

## Millennium Pharmaceuticals and Ortho Biotech Close on \$535M Biotech Collaboration

2003-07-03

Hale and Dorr represented Millennium Pharmaceuticals, Inc. in its June 30, 2003 deal with Ortho Biotech Products, L.P., a Johnson & Johnson subsidiary, to jointly develop and commercialize Millennium's Velcade product outside the United States. Velcade is the first of a new class of medicines called proteasome inhibitors and the first treatment in more than a decade to be approved by the FDA for patients with multiple myeloma, a cancer of the blood. Ortho Biotech will make payments to Millennium of up to \$535 million, including a \$15 million up-front payment and an additional \$520 million in potential milestone payments based on achievement of development and regulatory milestones and the attainment of agreed-upon sales levels. Ortho Biotech will also fund 40% of the ongoing development costs for Velcade incurred by the parties through 2005 and 45% of such costs thereafter pursuant to an agreed-upon development plan for the worldwide development of Velcade for multiple myeloma, other hematological cancers and various solid tumor cancers. Total joint development costs, assuming success in multiple tumor types, could reach \$500 million based on existing development plans. Millennium retained for itself commercialization rights for Velcade in the United States and granted Ortho Biotech an exclusive, royalty-bearing license to market the product in the rest of the world. Millennium also has the option to copromote Velcade with Ortho Biotech in certain European countries in the future in exchange for compensation from Ortho Biotech.

The Millennium team included Steven Singer, Fred Server, Steve Barrett and Jan Siok.