

# BIO WORLD<sup>®</sup> TODAY

FRIDAY  
JULY 9, 2010

THE DAILY BIOTECHNOLOGY NEWSPAPER

VOLUME 21, No. 131  
SPECIAL REPRINT

*'Love at First Sight'*

## Infinity Licenses PI3K Program From Intellikine in \$489M Deal

**By Trista Morrison**  
**Staff Writer**

Infinity Pharmaceuticals Inc. signed a \$488.5 million global licensing deal for Intellikine Inc.'s preclinical phosphoinositide-3 kinase (PI3K) delta and gamma inhibitors, including lead compound INK1197, an oral small molecule slated to begin clinical trials for inflammatory diseases in 2011.

Terms of the deal call for Cambridge, Mass.-based Infinity to pay La Jolla, Calif.-based Intellikine \$13.5 million up front and two years of research funding, as well as \$25 million in development milestones and \$450 million in regulatory and sales milestones on two product candidates. Intellikine also stands to get royalties, which can be converted after Phase II to a 50/50 profit-sharing arrangement for oncology compounds.

PI3K is among the hottest oncology and inflammation targets. Last year, Sanofi-Aventis Group inked a \$1 billion PI3K deal with Exelixis Inc. and Roche AG forked over \$175 million to acquire Piramed Ltd. for its PI3K programs. (See *BioWorld Today*, April 16, 2008, and May 29, 2009.)

Yet most PI3K programs inhibit the alpha, beta, delta and gamma isoforms, and such broad activity can cause side effects. Thus biotechs like Intellikine, which raised a \$51 million Series B financing last year, and Calistoga Pharmaceuticals Inc., which closed a \$40 million Series C financing last week, chose to focus on more selective PI3K inhibition. (See *BioWorld Today*, July 27, 2009, and July 1, 2010.)

Intellikine is developing delta and/or gamma-specific PI3K programs for inflammatory disease, respiratory disease and hematologic cancers, as well as an alpha-specific program for solid tumors and a nascent beta-specific program. And PI3K isn't even Intellikine's lead: The biotech is in Phase I trials with INK128, a dual mTORC-1/2 inhibitor for cancer, which thus far is proving to be "exceptionally well-behaved," said president and CEO Troy Wilson.

For a 3-year-old company with just 25 employees, that was too many programs, Wilson said. So Intellikine decided to outlicense its PI3K delta and gamma programs, and it was already deep into due diligence with multiple parties when Infinity came to the table.

Wilson said his team liked Infinity's creativity, passion and urgency, and the fact that the firm "listened to what was important to us," like the profit-sharing option in oncology. "It's clear that Infinity is going to make this a priority," he added, and that's not always a given with big pharma.

Several biotechs recently have sought to prevent their products from getting lost in a massive pharma pipeline by choosing smaller or less-obvious partners. OncoGenex Pharmaceuticals Inc. licensed prostate cancer drug OGX-011 to generics player Teva Pharmaceutical Industries Ltd. because the biotech felt Teva would make the novel drug a top priority. Similar reasoning led Ambit Biosciences Corp. to partner leukemia drug AC220 with Astellas Pharma Inc., which isn't yet an oncology powerhouse. (See *BioWorld Today*, Dec. 21, 2009, and Dec. 22, 2009.)

Julian Adams, president of research and development at Infinity, called Intellikine "love at first sight – we were finishing their sentences from the very first meeting."

Infinity has a full pipeline of internally developed compounds, some of which have suffered a few setbacks.

IPI-504, Infinity's heat shock protein (HSP) 90 inhibitor, is in Phase II for breast cancer and Phase I for lung cancer, but studies in gastrointestinal stromal tumors and prostate cancer were halted. Oral HSP90 inhibitor IPI-493 is in Phase I for solid and liquid tumors, while Hedgehog pathway inhibitor IPI-926 is in Phase Ib/II for pancreatic cancer and Phase I for other solid tumors. Partnerships with MedImmune Inc. on both the HSP90 and Hedgehog programs fell apart after the big biotech was acquired by AstraZeneca plc.

But in late 2008, Purdue Pharmaceutical Products LP and its European affiliate, Mundipharma International Corp. Ltd., signed a deal with Infinity to fund the Hedgehog program, a Phase I fatty acid amide hydrolase (FAAH) program for pain, and discovery research. Infinity got \$75 million up front and a \$50 million credit line, as well as hundreds of millions of dollars earmarked for research funding. In exchange, Purdue took ex-U.S. rights to the programs. (See *BioWorld Today*, Nov. 21, 2008.)

"It's a strategic collaboration where we are basically their drug discovery arm," said Gerald Quirk, Infinity's vice

©2010. Reprinted With Permission From BioWorld<sup>®</sup> Today, Atlanta, Georgia.

president of corporate affairs.

The Purdue deal is how a relatively small biotech like Infinity can afford to sign a \$489 million deal with Intellikine. It was the first time Infinity had licensed something externally - but it won't be the last, Quirk said. Shares of Infinity (NASDAQ:INFI) gained 2 cents to close at \$5.93 on Thursday.

Quirk added that while Infinity has some inflammatory disease experience with its FAAH program, the Intellikine

deal marks a fairly significant expansion in that area. But such a move makes sense because inflammation and oncology are mechanistically linked, Adams noted.

As for Intellikine, the little biotech is well funded to pursue its internal programs, which it may or may not license eventually.

"If we can do business development as well as we've done science, we could realize the dream of building a successful biotech company," Wilson said. ■