

Pfizer buys rights to BioRap autoimmune drug



31/05/2016, 18:00

[Gali Weinreb](#)

The drug development deal has a potential in the tens of millions of dollars for the Israeli company.

BioRap Technologies, which commercializes technology developed by the Technion Rappaport Institute for Research in Biomedical Sciences, has signed a collaboration agreement with pharm giant Pfizer for a drug for treatment of autoimmune diseases, initially for inflammatory intestinal diseases. Rappaport Institute research Prof. Nathan Karin developed the product.

The price of the deal is believed to include an advance of several hundred thousand dollars, with a potential in the tens of millions of dollars, including royalties - a relatively large amount for a collaboration deal at a pre-clinical stage.

The product has an unusual history and future. It was previously given for commercialization to Iluten, a company founded in the Ashkelon incubator, which obtained investments from funds like Pontifax Venture Capital and [Clal Biotechnology Industries Ltd.](#) (TASE: CBI). Iluten returned the product to BioRap, however, after the incubator ran into difficulties. It was developed under BioRap's responsibility by Biond Biologics, founded by former employees of drug development company cCam.

BioRap CEO Dr. Orit Shaked said, "Every technology commercialization deal includes a clause requiring the return of the technology to the research institute if the partner concedes it, with all the accumulated know-how. That is how we got the product back from Iluten, together with stunning results accumulated by us and them. Following our

strenuous development efforts, two large companies and one smaller company became interested, and a deal was eventually signed with Pfizer.

"The product itself is an antibody that activates cells in the immune system, thereby reducing inflammation. It could be relevant to a variety of inflammatory diseases, but will probably be developed initially for Crohn's Disease and inflammatory bowel disease (IBD), and possibly also for multiple sclerosis and arthritis. The product is currently undergoing animal trials."

Rappaport Institute, owned by the Rappaport family (50%) and [Technion Israel Institute of Technology](#) (50%), is located in the Technion Medical Faculty and has 30 employees. BioRap, the Rappaport Institute's technology commercialization company, several years ago gave another of Prof. Karin's product to GSK for commercialization in a deal that could make tens of millions of dollars for BioRap. Adv. Yael Baratz, a senior partner in the Pearl Cohen Zedek Latzer Baratz law firm, provided advice in the current deal with Pfizer.

cCam people starting over

Biond Biologics, from Misgav, helped develop the BioRap product as a contractor. The company was founded by a group of ex-employees at cCam, which developed a cancer treatment product that was sold a year ago to US company Merck in a giant deal that included a \$95 million advance and potential in excess of \$600 million, plus royalties, although the product is only in Phase I clinical trials.

After the sale, the team that worked at cCam, headed by acting CEO Tehila Ben-Moshe, founded Biond Biologics, which has two divisions. One provides development services in the framework of the agreement with Pfizer, and in cooperation with Pfizer is likely to provide similar services to other companies in the future. The second division will develop independent products. Prof. Gal Markel, the developer of cCam's product, is likely to serve later as an advisor to Biond Biologics. [RedHill Biopharma Ltd.](#) (Nasdaq: RDHL); TASE: RDHL) cofounder and executive Ori Shilo will be CFO and VP development at Biond Biologics. The company is currently holding its first financing round.

cCam developed its cancer treatment product with the support of pharmaceutical corporation Roche, an early investor in cCam, thereby accumulating unique know-how in drug development suitable for the needs of a large company. The Biond Biologics team currently numbers 10, and there are plans for recruiting more. "We want to establish a stable drug development company that will be in business in the Galilee for many years, and will not necessarily look for a quick exit," Ben-Moshe says.

Published by Globes [online], Israel business news - www.globes-online.com - on May 31, 2016

© Copyright of Globes Publisher Itonut (1983) Ltd. 2016