

INSIGHTS FOR THE LIFE SCIENCE INDUSTRY

Biotechnology Focus

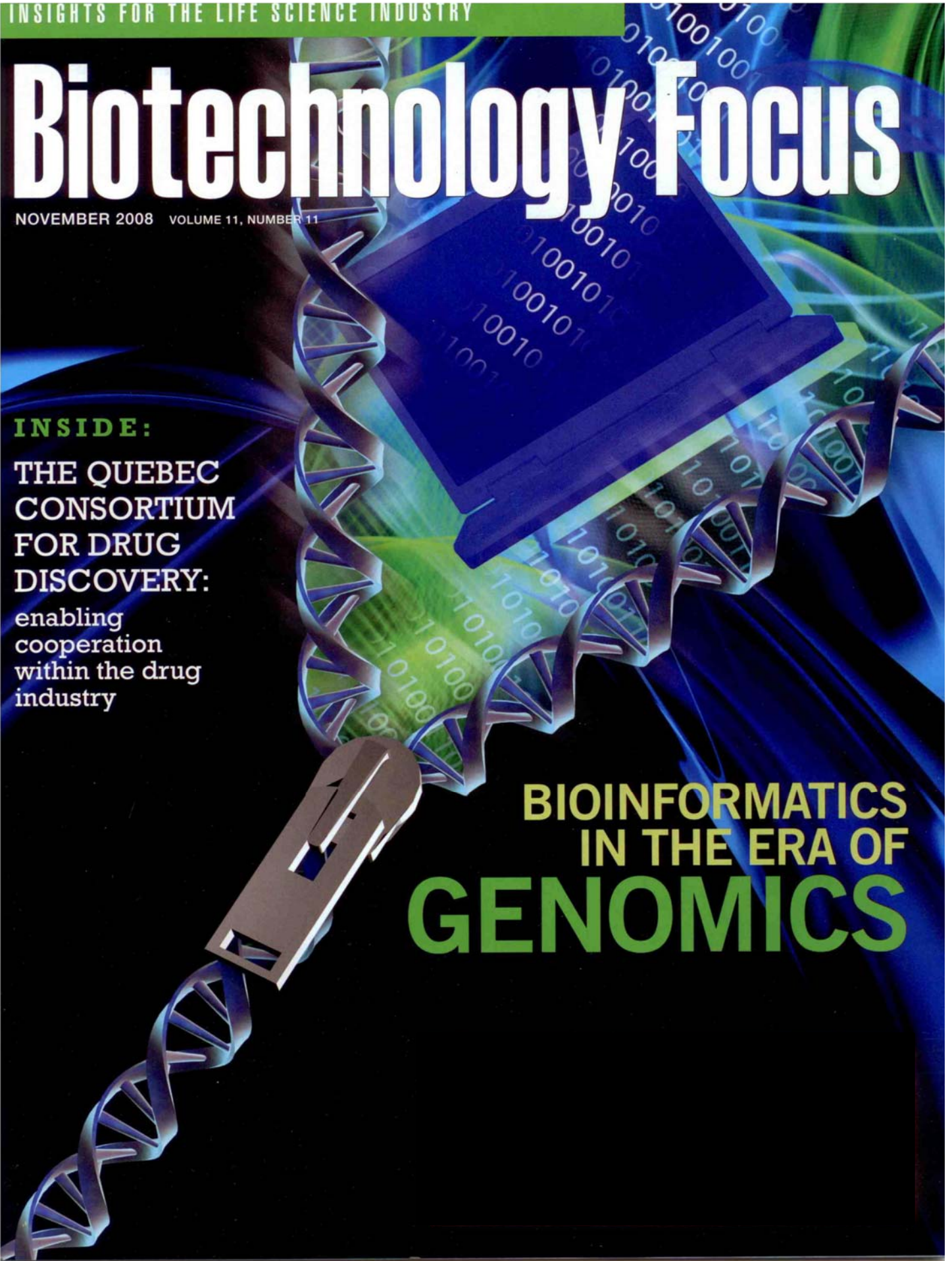
NOVEMBER 2008 VOLUME 11, NUMBER 11

INSIDE:

