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Huya Bioscience Taps Into China For Novel Drug Candidates

Bruce V. Bigelow 1/8/09

If there was an “ah-ha!” moment for Huya Bioscience International, it occurred in 2004, when founder Mireille Gingras was working as a consultant for mid-size biotech companies.

“I was looking for opportunities for in-licensing compounds in China when I found a very interesting drug for Alzheimer’s,” Gingras recalls. The potential for the Chinese drug in the United States and elsewhere was big, but Gingras says she saw an even bigger business opportunity in licensing the legions of drug candidates under development in China.

She ran with her idea, and started Huya at a time when the global pharmaceutical industry faces a pressing need for new drug compounds. Gingras says Huya now has “hundreds” of in-licensed Chinese compounds in its portfolio, which includes a spectrum of pre-clinical and clinical drug candidates in such therapeutic areas as oncology, neurology, immunology, and hematology.

“It’s a whole new source for drugs, and the pharmaceutical companies are very excited about this,” says Jan Tuttleman, Huya’s vice president of marketing. “It’s like a whole new oil field that we’ve found.” The company has a multi-faceted strategy for capitalizing on this drug-development gusher. Huya plans to in-license some prospective drugs from China and bring them to market in the United States and elsewhere. It also intends to partner with Chinese firms and help those companies bring their own drugs to Western markets. And Huya wants to in-license drugs from China and sub-license them to pharmaceutical firms in the United States, Japan, and Europe. “If there is a compound that we like,” Tuttleman explains, “we have different types of deals, different ways of going forward.”

Huya now has about 35 employees, consultants, and advisors spread between its headquarters in La Jolla, its Chinese headquarters in Shanghai, and offices in Beijing, Hangzhou, and Shenzhen. Gingras, who describes herself as a serial entrepreneur, says she has funded the privately held company with a combination of her own money and funds from individual and institutional investors. She declined to say how much the startup has raised so far. One major investor is Organon BioSciences, a Dutch human and animal health business, that acquired an undisclosed stake in Huya as part of a partnership agreement the two companies reached in early 2007.



Huya has pioneered what the company calls an “integrated co-development model” for partnering with Chinese research institutions and pharmaceutical companies. As part of this approach, Gingras says Huya established drug development teams at its four offices in China to work with its Chinese research partners. Huya’s teams identify and license the most promising compounds, help to extend the research efforts of its Chinese partners, and provide guidance concerning Western regulatory processes.

“The Chinese want to be players in the world drug market, but they really don’t have the clinical expertise needed to get their drugs through the FDA,” Tuttleman says. The Chinese government makes the process easier, though, by funding pre-clinical and early stage clinical trials. And by helping Chinese researchers follow U.S. protocols for clinical trials, Huya makes it easier to replicate them to win FDA approval.

On the in-licensing front, Gingras says that Huya now has two Chinese drugs undergoing preclinical development in the United States; she expects both to be cleared to begin clinical trials this year.

And Gingras points to other encouraging developments as well. Two months after Huya reached its partnership agreement with Organon BioSciences in January 2007, the Dutch health company was acquired by Schering-Plough for more than \$14 billion. The acquisition put Huya in a position to establish a partnership with Schering-Plough, the formalization of which [was announced last month](#). In that announcement, Huya said it would identify and offer Schering-Plough exclusive rights to lead, preclinical, and clinical drug candidates from China in specific therapeutic areas.

Huya is now discussing similar deals with other major drug companies in the United States, Europe and Japan. “Our partnerships with these big pharma companies validates our model,” Tuttleman says.

Such optimism is built right into the company’s name. Gingras explains that it comes from a combination of “Hu,” the Chinese word for Shanghai, and “Ya,” the word for Asia. If you reverse the combination, she likes to point out, you get “Yahoo”—which is a company that, at least until recently, has done pretty well for itself.