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**THEORY & PRACTICE** | *By Rebecca Buckman*

## Where Investor Meets Scientist

### *Entrepreneurs Team Up With Venture Capitalists To Start Biotech Firms*

*Cambridge, Mass.*

**W**hen the idea for a new drug-delivery company called **BIND Biosciences Inc.** started percolating in a lab here four years ago, venture capitalists quickly offered to invest.

One moneymen, though, had an inside track: Terry McGuire, a partner with nearby Polaris Venture Partners. Mr. McGuire was familiar with BIND's nanoparticle technology to treat tumors and heart disease. He's also a friend, and frequent business partner, of Robert Langer, the decorated scientist who runs the Massachusetts Institute of Technology lab. That relationship often gives Polaris first dibs on cutting-edge medical technology developed there.

Together, Messrs. McGuire and Langer have launched 13 companies over the past 15 years and become a model for other venture capitalists scrambling to commercialize new drug and medical-device research. Dr. Langer, 59 years old, holds more than 600 patents and supplies the science; Mr. McGuire, 52, fine-tunes the business. Some of Mr. McGuire's work with Mr. Langer was described in a 2005 Harvard Business School case study called, "The Langer Lab: Commercializing Science."

"I don't think either one of them would have been as successful without the other," says Andrey Zarur, a bioscience investor with Kodiak Venture Partners who is familiar with Dr. Langer's lab.

Other serial "academic entrepreneurs" have teamed up with VCs to launch bioscience companies. They include Harvard professor George Whitesides, who helped start biotech giant Genzyme Corp. and

drug company Theravance Inc., and Stanford ophthalmologist Mark Blumenkranz, whose research helped launch OptiMedica Corp., which is developing new technology to treat eye disease. Dr. Blumenkranz joined with venture capitalist Brook Byers on OptiMedica, and "we're working on another project together," says Mr. Byers, a partner at venture firm Kleiner Perkins Caufield & Byers. But few venture capitalists have been as successful as Mr. McGuire in cultivating one scientist as a source of deals.

Hooking up with a prolific university inventor is important in bioscience investing because most health-related start-ups, unlike information-technology companies, are born in academia. The technology is complex, and investors say they prefer to work with a longtime partner they can trust.

Mr. McGuire first sought out Dr. Langer, a wiry chemical engineer, in the early 1990s after hearing about his research into drug delivery and "regenerative medicine," or techniques to rebuild human tissue and organs. One early big hit came in 1997, when they co-founded, with another Langer protegee, Advanced Inhalation Research Inc. The company, which devised a novel way to deliver large-molecule drugs via the lungs, was sold for \$113 million in stock 18 months later; Polaris made nearly 10 times its money, and Dr. Langer profited as a significant shareholder of AIR.

Since then, the two have teamed up on other drug-related start-ups like Pulmatrix Inc., which is developing inhalable aerosols for respiratory disease, and Tempo Pharmaceuticals Inc., which uses nanotechnology to create new drugs. Of the 13 investments, two companies went public and three were acquired.

Dr. Langer has a knack for understanding which lab projects can be commercialized and which are better left

to scientific journals, Mr. McGuire says. Researchers who have worked for Dr. Langer say he is a talented manager who hires smart graduate students and gives them leeway to pursue their interests, whether they lie in stem-cell research, tissue generation or drug delivery.

Mr. McGuire, meanwhile, helps the scientist-entrepreneurs in Dr. Langer's lab develop business plans, target potential markets and recruit managers. He also helps them negotiate partnerships with bigger companies and sometimes lends them spare offices at Polaris's headquarters.

Polaris is often the first place Dr. Langer and his researchers turn when they're considering starting a company. Sometimes, "when we end up doing deals, it's a 20-second phone call," Dr. Langer says.

Proteges of the men now collaborate as well. BIND began with research by Omid Farokhzad, a researcher in Dr. Langer's lab who was trying to engineer nanoparticles to deliver drugs to specific sites in the body. He sought advice from Amir Nashat, a Polaris partner who had also worked in Dr. Langer's lab. Mr. Nashat met Polaris's Mr. McGuire through Dr. Langer.

Then Mr. McGuire stepped in, helping Mr. Farokhzad negotiate a license for his technology from MIT. Mr. McGuire also helped the company find a lawyer and recruited BIND's chief executive, Glenn Batchelder. "Before there was even a company, we tried to be helpful," Mr. McGuire says.

BIND spurned an investment offer from another venture-capital firm and, last year, took \$2.5 million in funding from Polaris and Flagship Ventures, of Cambridge. In November, it raised another \$16 million. BIND now has 21 employees, and a partnership with a big pharmaceutical company, which it declined to name.