THE QUEBEC CONSORTIUM FOR DRUG DISCOVERY:

enabling
cooperation
within the drug
industry

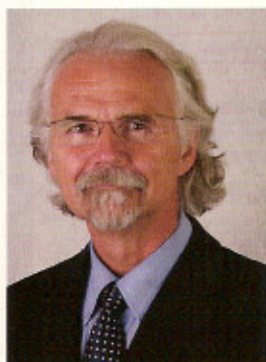
BIOINFORMATICS IN THE ERA OF GENOMICS



DRUG DISCOVERY

The Quebec Consortium for Drug Discovery:

STIMULATING RESEARCH IN THE DRUG DEVELOPMENT FIELD



In June of this year, the government of Québec, AstraZeneca, Pfizer Canada and Merck Frosst teamed up to announce the launch of a new kind of consortium in Canada.

Described as a partnership among universities, hospitals, biotechnology companies and the pharmaceutical industry to help stimulate pharmaceutical research and accelerate drug discovery, the CQDM (Quebec Consortium for Drug Discovery) is the brainchild of Dr. Alain Beaudet, president and chief executive officer of the Fonds de la recherche en sante du Quebec (FRSQ) working with other key figures in the province's biopharmaceutical community.

Now fully operational, the CQDM is doing what it set out to do, bringing together leading scientists from the industrial, university, hospital and government fields to face the challenges of the drug discovery process.

This month *Biotechnology Focus* discusses the CQDM and its goals with CQDM president and CEO **Max Fehlman** and CQDM vice president, Research and Business Development **Diane Gosselin**.

Q: What are the CQDM's objectives with respect to the drug industry?

Diane Gosselin: The CQDM is a functional network enabling cooperation within the drug industry. Our objective is not to set out and develop new molecules, but rather allow for the creation of enabling tools and technologies that will accelerate the drug discovery process. Our mission is to identify, finance and support research projects that are carried out in partnership between biotech, the academic and hospital milieus and pharma.

Max Fehlman: We will be focusing on research that is in the pre-competitive phases of drug development. It's common knowledge that in today's current financial market that the pharmaceutical industry as a whole is reluctant to take more risks. Their preference is to finance and put into the pipeline things that are more secure than anything else. On the opposite end of the spectrum, Biotech is having its own troubles in terms of financing early stage programs. Likewise they don't

always seem to have a clear understanding of the needs and expectations of their potential partners and clients. Universities don't have the culture to go for a full drug development program and industry is reluctant to take risk. So the question becomes who is going to finance the innovation? So the idea is by putting these different players together in a consortium, we are addressing all of these problems. The approach we're taking through the CQDM is, let's take the risks that we aren't able to take individually in our own companies, together. Let's finance programs that we really believe can make a difference that we know our organization would be reluctant to finance. It's about creating more access to creativity and capturing that, taking advantage of our collective expertise and making it a win-win situation for all parties.

Q: Who are the major players involved in the consortium and are there plans to expand on these numbers?

MF: We have five founders, three of which are major pharmaceutical companies, Pfizer

Canada, Astra Zeneca Canada, Merck Frosst Canada, as well as the FRSQ and the Ministry du developement economique. Those are the five financial contributors presently. That doesn't mean that this is it. We are continuing to discuss with other companies and trying to increase that number, but those are the five members that have initially committed to founding this consortium.

Q: What possible benefits may arise from this consortium for all the parties involved?

MF: Biotechnology companies are one of the groups we would like to finance. We also feel because biotech companies do not always have a clear understanding of the needs and expectations of their potential partners in the pharmaceutical industry, the CQDM will enable better communication between these two sides and give biotech a better understanding of the industry's needs. Likewise, we will be focusing on academia and facilitating partnerships between university projects and industry.

