

HUYA Looks to Ride the Wave of Chinese Innovation

By Ian Haydock

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The pursuit of cost-effective innovation may have led many multinationals to build up their R&D activities in China recently, but one entrepreneur spotted the vast potential of the country's research expertise several years ago. HUYA Bioscience International's founder, president and CEO Dr Mireille Gingras, talks to Scrip's Asia editor Ian Haydock.

"Four years ago I was doing consulting work, looking at sourcing novel compounds from Europe and Japan, but found many licensing pools already exhausted. Having heard about opportunities in China, I went there and found the science just phenomenal," Dr Gingras says.

The breadth of research and the ready availability of scientific expertise in China - aided by overseas-trained "sea turtles" returning home - led the former medical software entrepreneur to set up HUYA in 2004. The business plan was to tap into the wealth of candidate compounds emerging from Chinese institutes and universities and to make these more accessible to the outside world. It is an accepted truth that relationships are key to success in China, and Dr. Gingras readily admits that these are critical to HUYA's business. "It's essential to have teams on the ground to meet people and discuss how best to go forward," she says, pointing out that the San Diego-based firm now has four offices in China. This enables local staff to go out and visit science parks and other facilities at the sharp end of research.



This effort is clearly paying off. The executive notes that HUYA now has relationships with more than 3,000 universities and institutes across the country, and a portfolio of more than 600 compounds. There is no particular preference for development stage, which may range from hit to lead to further down the development track.

HUYA then usually strikes agreements which give it "first look" at the candidates emerging from its partners. After that, arrangements are flexible, with the company helping Chinese originators find western licensees or western firms to access Chinese innovation, or in some cases acquiring rights outside China itself for in-house or sublicensed development.

"We prefer to be seen as a company which adds value to the projects from our Chinese partners rather than as a simple go-between," Dr Gingras stresses. To this end, the company may collate existing data, fund some studies itself or advise on western drug development procedures. "The advantage of this form of partnering is that it reduces risk for both our Chinese and western partners," she explains.

In addition to facilitating alliances, HUYA is developing several Chinese originated projects in-house. One, HBI-3000, is a multi-ion channel blocking anti-arrhythmic licensed from the Shanghai Institute of Materia Medica. This has demonstrated potential in the management of both atrial and ventricular arrhythmias, with possible safety advantages over current drugs in terms of proarrhythmic activity.

A second, HBI-8000, is a benzamide class small-molecule inhibitor of HDAC (histone deacetylase) licensed from the Shenzhen company Chipscreen Biosciences, which is already in early trials in China. In both cases, HUYA has acquired global rights outside China and is planning IND submissions to begin US clinical trials in the first quarter of next year. Thereafter, development partners may be sought around the Phase II stage, Dr Gingras says.

Despite the economic turmoil, she notes that privately held HUYA is continuing to raise money from a variety of sources. Financing is helped by deals such as that late last year with Schering-Plough and its Organon subsidiary. This involves HUYA identifying preclinical and clinical stage candidates in several therapeutic areas (*Scrip* Online, December 16th, 2008).

Dr Gingras says that the company may consider an IPO at some point, but agreed that "now would not be the best time given the current economic conditions".

In the meantime, with strong state support for innovative research programmes and changes to the patent law bringing improved intellectual property protection, she sees good portents for the growth of innovation in China. "We find it very encouraging to work with our partners right now. I see a real desire in China to progress capabilities and projects in the rest of the world, and we are well positioned to help in that international development."

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