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Ariad licenses prized pathway

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Ariad Pharmaceuticals has signed its second license deal for the NF- κ B patent, which covers a heavily researched protein signaling [pathway](#) believed to be a key to cancer, osteoporosis, and inflammatory diseases. Reagent maker [DiscoverX](#) signed up for a nonexclusive worldwide license of rights under the patent, granted last summer to the Whitehead Institute of Biomedical Research, Harvard University, and Massachusetts Institute of Technology, and licensed by [Ariad](#), a Cambridge, Mass. biotech.

The [NF- \$\kappa\$ B patent](#), which contains hundreds of claims associated with cellular processes that are the subject of thousands of research projects at the bench, created a stir last summer among academics who feared Ariad would exact royalties and license fees. The company said at the time that it would not invoke the patent against noncommercial researchers and has so far lived up to its promise.

"I haven't heard a thing from any of our researchers, so they're obviously not asking for licenses," said Kathy Ku, director of technology transfer for Stanford University. Technology transfer officials at several other universities also told us that Ariad had not asked for license fees for research involving the NF- κ B pathway.

Ariad's deal with DiscoverX gives the Fremont, Calif. drug discovery technology firm the right to sell NF- κ B assays to biotechs and pharmaceutical companies, which must negotiate their own research and development licenses with Ariad. Sales to academics and nonprofit institutions are exempt from the independent license agreement.

"We specifically indicated that for not-for-profits, universities and the like, licenses are not needed," Ariad Chairman and Chief Executive Officer Harvey Berger said, referring to terms of the DiscoverX agreement, announced Friday. "We entirely encourage noncommercial use without a license."

But as soon as the patent was granted last June, Ariad sued Eli Lilly, claiming that two of Lilly's products infringed Ariad's rights. Both Evista, an osteoporosis medication, and Xigris, a treatment for severe sepsis, operate along the NF- κ B signaling pathway.

The lawsuit, filed in federal court in Massachusetts, is proceeding. "We believe the patent is invalid and is not infringed," said Robert Smith, spokesman for Indianapolis-based Lilly. Last year, Ariad spent \$676,000 on the litigation and another \$325,000 to promote the commercialization and licensing of its cell signaling technology.

Bristol-Myers Squibb was the first to license rights from Ariad, said Berger. The New York-based drug manufacturer signed on in November 2002.

Other potential commercial licensees may be holding back, awaiting the outcome of the Lilly lawsuit, according to Berger. "It's hard for me to say. Some are waiting for companies like DiscoverX to have a high-throughput assay."

DiscoverX agreed to pay Ariad an upfront license fee and annual license fees as well as royalties and milestones based on sales. "We made the business decision to go ahead and execute the license agreement with Ariad," said Enal Razvi, vice president of business development for DiscoverX.

Talks are underway with other companies, including firms that, like DiscoverX, are developing kits to screen for NF- κ B, Berger said. So far, however, Ariad has yet to see the potential license fee windfall.

"It's a process that takes time, but we're making really good progress," Berger said.

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