

OraSure could reap \$350M from AbbVie collaboration

Oral fluid diagnostic products maker OraSure Technologies Inc. had discussions with all the major pharmaceutical companies active in the hepatitis C market before landing a \$352.5 million deal with Abbott Park Ill.-based AbbVie Inc. to co-promote OraSure's OraQuick technology for rapid Hep C testing, according to the company's COO and CFO, Ronald H. Spair.

While Spair declined to name the interested parties, Merck & Co. and Gilead Sciences Inc. are two of the largest players in the market. Merck of Whitehouse Station, N.J., for example, on Monday announced an all-cash \$3.85 billion tender offer for Idenix Pharmaceuticals Inc. of Cambridge, Mass., in a strategic bid to strengthen its hep C drug program.

"Domestically there are about 4 to 5 million people with [the hepatitis C virus], and about 75% are unaware. Worldwide, that number is between 170 and 180 million," Spair said. "There is a tremendous need for more testing, and AbbVie really noticed that our technology could be used to address this staggering issue."

OraSure's OraQuick technology is an immediate testing system for hep C, which produces a positive or negative indication after 20 minutes. As part of the deal, which was struck Wednesday, AbbVie will pay the Bethlehem, Pa., company up to \$75 million in exclusivity payments over the term of the agreement, which runs through Dec. 31, 2019, plus \$55.5 million per year for five years in milestone payments. — Michael D. Brown