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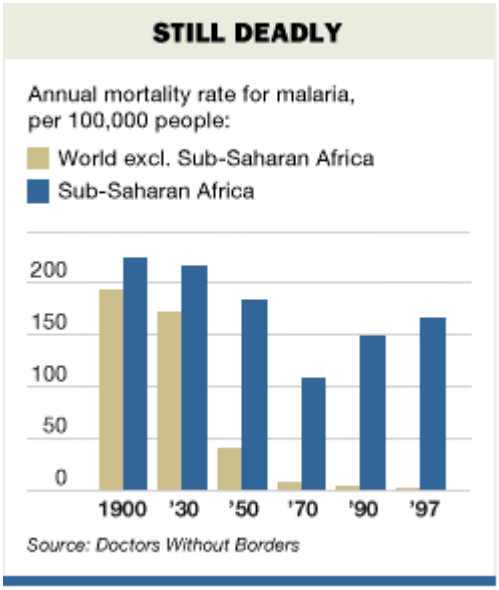

Roche, Ranbaxy Cooperate On Work for Malaria Drug

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In a venture that could provide a model for attacking diseases in the developing world, a health group has convinced two corporate rivals to lay aside their differences and cooperate in bringing a potential malaria drug to market.

The drug, a synthetic copy of an extract from the Chinese sweet wormwood plant, could fight versions of malaria that have become resistant to other drugs. To get it to market faster and cheaper, Swiss pharmaceutical firm **Roche Holding** AG is handing over development of the drug to Indian generic maker **Ranbaxy Laboratories** Ltd., which would eventually manufacture and sell the drug -- without compensating Roche.

Ranbaxy has sold generic copies of Roche drugs such as acne medicine Accutane in the U.S. Ranbaxy also sells copies of other Roche drugs in developing countries with little or no patent protection.

The matchmaker for this odd couple is the Medicines for Malaria Venture, a Geneva research group trying to overcome the failure of market forces to find a better malaria drug. "These are companies usually considered to be at loggerheads with one another, not least over intellectual property issues," says Christopher Hentschel, chief executive of the Medicines for Malaria Venture, which even arranged for Roche's Basel research chief to hand a Ranbaxy executive a ceremonial baton in Geneva on Sunday. "Here, they're far from being at loggerheads."

Unconventional methods are being sought to fight malaria, primarily an affliction of poor nations that can't afford the high costs of new drugs. Few companies see any profit in coming up with a treatment for malaria.

If successful, Medicines for Malaria and similar groups, such as Global Alliance for TB Drug Development and Global AIDS Vaccine Initiative, could show how to attack a number of public-health crises in developing countries, while avoiding the kinds of patent-rights disputes that have erupted over AIDS drugs.

Medicines for Malaria, backed by the Bill and Melinda Gates Foundation and other private and public donors, considers itself more a virtual drug maker than a charitable foundation or advocacy group. It acquired the rights to the synthetic wormwood-extract medicine by funding some of the drug's research, while convincing Roche of the public relations advantage in cooperating and paying for some of the research.

To develop and test experimental drugs, it uses its $55 million in funding to contract out different steps in the research and development to academic labs and companies. In the case of this medicine, Medicines for Malaria is shouldering some of the development costs to reduce the risk to Ranbaxy.

Should Medicines for Malaria find a successful new malaria medicine, it plans to use its intellectual property control to provide the drugs at affordable prices in poor countries. In exchange for help in bringing the medicines to market, it would give rights to companies like Ranbaxy to sell them for higher prices in rich countries.
From the middle of the 20th century until the early 1980s, malaria-eradication campaigns with drugs such as chloroquine helped bring down malaria death rates, even in sub-Saharan Africa. Then malaria parasites grew drug resistant. With few new medicines to emerge since then, the number of annual malaria cases has quadrupled in sub-Saharan Africa in the past 20 years, killing one million to two million people each year, according to Doctors Without Borders, an international medical aid agency.
Many health experts see a powerful Chinese remedy, a derivative of the qinghaosu plant, or sweet wormwood, as the best new weapon to tackle super malaria strains. Though the plant has been used in fever remedies for 2,000 years, the extract, called artemisinin, was first refined 30 years ago. A handful of producers have developed artemisinin-derived therapies, such as **Novartis** AG's Coartem and **Sanofi-Synthelabo** SA's Arsumax. But even at a sharply reduced price of $2 in poor countries, compared with $20 a dose elsewhere, Coartem is still so costly that African governments and people often turn to the older, ineffective medicines instead.
The potential drug making its way from Roche to Ranbaxy is a synthetic copy of artemisinin. Because it wouldn't have to be grown in fields, it could be much cheaper to make.
Roche developed a similar synthetic artemisinin medicine but stopped the program in the mid-1990s after it failed a clinical trial in Africa. In 1999, after Roche decided to shut down its tropical-disease research programs altogether, the newly formed Medicines for Malaria venture asked the company to use its freed-up expertise to guide another synthetic artemisinin project at the University of Nebraska.
Medicines for Malaria has given the University of Nebraska, as well as researchers at Monash University in Australia, $1.2 million to work with Roche. Roche, which agreed to take on the project but quit before a drug would enter clinical testing, didn't receive any money from Medicines for Malaria. Two synthetic compounds are being tested.
"There's a P.R. benefit for them here," said Medicines for Malaria's Mr. Hentschel. The group then began talking with Ranbaxy officials because, he said, "if there's a company that excels at making a good drug cheaply, it's one that grew up in the Indian generics industry."
If a usable drug emerges, it won't be available for about five years, Medicines for Malaria cautions. But Rene Imhof, Roche's Basel research head, says its profile looks more promising than the experimental artemisinin drug Roche had to shelve. "It's always possible the drug will fail," he said. "But right now it looks like a win-win solution for everybody."
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