

Bayer enters cancer research deal with Israel's Compugen

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FRANKFURT/JERUSALEM (Reuters) – German pharmaceuticals company Bayer AG has entered a new cancer partnership with Israel's Compugen Ltd to research, develop and commercialise antibody-based therapies.

The agreement sent Compugen's shares up more than 50 percent.

The two partners will jointly carry out a preclinical research programme, they said in a statement on Monday.

Under the deal, Compugen will receive an upfront payment of \$10 million, and is eligible to receive over \$500 million in potential milestone payments.

Compugen may also receive mid to high single digit royalties on worldwide net sales of any resulting products under the collaboration.

“Antibody-based immunotherapies are promising approaches in oncology which can stimulate the body's own immune cells to fight cancer cells,” Bayer executive Andreas Busch said in a statement.

Bayer will have full control over further development and have global commercialisation rights for potential cancer therapies.

Compugen's Tel Aviv-listed shares were up 45 percent in late trading while they were up 52 percent at \$8.30 in pre-market Nasdaq trade. Bayer's shares were up 0.4 percent.

The immunotherapy approach aims at combating cancer by stimulating the body's own immune cells.

The tumour and its environment suppress the ability of cancer patients to develop an effective anti-tumour immune response and in this way protect both tumour growth and survival.

Compugen said it has discovered two novel immune checkpoint regulators that potentially play a key role in immunosuppression and researchers at Compugen are developing specific therapeutic antibodies that are geared to block the immunosuppressive function of these targets and to reactivate the patient's anti-tumour immune response in order to fight cancer.

(Reporting by Victoria Bryan in Frankfurt, Steven Scheer in Jerusalem; Editing by David Cowell)

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