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Detecting opportunity: UK-based OncoImmune will locate in IBT's space

by Rob Roberts, Staff Writer

OncoImmune, a British biotechnology company, and IBT Laboratories in Lenexa are both experts in detecting disease by looking for something else: the antibodies generated in response to disease.

From different sides of the Atlantic, the companies embarked on dissimilar paths toward diagnostic prominence. But now their paths have crossed—an intersection that leaders of both firms are calling fortuitous.

OncoImmune, which is developing a test to detect breast cancer as many as four years earlier than it shows up through mammography, will open its new North American headquarters and laboratory next month at IBT, 11275 Renner Boulevard.

“We haven’t worked out exactly how much space OncoImmune will need and how much we will need for our continued growth,” said Jack Halsey, founder and president of IBT. “But there’s up to 14,000 square feet available just down the hall.”

That’s ample for the 20 U.S. staff members OncoImmune expects to employ by the end of 2007, OncoImmune CEO Tony Barnes said, and the space will accommodate many of the 120 he expects after the company commercializes its first test and “takes off,” perhaps as soon as 2008.

The partnership between OncoImmune and IBT, however, is about more than sharing space.

Halsey said IBT is under contract to set up and manage the staffing of OncoImmune’s new lab.

It also will help OncoImmune develop its breast cancer and subsequent cancer tests.

And it will serve as OncoImmune’s exclusive testing site for blood samples drawn from patients, who ini-

tially will be limited to participants in U.S. clinical trials.

“The benefit for OncoImmune is that they can scale up faster because they’re partnering with a nationally recognized clinical immunology laboratory,” Halsey said. “The advantage for us is that we’re going to leverage this opportunity into more cancer immunology testing and more oncology drug trials.”

Halsey, a former professor of biochemistry and molecular biology at the University of Kansas Medical Center, started IBT 23 years ago to conduct allergy tests for local doctors and hospitals.

From those humble origins, he built a company that now develops and conducts a broad range of immunology tests for big pharmaceutical companies, contract research organizations and national clinical labs.

Fueled by new Food and Drug Administration requirements for additional immunotoxicology testing of new drugs, IBT attracted \$5 million in venture capital two years ago and last year increased its revenue 26 percent, from \$5.18 million to \$6.55 million.

The partnership with OncoImmune should help ensure similar growth in the future, Halsey said.

A much younger company, OncoImmune was founded in 2003. But the stimulus for the company occurred a decade earlier in the laboratory of OncoImmune’s chief science officer, John Robertson, a professor of surgery at the University of Nottingham in England.

In 1993, American biochemist Kary Mullis won the Nobel Prize for chemistry for development of a chain reaction causing replication of specific DNA sequences millions of times in minutes.

Mullis' polymerase chain-reaction technique was a groundbreaking development for the biotech industry. For Robertson, it was the origin of an "Aha!" moment.

Although Mullis had found a way to amplify minute strands of DNA, "John Robertson wondered if there might be a way to amplify the (cancer) signal in the body," Barnes said. "Then he realized the immune system already was a very strong amplification system for the initial signals in the blood. That was the 'Aha!' moment."

Robertson is internationally recognized as a cancer researcher and chemist, Barnes said.

And as a breast cancer surgeon, Robertson had ready access to tissue samples for testing his new theory: that the proteins produced during early tumor formation create detectable immune responses.

Subsequent theoretical analysis has indicated that OncImmune's assays can detect a breast cancer tumor as small as 600 cells in mass, and early clinical trials conducted in the United Kingdom have been positive, Barnes said.

But a recently adopted European Union directive governing diagnostic devices meant "we could get to market faster here than we can in UK or Europe," Barnes said.

So the search for a new U.S. headquarters began.

Barnes, who worked at Marion Laboratories in the 1980s, said he always had wanted to return to the Kansas City area and, to his surprise, got his wish.

"The Kansas City community did a remarkable job of convincing a set of very skeptical British investors that this was the right place to come," Barnes said. "When we first visited in February, these folks didn't know where Kansas City was. Now, they're gushing about it."

Scott Weir, director of the office of therapeutics, discovery and development at the University of Kan-

sas, said KU proved attractive to OncImmune in several ways.

Weir, who worked with Barnes at Marion Laboratories, said KU Medical Center's pursuit of a National Cancer Institute-designated comprehensive cancer center was important because OncImmune plans to administer its breast cancer tests to high-risk patients through such centers.

In addition, Barnes said, "KU's Lawrence campus had a skill set that we couldn't find anywhere else in the world in terms of applied protein chemistry."

The two biggest reasons for that distinction—KU researchers Christian Schoenich and Russ Mid-daugh—will collaborate with OncImmune on new tests, which could include assays for colon, lung and other forms of cancer, Weir said.

And KU Medical Center's nationally renowned breast cancer researchers, Carol Fabian and Bruce Kimler, will work with OncImmune on a study focused on how its tests might be used in breast cancer prevention, he said.

The Kansas Bioscience Authority has agreed to provide \$500,000 to support the collaborative studies and a \$2 million loan that could be forgiven if OncImmune hits various milestones.

In addition, the Kansas Technology Enterprise Corp. has agreed to provide \$45,000 to help OncImmune seek federal grants.

Helping ice the deal was the partnership with IBT, which OncImmune officials were introduced to by officials from the Kansas City Area Development Council.

Speaking of ice, Barnes was in town to scope out OncImmune's new U.S. headquarters on Nov. 29, as freezing rain was falling on the area.

"I was thinking as I got out the car," he joked, "that I could have put this in San Diego." ■