

Biotech company opens shop

InNexus is targeting hard-to-treat diseases

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A Canadian biotechnology firm moved into new space on Mayo Clinic's campus this month, giving an Arizona home to scientists developing drugs to fight hard-to-treat diseases.

InNexus Biotechnology Inc. took over more than 17,000 square feet in Mayo's Collaborative Research Building in Scottsdale. The space includes business offices, two core laboratories and six support labs.

A dozen employees moved in. InNexus plans to hire an additional three dozen technical staffers in the next six to 12 months, President and Chief Executive Officer Jeff Morhet said.

The move is just one of the milestones InNexus has reached in the past two months.

It also promoted Morhet to CEO from chief operating officer, and raised about \$4.8 million to further its drug-development projects.

Morhet replaces Dr. Charles Morgan, who continues as chairman and chief scientific officer. The switch will give Morgan more time to identify which candidate drugs InNexus will focus on to treat cancer, cardiovascular disease and other hard-to-treat diseases, Morhet said.

InNexus specializes in developing drugs based on antibodies, the naturally occurring proteins that fight infections and diseases in the body. It is working on ways to enhance antibodies and make them more potent.

"We care about building drugs that are helpful to people," Morhet said. "It's the one thing that drives the company day to day."

Dr. Larry Miller, director of research at Mayo, called it exciting to have the first for-profit company in the new building. Mayo, which has been expanding its work in cancer and cardiovascular disease, also is excited about the collaborative projects it has initiated with InNexus in recent months, he said.

Researchers are particularly interested in working together on ways to modify antibodies so they can get through cell membranes and be more effective, he said.

"From the patient's standpoint, it's an opportunity to make new drugs and to make them more effective," Miller said.

Unlike more basic research conducted by the Translational Genomics Research Institute and Arizona State University, InNexus is working on taking drugs through U.S. Food and Drug Administration trials and into the product stage, Morhet said. The entire cycle usually takes six to eight years, he said.

The company's latest funding will be used to build out its pipeline of candidate drugs, which InNexus will announce later this year or early next year, Morhet said. The funds come from new and existing investors, including SDS Capital of Greenwich, Conn., and RAB Capital of London.

One to two years away is a decision on where InNexus would locate a 100-employee drug-manufacturing plant, Morhet said. It said last year that it would consider SkySong, the ASU Scottsdale Innovation Center, as a possible site.

The company also has met with officials in California, Texas, Massachusetts and Minnesota, all of whom are interested in providing incentives for the plant, he said.

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