

Novartis who?

At the beginning of March came the unexpected announcement of the merger of the two Swiss multinationals, Ciba-Geigy and Sandoz, to form the new company – Novartis – which, at a stroke, has become number two in the world pharmaceutical company ranking. This is the latest in a long series of mergers that, ironically, started with that of Ciba and Geigy way back in 1970.

The reasons for the union are not hard to uncover and are basically the same as those that drove together Glaxo and Wellcome, Roche and Syntex, and others; bigger may not be beautiful but it makes sense in the boardroom. The Chairman of the new company will be Alex Krauer, present Chairman of Ciba, and the executive committee of Novartis will be headed by Daniel Vasella, the present CEO of Sandoz, who will also have the title of President.

Although both companies have been making money, neither has had a really successful blockbuster in recent years. Ciba-Geigy is still earning a significant proportion of its income (1995 sales of \$1.3 billion) from the nonsteroidal anti-inflammatory agent, Voltarol (diclofenac sodium), which was developed in the early 1970s, and Sandoz has clocked up a healthy \$1.2 billion with Sandimmun® (cyclosporin) in the same period. However, the new company will have more than 90 major projects in development. There will be large-scale restructuring, and sources in Basle report that about 3,000 jobs will go. Although this loss is probably inevitable, it will be very hard for staff to find alternative work in Switzerland. It also remains to be seen how the merger will be viewed politically, because Switzerland is becoming increasingly concerned about US and

UK management strategies, which involve a degree of corporate blood-letting not normally seen there. In an unprecedented move, Krauer and Vasella appeared together on Swiss television to be grilled by a panel of politicians, businessmen and others about the implications of the merger.

One of the most intriguing aspects of the merger is the choice of the name 'Novartis'. At first hearing, it sounds more like the name of an underarm deodorant or aftershave, but it seems that the London-based company Siegel & Gate Ltd were hired to come up with a new name that would be acceptable internationally, with no undesirable or snigger-provoking connotations in far-off lands. Sensibly, they adopted a classical approach, with *novo* meaning new and *artis*, skills, hence 'new skills' or 'innovation'. Still, after a few days the name seems to grow on you and, let's face it, we are all now quite at home with 'Zeneca'.

David B. Jack

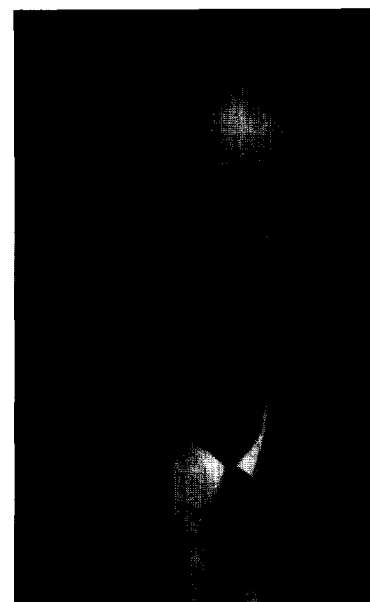
Cerebrus – contract CNS discovery research

A new discovery research centre has been initiated in the UK to address the expanding opportunities offered by the CNS drug market. The CNS disorders represent one of the largest areas of unmet medical need, and the market for drugs in this area is growing at an annual rate of around 10–20% across the world. Dr Chris Evans, the biotechnology entrepreneur, has teamed up with five leading neuroscientists, all former Wyeth employees, to create Cerebrus, and Schroder Ventures have provided first-round financing of the project to the tune of £2.4 million in return for a 50% shareholding.

The company, based in Ascot, UK, will offer pharmaceutical companies access to its range of CNS biological screening mod-

els on a contract basis while fast-tracking a series of its own discovery research projects. Cerebrus aims to bring to bear the team's expertise in biological models of psychiatric disorders, eating disorders and neurodegeneration together with state-of-the-art computer-aided drug discovery techniques and extensive experience in medicinal chemistry to drive a programme of CNS drug discovery and early development. The aim is to generate high-quality biological leads and to progress these leads to late stage preclinical development before entering into licensing agreements with major players.

According to Dr Colin Dourish, General Manager of Cerebrus, "Cerebrus offers the largest range of CNS contract services



Dr Colin Dourish, General Manager of Cerebrus.

currently available, from a team with over 70 years' experience and a proven track record in neuroscience. We fulfil an unmet need in the contract research market by providing a comprehensive neuroscience research service for pharmaceutical companies wishing to reduce costs by outsourcing expensive testing. Our own neuroscience drug discovery research effort will benefit from screens developed for contract research work".

The other scientists behind the project are Dr Allan Fletcher (Neuropharmacology), Dr Alan Palmer (Neurochemistry), Dr Ian Cliffe (Medicinal Chemistry) and

Dr Robin Shepherd (Synthetic Chemistry). Between them, the team has authored more than 475 papers or abstracts, 45 edited books or book chapters and are inventors or coinventors of more than 60 patents.

Peter McPartland, a partner of Schroder Ventures and Chairman of Cerebrus, illustrates Schroder's confidence in working with Chris Evans and the ex-Wyeth team by highlighting the fact that this is the first time that they have backed a life sciences start-up since 1992.

David Hughes

Genomics at the AAAS

Genome science is exerting a profound impact on all areas of biology and biotechnology and is fundamentally changing the drug discovery process. Dr William A. Haseltine (Human Genome Sciences [HGS], Rockville, MD, USA) speaking in February at the 1996 *American Association for the Advancement of Science Annual Meeting* (Baltimore, MD, USA), described how it is now possible to derive what he terms 'gene anatomy' – the sequence and relative concentration of every mRNA expressed in a given cell, tissue, organ or organism. Carrying the analogy further he described how changes in gene anatomy during development or upon cell activation yield 'gene physiology', while changes in response to various disease states provide a picture of 'gene pathology'. According to Haseltine, genomics is a reversal of the reductionist approach to biology and begins to build a useful molecular picture of a human being.

The emergence of genomics is due largely to the automation of DNA cloning and sequencing, the use of reverse transcription to convert mRNA into cDNA, and to the advances in bioinformatics required to manipulate enormous amounts of biological data and to compare gene sequences to identify the function of newly discovered genes. These technol-

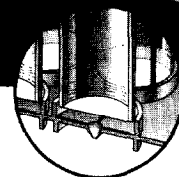
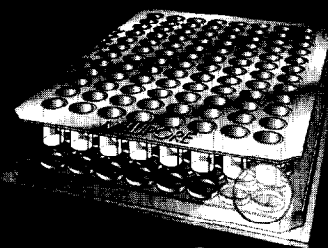
ogies are now so powerful it is possible to sequence the entire genome of a bacterium in just a few weeks, a feat that HGS has just completed for *Staphylococcus aureus*.

Genome science has a totally different goal from gene mapping, which refers to the determination of the address of the various genes on the chromosomes. "If you have a criminal in your hands you do not need to know where he lives," quipped Haseltine as he touted the utility of genomics over mapping. It also avoids having to deal with the huge quantities of noncoding sequences that plague those laboratories sequencing the entire human genetic code.

Rapid sequencing

Dr C. Rosen, also of HGS, indicated that the sequencing of human cDNA is progressing at a furious rate. HGS has the capacity to do as many as 3,000 to 5,000 gene sequences per day, and more than 850,000 cDNA sequences have been completed and incorporated into its database. The company is storing more than 2 million frozen clones that contain specific gene sequences. As a result, when an interesting new sequence is published, HGS scientists can determine within hours whether there are similar sequences present as part of the human gene anatomy,

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