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PharmaLegacy, a Pharmacology CRO, Opens Its Doors

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Recently, PharmaLegacy Laboratories Co., Ltd held its Grand Opening in Shanghai's Zhangjiang Hi-Tech Park. The CRO, which offers specialty pre-clinical pharmacology services, has expertise in the areas of oncology, bone, orthopedics, inflammation, immune disease, and PD/PK.

In an exclusive interview with *ChinaBio® Today*, CEO Darren Ji, PhD said PharmaLegacy is “a specialty shop that offers one-stop shopping in pharmacology. It is the largest dedicated China pharmacology lab in scale and scope for preclinical services, offering animal-based pharmacology and preliminary toxicity studies.”

Founding PharmaLegacy

Explaining the evolution of the company, Ji said the six-member founding team first took a look at China's existing biotech landscape. “We wanted to do something in the biotech industry in China. We saw the biotech industry growing, and we saw that China has the potential to help pharma bring new drugs to market. But the one missing piece in the CRO world is pharmacology,” he said. By filling that void, the founders felt they could provide a benefit to the greater China biopharma industry.

The founding team can boast a lot of experience in pharmacology in three major disease areas, oncology, bone and inflammation/immune diseases. . Ji has been working in the bone field for 18 years, starting with his dissertation and continuing for another 11 years at Procter & Gamble (NYSE: [PG](#)). Mei-Shu Shih, PhD, the company's CSO, also worked with bone at SkeleTech/MDS (NYSE: [MDS](#)), and Ray Takigiku, PhD, VP of QA/QC had experience in bone as well. Takigiku was a member of the development team at P&G that developed the blockbuster osteoporosis drug Actonel®.

Jeff Duan, MD, General Manager of PharmaLegacy, previously headed Pharmacology at Hutchison MediPharma (AIM: HCM). Dr. Duan was instrumental in developing the oncology and inflammation research platforms at Hutchison MediPharma that helped delivering a number of Phase II candidates in the US and China, and enabled major collaborations with multinational drug houses.

Another founder, Webster S. S. Jee, PhD, a retired Professor at the University of Utah, brought with him legendary bone expertise. Jee had pioneered in developing methodologies that measured bone metabolism that became the academic and industry standard in studying bone science during the past 50 years. Jee also had an already existing company, Webb Bone Finishers, which used Jee's methodology to provide a bone measuring service to many companies – big pharmas and biotech alike. While Ji worked for P&G, he was a customer of both Webb Bone Finishers and SkeleTech/MDS. Webb Bone Finishers was rolled up into PharmaLegacy.

Mei-Shu Shih, both a founder and the CSO, is a veterinarian and a certified pathologist, who has worked with biotech companies and a major multinational CRO providing orthopedic services. He and Dr. Jee/Webb Bone Finishers are key to bringing first tier clients to PharmaLegacy because they are experts in study design in the field and its execution. And they have built relationships with clients. “It's like a family physician,” commented Ji, referring to the trust built through successful experiences. “Once you like them, you don't want to leave.”

Operations

PharmaLegacy understands the importance of timing in taking advantage of those relationships. Although the company came into being recently – early this year – it already has 60 employees, 45 of them researchers. The company hopes to have 85 employees by year end. PharmaLegacy began renovating its office space in April, started recruiting in May, moved in during July, and held its Grand Opening in October. Ji says the company is fully operational and starts in self-sustaining mode. PharmaLegacy has been validating its models for 3 months, and as a result, the company's model validation is now 80% complete.

Ji says that PharmaLegacy's execution is GLP based, though the company doesn't plan to claim GLP until it is audited. As an added plus, PharmaLegacy is the first company in China to install BioBook® (from IDBS in the UK) as its data management tool. In the BioBook system, every researcher has a seat license and must log into the system. All

measurements are electronically input automatically. This means data cannot be manipulated, and all data can be traced back. Because only the people working on project can access the data, BioBook also protects IP.

PharmaLegacy is backed by Latona Associates, a private equity company in the US. At one time, Latona owned Fisher Scientific Company, which it sold to Thermo Electron.

Entrepreneurship in China

Ji says that PharmaLegacy strives to provide winning solutions for increased productivity in pharma and biotech innovation. Part of the reason to be in China is the cost advantage, but he doesn't know how long the advantage will last. "Cost pressures are increasing every day," he said. "Human resource costs are rising as big pharmas open R&D centers in Shanghai. They send back expats, but at the same time, they are hiring extensively." The cost of office space is also going up, he added.

PharmaLegacy is relatively protected because it serves a unique niche. "There are many CROs in Shanghai, many chemistry-based companies, and big integrated enterprises as well," Ji pointed out. "We are the only one dedicated to pharmacology service," though he admits that others may spring up. "We are so specialty based and aspire to provide the best and nothing but the best customer services to our clients. We like to think of ourselves as a little boutique, just around the corner, while there are big department stores down the street. The boutiques provide custom services."

At P&G, Ji was in bioscience business development with East Asia as his territory. It was a good life. He traveled in the style conferred by a large multinational company. "I had the best job in the world; I was able to go whenever I needed to and to make deals happen in the area of my skills and expertise," he said. Still, he felt something was missing. "If I don't take this opportunity, how would I feel in twenty years?" he commented.

For Ji, being an entrepreneur bestows a different level of satisfaction. "It's like raising a baby," he remarked. "Recently we saw a movie clip of our early days. "It reminded us of how far we had come. We planted a seed and saw it grow until the plant is standing by itself."

China itself has changed tremendously in the last twenty years. It did not use to have much in the way of biopharma development, and now the field is vibrant. "I do feel good coming back and being part of it," Ji commented. And, with only a little history under its belt, PharmaLegacy's contribution to China's biopharma scene also makes Ji proud. "We have the world-class research platforms that can serve global clients. Our services in oncology and inflammation areas are top-notch, and our bone program is the best in the world. There is no better time than this, and there is no better place than this," he concluded.

Disclosure: none.