

## Myriad's BRCA monopoly crumbles after Supreme Court denies gene patents



[Elizabeth Cairns](#)

Testing for breast cancer genes could be about to get cheaper. The US Supreme Court has unanimously struck down Myriad Genetics' patents covering the BRCA1 and BRCA2 genes, ruling that native DNA cannot be patented.

The decision means that Myriad's BRACAnalysis test, which costs up to \$4,000, has lost its privileged position as the only breast cancer test on the US market. Rival BRCA gene tests, long since developed, went on sale almost the instant the ruling was announced – and are severely undercutting Myriad on price. With BRACAnalysis responsible for around 80% of Myriad's revenues, yesterday's 6% share price fall and a further 6% in early trade today almost looks generous.

### Nowhere to go but down

Demand for genetic testing for breast cancer has spiked recently, partly as a result of Angelina Jolie's announcement that she had been assessed, probably with Myriad's test.

Companies seeking to exploit the expanding market include Quest Diagnostics, which intends to start selling a test later this year, Ambry Genetics, which is already selling its BRCA test in its simplest form for \$2,200, and DNATraits, whose test is pitched at just \$995.

Dan Leonard, an analyst at Leerink Swann, says Myriad's share of the hereditary cancer testing market "has nowhere to go but down". Myriad could be expected to retain around 55% market share, down from its current 70%, and in addition the test's price was likely to drop below \$3,000.

The analyst downgraded Myriad, as did analysts from RBC and Bank of America Merrill Lynch.

At least the very worst outcome, the annihilation of all of Myriad's patents, did not transpire. As expected, the Supreme Court upheld Myriad's intellectual property covering synthetic complimentary DNA (cDNA) – an edited form of the molecule with non-coding parts taken out ([US Supreme Court ruling on gene patents will have myriad consequences, May 15, 2013](#)).

But this could be storing up problems for the future; it seems unclear whether further modification of proprietary cDNA strands would allow companies to sidestep the patents.

Myriad's dominance of this field means that newer, smaller companies might find it hard to break through at first, even allowing for their lower prices. This will come as scant reassurance to Myriad's management, however, who must be distressed that their competitors are even allowed to try.

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