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Trillium signs licensing pact with U.S. giant

Genentech deal seen as a coup

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Closely held drug developer **Trillium Therapeutics Inc.** of Toronto has landed a blue-chip licensing agreement with U.S. biotech giant **Genentech Inc.** for its technology to treat certain autoimmune diseases.

Terms of the accord weren't disclosed but Trillium will receive up-front payments, research funding and milestone payments from South San Francisco, Calif.-based Genentech as well as future royalties on potential drug sales.

While both companies will complete preclinical development of Trillium's drug technology, Genentech will be responsible for clinical development, regulatory approvals, manufacturing and commercialization.

"This collaboration puts the company in the top echelon of Canadian private companies historically," said Trillium chairman Calvin Stiller.

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Luc Marengere, managing general partner of the **VenGrowth Advanced Life Sciences Fund**, the largest shareholder of Trillium, said the deal with Genentech is one of the most significant ever for the Canadian biotechnology industry.

"In economic magnitude, it is more akin to deals for a clinical asset."

Industry analysts say recent collaborations between pharmaceutical and biotech companies for a drug in mid-stage clinical development have averaged \$120-million (U.S.), indicating the Trillium-Genentech deal could be in this order of magnitude.

The deal is a coup for VenGrowth, which two years ago injected \$6.5-million into Trillium, transferred the university startup into the private sector and recruited new chief executive and scientific officers.

Trillium is developing therapies to help relieve the symptoms of people suffering from autoimmune disorders such as multiple sclerosis, rheumatoid arthritis, diabetes and inflammatory bowel disease.

The company has developed a naturally occurring protein that it claims has the potential to redress imbalances in the immune system. It is also developing a platform of programs in this sector.

Mr. Marengere said Trillium's flagship drug is expected to begin clinical testing in humans in two to three years.

The Genentech deal, which includes guaranteed cash flow for a number of years in addition to milestone payments, is expected to fund Trillium's research and development well into 2007, he added.