300 chemists, who help the 13 chemists TargeGen employs in San Diego.

Ulrich pointed out that all product candidates at TargeGen have been developed in-house, and he credited the scientific staff's agility at designing product candidates and then quickly testing them to see if they work in a living system, which cuts years off the typical drug discovery process.

The company has met and exceeded all of its pre-established milestones, Royston said. In three venture capital financing rounds it has raised \$70 million and is poised to close another \$40 million round, making it one of the highest valued private companies, he said.