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HEALTH

Venture Investors Are Targeting Side Effects of Cancer Treatment

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CHICAGO -- Advances in cancer treatment have helped many patients commute what might have been death sentences to more manageable, long-term conditions.

But the drugs can lead to serious side effects. Now, venture capitalists are focusing on the side-effect treatment market, funding companies at the cutting edge of such research.

CHECKUP



1

See drugs in the pipeline² for treating mucositis.
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"If the world of cancer is controlling it rather than killing it, it would be more important to control side effects," said Charlie Moseley, of Atlanta venture fund Noro-Moseley Partners. "Side effects can be very serious, and as painful as the pain of the disease itself. If people are unable to eat or swallow, they find it difficult to continue the treatment."

One of the worst side effects of cancer treatment is oral mucositis. The condition, which affects about 40% of patients receiving chemotherapy or radiation, is characterized by sores in the mouth that can make speaking, eating and drinking difficult, and at times impossible. Sometimes, the only solution is to reduce the patient's treatment or remove the patient from treatment entirely. There isn't a drug that specifically targets the problem, which affects 400,000 patients in the U.S. each year.


Another side effect of chemotherapy is neuropathy, in which some patients experience a funny feeling in their arms and legs. In particularly tough cases, pain from neuropathy becomes debilitating and treatment has to stop. About 100,000 cancer patients a year in the U.S. experience chemotherapy-induced neuropathy.

In the past, drug companies haven't seen a lot of money in treating side effects that only affect a minority of cancer patients. Now, two small venture-backed companies have medications in their pipeline aimed at these conditions.

Aesgen Inc., of Princeton, N.J., has developed a treatment for oral mucositis called Saforis. The drug, a mouthwash that the patient can swallow, uses an amino acid found in human plasma called L-glutamine that, when delivered in the company's proprietary drug delivery system, can prevent damages from cancer treatment and help tissues recover their normal function.

Saforis received fast-track designation from the Food and Drug Administration in 2002 due to the high medical demand. The company hopes to file a new drug application for Saforis with the FDA this year.

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A treatment for neuropathy also is on the horizon. Aegera Therapeutics Inc., of Montreal, is currently developing an apoptosis, or programmed cell death, inhibitor to treat the condition, which the company says patients are even more likely to experience with some of today's more complex cancer treatments.

"It's becoming more and more of a problem because emerging treatments in cancer are more and more neurotoxic," said Aegera Chief Executive Michael Atkin. The drug is expected to enter clinical trials next year.

If the side-effects market has so much potential, why has it taken so long for companies to focus on it? Mr. Atkin thinks it is because of the difficulty in measuring exactly how much a patient with these conditions is suffering.

"The main symptom is the patient feels awful," Mr. Atkin said. "But that's hard to measure. Doctors prefer things they can measure, touch and feel."

For cancer patients, the benefits of such treatment are more concrete. Christie Rigg, 55, a California breast-cancer patient who took Saforis as part of the company's clinical testing in 2000 when she underwent chemotherapy, never experienced some of the pain other patients go through. "I didn't develop one mouth sore and for that I'm eternally grateful," Ms. Rigg said. "It made a totally miserable experience a little less miserable."

Jim Broderick, a general partner with Morgenthaler Ventures, of Menlo Park, Calif., said conditions like these got overlooked by major drug companies because there simply wasn't enough money in them to make them worth an investment.

"These aren't as big and exciting for the big companies that are looking for drugs that will have a market of \$1 billion or more," Mr. Broderick said. He said in the palliative-care area of cancer, there are some big markets like anemia and nausea and vomiting, which are two problems common to all cytotoxic drugs. "But the next level of problems aren't as uniformly present, so the pharmaceutical market is smaller," he said. "It's a crumb on the ground for smaller companies to go after."

With the help of venture-capital investors, many smaller pharmaceutical companies are doing precisely that. Aegera recently completed a round of venture financing, with Toronto's VenGrowth the lead investor in a \$20 million Canadian financing. The company will seek a backer to lead a mezzanine financing in the U.S. next year.

Mr. Broderick believes the next wave in cancer treatment will be a new class of drugs, such as Novartis AG's Gleevec, which treat cancer but are less toxic than older drugs.

Mr. Broderick's firm has a \$2 million investment in GlobeImmune Inc., which is developing a cancer vaccine. GlobeImmune recently completed an \$8 million Series A financing led by Morgenthaler, HealthCare Ventures LLC of Cambridge, Mass. and Sequel Venture Partners of Boulder, Colo.

"There are still market opportunities for palliative care and other lifestyle care for patients with chemotherapy, but truly there's a revolution going on now and we'll see the fruits in 10 or 20 years with therapies that don't cause side effects," Mr. Broderick said.

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