

Biotechnology Focus

A Promotive Communications Inc. Publication

June 2011, Vol 14, Number 6



OICR

By Shawn Lawrence



Frank Stonebanks

Realizing the Commercial Potential of

ONTARIO'S CANCER RESEARCH

Launched in 2005 by the Government of Ontario, OICR is an independent, not-for-profit organization that is taking on significant challenges in cancer research with multi-disciplinary, multi-institutional teams to tackle the incidence, diagnosis, management, and morbidity and mortality of cancer. OICR has invested significantly in translational research that will move new discoveries in prevention, detection and treatment of cancer directly from the bench to practical applications in patients.

OICR has attracted more than \$115 million of direct support for its innovation programs through partnerships with the Terry Fox Research Institute and five federal agencies. It has also helped generate more than \$500 million in cancer research investment by international consortia partners.

The Institute supports more than 1,400 investigators, clinician scientists, research staff and trainees located at its headquarters and in research institutes and academia across the Province of Ontario. It has key research efforts underway in small molecules, biologics, stem cells, imaging, genomics,

informatics and bio-computing, from early stage research to Phase I clinical trials.

But that is only half the story.

At its inception, OICR created its own Commercialization Program and through its efforts, OICR has quickly established a reputation as a leader in the R&D commercialization domain.

Heading up OICR's commercialization arm is Frank Stonebanks. As chief commercialization officer, he oversees the Institute's commercialization strategy, including management of its investment fund, the Intellectual Property Development and Commercialization Fund, and identification and development opportunities to collaborate with private equity and corporate strategic investors in oncology. He is charged with the task of not only maximizing the commercial potential of OICR's extensive intellectual property (IP) pipeline, but also developing novel business models to bring this IP to market.

"We serve anyone working in cancer in Ontario, in both the research and translational R&D area. This includes scientists doing discovery, Phase 1 and 2 clinical trials, or anyone who

The month of May was significant for Canada's Ontario Institute for Cancer Research (OICR) as the organization announced investments in three new Ontario companies, TORCell Therapeutics, DLVR Therapeutics and Harmonic Medical. The launch of three new companies to market oncology technologies demonstrates the scope of OICR's commercialization activity and the breadth of cancer research talent in Ontario.

“Forward thinking translation-focused institutes like OICR that specialize in oncology, with an emphasis on commercialization, can fill a very big gap right now, somebody has to be willing to take the risks others don’t, and that’s where we enter the picture.”

— Frank Stonebanks

has compelling ideas and or intellectual property that can be converted into a value proposition. It’s really about using novel business models to accelerate transformative early stage research and to support the most promising new approaches to fighting cancer by strategically investing in the very best technologies arising from Ontario’s outstanding research base,” says Stonebanks.

Among these novel business models is an approach that Stonebanks says aligns public-private funding in creative ways where private capital can be invested alongside public capital to advance promising projects in the pipeline.

In this way, the OICR Commercialization group is working to overcome a common bottleneck in the commercialization of innovative technologies, which is the scarcity of funding to support early stage applied research and development. The Intellectual Property Development and Commercialization Fund provides seed funding for late stage academic projects that meet specific market-oriented criteria. The Fund is unique in that it encourages partnership, but is also tailored to reduce risk and cost. It is intended to support cancer-related early-stage commercialization activities including: proof-of-concept, validation, standard operating procedures, market analysis, IP protection and acquisition. Just as important, it encourages collaboration between the public and private sectors.

“Our vision for the Fund is the creation of a model of commercialization that is founded on collaborative work-

ing relationships among institutions, investigators, commercial partners and investors,” says Stonebanks, while adding that what the Fund encourages goes beyond just offering local researchers the chance to translate their research towards something commercializable. Specifically, the Fund enables and encourages public-private partnerships. This could mean having the researcher(s) work directly with industry, spinning out a company or, alternatively, work with a private partner by in-licensing commercially viable IP from academic institutions in Ontario.

Benefits of the IPDC seed funds accrue to partners on the public and private sides.

“The technology gets funded, de-risked and the participating entrepreneurs gain access to OICR’s global commercialization team and its resources. At the same time, pharmaceutical, medical device and biotechnology firms looking to reduce their investment risk benefit through this innovative public/private partnership by having the chance to leverage investment alongside public dollars.”

The IPDC seed fund has invested in more than 16 projects in just two and a half years, has led to a major financing with two U.S.-based venture capital investors and eight of the projects have been spun out into companies including the three mentioned above.

At the heart of this model is the commercialization group team, the Institute’s in-house staff of experts and business executives who provide ex-

ceptional guidance and oversight to the commercial development of each project and in how to achieve the business of translating research discoveries into marketable products. These individuals or executives-in-residence provide valuable advice and assistance through our Entrepreneur in Residence program.

“All you have to do is look at the people involved in the Fund, and their track record of success. We have a team that really know what they’re doing both at the micro and macro level. The team members have a lot of experience in structuring deal flow and management. They’ve built companies, done investments, been involved in companies small and large. They’ve been there and done that across the board,” explains Stonebanks.

For these reasons, Stonebanks feels OICR’s commercialization group is perfectly positioned to provide a local solution to a global issue, translating great ideas into commercializable products.

The environment that industry and the financial community find themselves in today is a setting where risk investment has disappeared. The recent recession caused venture capitalists, other investors and industry to become even more risk adverse, accelerating a trend that was underway. What has been a challenge for industry however has become an opportunity for organizations like OICR.

“Forward thinking translation-focused institutes like OICR that specialize in oncology, with an emphasis on commercialization, can fill a very big gap right now,” says Stonebanks adding that “somebody has to be willing to take the risks others don’t, and that’s where we enter the picture.”

“What we’re offering is a shared model, where they (industry and the investor community) contribute capital along with public funds and receive options and advantages they would not otherwise have in return. By co-investing with OICR, external participants will gain access to cutting-edge oncology platforms, scientists and products emerging from Ontario universities and hospital-based research institutes.”