

## Teva tries to breathe new life into pipeline with MicroDose purchase



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With the value of its new product launches for 2013 forecast to be lower than last year, generic competition looming for its biggest product and slowing sales, Teva Pharmaceutical Industries might have been expected to do a slightly larger acquisition than the \$40m it has so far shelled out for the respiratory company MicroDose Therapeutx.

With only three projects in the clinic, the most advanced of which, MDT-637, is in phase II for respiratory syncytial virus (RSV), MicroDose's drugs are unlikely to add to Teva's bottom line any time soon. But it looks as if Teva might have done the deal primarily to get its hands on MicroDose's innovative dry-powder inhaler and nebuliser technology in an attempt to boost its respiratory pipeline.

### Technology play

The fact that this was clearly a technology play was evident as Teva mentioned MicroDose's multi-dose dry-powder nebuliser device before the pipeline, which it will also get, in its press release announcing the deal.

The device, however, looks impressive. Not only it is thought to be the first ever dry-powder nebuliser it can administer doses of drug in under 30 seconds and dose delivery does not depend on flow rate, making it suitable for use in the very young and old. The same is true of MicroDose's inhaler.

Both the inhaler and nebuliser are electronic, and work by utilising piezo vibrations to break up and aerosolise drug powders packaged in blisters. Flow sensors in the inhaler and nebuliser also ensure that the patient is breathing properly before activating the piezo, which means little or no drug is wasted.

What also might have attracted Teva is just how cheap the products are to make, coming in at around \$10, thanks to MicroDose's decision to build them around technology that already existed, rather than manufacture speciality electronic components for an inhaler.

### Flexibility

MicroDose has so far used the devices in over 40 products including large molecules such as insulin. It is this flexibility that Teva will almost certainly be looking to apply in its respiratory franchise, a division it has publicly stated will be one of its primary foci alongside the CNS.

The group is developing several respiratory products to ward off the threats to some of its biggest drugs, including the MS treatment Copaxone, which could face generic competition by May 2014. In the pipeline is ProAir, expected to be launched in 2015, a generic version of Advair, due to hit the US in 2016, and a copycat Symbicort, scheduled for European approval in 2014.

The jury is out as to whether the FDA will deem any of these substitutable, but Teva itself is not planning on getting a bioequivalence rating for them.

While the MicroDose products would join Teva's own Easi-Breathe inhaler and dry-powder inhaler Spiromax, having an inhaler that could allow it achieve better pharmacokinetic profiles in either generic drugs or its own proprietary medicines could boost respiratory sales. Last year the division had a turnover of \$856m.

### Moving on

After a fall in investor confidence since having to scale back its ambitious growth plans last year and more recently taking a \$1.6bn hit following its poor decision in 2007 to launch a generic version of Protonix at risk, the group could do with some good news.

This low-risk acquisition of MicroDose, which also has milestone payments of a further \$125m, will not immediately change Teva's fortunes, but it could position the group well in the respiratory field where there has recently been more corporate activity, and could help it start to deliver on its turnaround promises.

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