Glaxo Makes a Deal

January 1, 2000 By Jay Blotcher

Drug company goliath Glaxo Wellcome PLC took a hit in October from the postmodern slingshot: a lawsuit. In an out-of-court settlement, Glaxo acknowledged that partial credit for the development of abacavir (Ziagen) goes to the University of Minnesota (UM), which now stands to be compensated with up to $300 million in drug-sale royalties.

The university sued Glaxo in October 1998—two months before Ziagen was granted accelerated FDA approval—when UM officials learned that Glaxo would not honor a licensing agreement hammered out by both parties in 1992. UM charged that the drug was made with a synthetic molecule devised by UM chemists Robert Vince, PhD, and Mei Hua, PhD, in the ’70s. Glaxo countered that the drug was invented by Glaxo scientist Susan Daluge, a former postdoctoral student of Vince’s, who Glaxo said made the discovery apart from her UM research.

UM wanted not only to protect its intellectual property, according to Vince, but to reap the fruits of its labors, estimated to be in the millions. Ziagen, a nucleoside analog reverse transcriptase inhibitor taken twice daily in combination with other drugs, had a big industry buzz from the start. The settlement calls for Glaxo to pay the university royalties up to 10 percent of sales above $700 million.

“We knew we had a good case, but we didn’t expect to settle so quickly,” Vince told *POZ*. UM plans to launch a drug-development center with its windfall. Vince, who will receive a third of the funds, will create an endowment fund to support other colleagues’ work. Asked what he learned from dealing with big-business Glaxo, Vince mused: “I’m a *scientist*—that’s why I don’t work for a pharmaceutical company. No one tells me who my friends are or who I can talk to. Academic scientists, we talk too much—we’re not trying to make a profit.”

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