

Chiasma signs strategic agreement with Novartis

Novartis has also invested in the oral drug delivery system developer via MPM Capital.

Globes' correspondent — 19 Jan 10 19:27

Oral drug delivery developer [Chiasma](#) has granted Novartis an option to obtain exclusive worldwide rights to develop and commercialize its Transient Permeability Enhancer (TPE) technology. The technology is for use with certain related small molecule products either in development or currently marketed by Novartis.

Novartis has also invested several million dollars in Chiasma via MPM Capital.

The two companies have initiated a feasibility program funded by Novartis. Should Novartis exercise the option, it would assume the global clinical development, manufacturing, regulatory submissions and commercialization of the products containing the TPE technology.

Chiasma would receive milestone payments upon the option exercise and upon successful completion of certain development and regulatory milestones. In addition, Chiasma would be eligible to receive a percentage of any incremental profits generated as a result of the incorporation of the TPE technology into these Novartis products. Additional terms were not disclosed.

Chiasma chairman and CEO Fredric Price said, "Novartis approached us to develop the product for them." He continued, "Our strategy is two-fold: to develop our own proprietary products and seek out partnerships after demonstrating clinical effectiveness and safety; and to enter into arrangements with companies whose important drugs could benefit from the TPE technology."

He added, "Our internally-developed pipeline is focused on developing new therapies by selecting approved macromolecules that are currently available in injectable form, changing the route of administration to oral and evaluating them for new indications, thereby creating new drugs that will take advantage of the 505(b)(2) regulatory route in the US and similar regulations in other countries."

Established in 2001 Chiasma has raised \$54 million from ARCH Venture Partners, MPM Capital, 7 Health Ventures, Ofer Hi-Tech and F2-Ventures.

Published by Globes [online], Israel business news - www.globes-online.com - on January 19, 2010

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