BioSpectrum the business of Bio & Health Sciences ASIA EDITION

Otsuka, Lundbeck sign $825 mn Alzheimer's deal

27 March 2013 | News | By BioSpectrum Bureau

Singapore: Denmark-based Lundbeck and Japanese company Otsuka Pharmaceutical have signed a license and development agreement for Lu AE58054, a selective 5HT6 receptor antagonist currently in development for the treatment of Alzheimer's disease. Under the terms of the agreement, Lundbeck will grant Otsuka co-development and co-commercialization rights to Lu AE58054 in the US, Canada, east Asia (including Japan), major European countries and Nordic countries.

Under the terms of the agreement, Lundbeck will receive from Otsuka an initial payment of $150 million upon signing. Both companies will share the sales, development, and commercialization costs based on the agreement. Lundbeck is also entitled to up to $675 million in regulatory and sales milestones. Additional specific financial terms of the agreement remain undisclosed.

Mr Taro Iwamoto, president and representative director, Otsuka Pharmaceutical, said that, "The global collaboration between Otsuka and Lundbeck continues to grow stronger with the addition of Lu AE58054. Not only does the product further enhance the synergy between the companies as we work together to bring to the market solutions for better health, Lu AE58054 is a potentially promising development in a very difficult disease area."

Mr Ulf Wiinberg, president and CFO, Lundbeck, commented that, "There is a serious, global, unmet medical need regarding treatments for Alzheimer's disease in aging populations. Together, Otsuka and Lundbeck with their development capabilities, commercial experience and geographical reach will provide a solid foundation in the development of Lu AE58054."

The pivotal clinical program with Lu AE58054 is planned to be initiated later in 2013. The global program will consist of several studies and include more than 2,500 patients. The first phase III study will enroll patients with mild-to-moderate Alzheimer's disease. Lu AE58054 will be tested as adjunct treatment to donepezil. Subsequent studies are expected to be initiated towards the end of 2013.