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Q&A: Sara Hall, CEO, Tacere Therapeutics

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by Randall C. Willis

In the months following Australian RNAi specialist Benitec's decision to shutter its U.S.-based operations, former CEO Sara Hall (formerly Sara Cunningham) and CFO Michael Catelani decided to revitalize the IP they had developed by licensing it from Benitec and using it to found San Jose, Calif.-based Tacere Therapeutics. Recently, Executive Editor Randall C Willis had the opportunity to sit down with Hall to discuss her decision.

DDN: What prompted you to essentially spin-out a new company?

HALL: Having been one of the pioneering companies in RNAi, we have long believed in the power of RNA interference as a new therapeutic modality. Based on the feedback we had gotten over the last couple of years, and the sustained market reward for preclinical and early clinical data for RNAi, we knew there was the opportunity to continue development of our lead HCV candidate in a private or public US setting.

DDN: How has the financial market responded to what is essentially a restart of the same program?

HALL: There was no doubt about the potential of the program. For the seed round, we went back to some of the people we had talked to before—including Hokkaido VC, who had been interested in funding us when we were Avocel before the acquisition by Benitec—they said: "We saw the opportunity before and we still see it; we'd like to fund you."

From our perspective, I think that we did very well with the launch and positioning of Tacere, as a good deal of money and effort has been invested in this clinical program and we had made such solid continuous progress. And the excitement around RNAi is still there, that has not abated at all. It was just fortuitous that we launched the week after the Nobel Prize was awarded to Andy Fire and Craig Mello.

Right now, we're focusing on the Series A financing. From an investors' standpoint, Tacere presents a great opportunity, because not only does RNAi still have a lot of enthusiasm around it, we're one of the few companies that can say we have a clinical program that is competitive with the other larger companies in the space that have more mature valuations.

DDN: What prompted your decision to also explore the small-molecule space, as opposed to focusing on RNAi?

HALL: When we stepped back post-Benitec, we decided that our core competency is not just RNAi but also Hepatitis C. The one thing that we learned was that the companies that are purely RNAi companies have sort of set the tone in the market and have a market cap such that they're going to remain the main powerhouses. Being a pure RNAi play was going to neither help nor hurt us.

Systemic delivery of an RNAi drug has not been perfected and because RNAi drugs are not small molecules, the path through the clinic is going to be different. That's always been the case, just as when therapeutic antibodies were introduced. The FDA is going to be cautious in the early days.

Small-molecule drugs, however, definitely have their niche. No single small molecule will ever cure HCV for a broad enough population. It just won't work; by mode of action with a quickly mutating virus, you either have broad applicability (by inhibiting cellular machinery necessary for viral replication) or specificity (by inhibiting HCV proteins), not both. Hepatitis C is a major public health crisis; a huge and largely unmet medical need. So the market's there.

We had the opportunity and affiliations to move a few promising compounds forward cost-effectively, so we'll work on those two approaches simultaneously. Although we see RNAi as being the most powerful and promising approach for actually curing HCV, small molecules will always have their place in the medical arsenal and, with the regulatory hurdles and slower market acceptance for RNAi, we would like to find the means of treating patients through multiple modalities until RNAi, like therapeutic antibodies becomes an accepted form of drug treatment.

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