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OncoMed scores big cancer development pact with Bayer

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Germany's Bayer Schering is paying OncoMed \$40 million upfront to partner on a slate of new drugs that target cancer stem cells. And the German pharma company is reserving an option to buy up to five programs through Phase I, with OncoMed in line to receive up to \$387.5 million for each new biologic and \$112 million for each small molecule drug that works its way to an approval.

The Redwood City, CA-based OncoMed also stands to earn double-digit royalties on any approved therapies, making this a foundation partnership to build a much bigger biotech company on--if it's successful. For Bayer, which already markets Nexavar and has late-stage drugs in development, the OncoMed programs represent an early-stage generation of promising oncology drugs to feed into the pipeline.

"The development of anti-cancer stem cell therapeutics together with OncoMed is a highly innovative approach with the potential to perfectly complement our oncology portfolio," said Prof. Andreas Busch, head of Global Drug Discovery at Bayer. "Anti-cancer stem cell research could turn out as one of the missing pieces in today's cancer therapy."

Bayer will take over the development of any therapy that it options from OncoMed. The agreement also contains "provisions under which OncoMed may co-develop biologic therapeutics with Bayer. The collaboration includes for example OncoMed's lead Wnt pathway antibody, [OMP-18R5], which is intended to enter clinical testing in 2011."

- take a look at [OncoMed's release](#) [1]
- here's the [story](#) [2] from *Bloomberg*

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