DG: We hope that through our funding program, that all parties related to the drug discovery industry in Quebec will see some sort of benefit. More and more we've realized that we need to have some tools, some good technologies that can help decrease the risk of failure. In that sense, we want to provide the opportunity for academia, biotech and pharma to have the tools they need to increase their productivity, to decrease the time, the costs and the risks related to drug discovery and research. On a larger scale, the entire province will benefit because the consortium will increase our competitiveness. Specifically, universities will benefit because it's an additional source of funding. It's also a way for both biotech and academia to get closer to the pharmaceutical industry and have a better knowledge and understanding of the needs of the industry. With many drug patent expirations on the horizon, the benefits for our pharma partners are that it's a means to aid them as they try to restock their pipelines.

MF: That's exactly what it is, but no individual pharma partner will benefit more so than the others. The idea is really to finance pre-competitive research, meaning that the results of the research that we will finance should and will be applicable to all companies. There will not be one to one relationships, but rather a mutual consortium and relationship. All the money goes into the same box and this box finances all the projects. The pharma industry will get non-exclusive end user licenses on the discoveries made through these programs and ideally and what we are hoping for is new tools, new technologies, that favour drug development, that each party can apply in their own discovery process.

Q: Do you foresee biotechnology companies and individual academic researchers using this as a means to replace the lack of startup cash that's out there right now?

MF: Yes and no, we definitely don't want to substitute for venture capital that is really getting scarce everywhere in Canada. Although you can easily imagine that a group in a university that has an idea for a startup could benefit from a grant and that it may just make their project more attrac-



tive to investors. We can help them in this process, help their project mature and keep them focused on the needs of the pharma industry and make them more ready for being financed later on by VC's. Not as a substitute but as a helping hand.

Q: October 1, 2008 marked the launch of the CQDM's first call for proposals. What proposals will get first priority?

DG: This year our strategy orientation committee has decided to put special emphasis on the topic of efficacy, so in this way we will choose projects that will serve to develop better predictive tools in toxicity and efficacy. Therefore, the priority will be given to enabling technologies that are designed to: 1) accelerate the discovery of new drugs; 2) increase drug efficacy; 3) improve predictability of efficacy; and 4) facilitate evaluation of efficacy. We also want to put a special emphasis on projects that will be bringing clear deliverables to the drug discovery process. CQDM's funding will be awarded following a competitive process in two stages. Applicants must submit a letter of intent before November 27th, 2008. The selection will be overseen by the CQDM's Strategic Orientation Committee. Only applicants whose letter of intent will be selected will be invited to submit a full project proposal before February 27th, 2009. Evaluation of the proposals will involve an international peer review led by the Fonds de la recherche en sante du Quebec (FRSQ). Final selections will be made in April 2009.

Q: What are the financial details and how much money is in the pot?

MF: Initial financing for the CQDM's operation is mainly provided by a grant awarded

by the Fonds de la recherche en sante du Quebec (FRSQ), the Ministry of Economic Development, Innovation and Export Trade (MDEIE) as well as investments from Pfizer Canada, AstraZeneca Canada and Merck Frosst. We have a budget of \$12,000,000 a year for the next four years which includes an annual contribution of \$1,000,000 by each of our three pharma partners and another \$3,000,000 a year contribution on behalf of the ministry. This will allow us to finance three to five projects per year. We don't want to spread the money into various small projects but rather concentrate it towards larger projects that we feel will make a difference.

Q: On top of providing \$1,000,000 each for the next four years, what else do Merck, Pfizer and AstraZeneca contribute to the consortium?

MF: The contribution on behalf of pharma goes beyond just providing the cash. For example, we have decided that for each project that will be pre-selected on the basis of a letter of intent, we will nominate an expert coming from the industry from our partners that will be a facilitator for the project. They will help to form the project in a way that we will be sure that the milestones will be clearly identified, and the timelines are reasonable, where the deliverable will be clearly identified at the end of the four-year period, giving them access to industrial expertise.

Q: How has the consortium been embraced by the Quebec research community?

MF: By the deadline we will really see if it has been embraced by our research community here in Quebec. What we can say so far is we are seeing a lot of enthusiasm from everybody, and there is clearly a need. People are happy to collaborate, in a sense they are discovering each other, and the enthusiasm being shown in building on this alliance has exceeded expectations already.



For more **DISCOVERY** information visit our

Drug Discovery Web Portal at
www.bioscienceworld.ca