



Why ex-Dendreon CEO's new biotech startup could succeed where Dendreon failed

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As former CEO of Seattle biotech [Dendreon](#) Corp. Mitchell Gold embarks on a [new biotech immunotherapy company called Alpine Immune Sciences Inc.](#), how will he ensure it doesn't meet the same fate as his prior company?

Gold led Dendreon for nine years and stepped down in 2012. The Seattle cancer drug company is [now bankrupt](#) and recently sold its assets to Quebec-based Valeant Pharmaceuticals [for \\$495 million](#).

[David Nierengarten](#), [a biotech analyst](#) at Los Angeles-based firm Wedbush Securities, said that while things may not have gone smoothly for Dendreon, that doesn't necessarily bode badly for Gold.

"Firstly, he deserves a lot of credit for getting Provenge approved by the FDA," Nierengarten said.

The problem, Nierengarten said, was that ultimately Provenge wasn't effective enough to demand the price.

"It didn't allow them the pricing power they needed for that complicated and expensive a product to produce," he said. "That's a lesson to learn and presumably he has that lesson in his mind with the new company."

Provenge, the company's main product, treats prostate cancer at a price tag of \$93,000 per patient to extend life for a few months. Provenge also had less-expensive competition in the market, which made it tough for Dendreon to sell that product.

Now, Gold is planning on developing immunotherapy drugs that don't cost nearly as much because they won't be tailored to each patient in the way Provenge was.

"Provenge had a lot of manual labor associated with it," Gold said. "These (new products) are proteins in a vial, and they're stored," as opposed to being highly individualized.

But even if a company had a costly drug, it might be able to sell it if it provided results more on-level with a cure.

"More efficacy usually leads to higher price and therefore you have more room to have a costlier manufacturing process," Nierengarten said. "If he's reducing the costs on one hand and he has the same efficacy, that's a good thing."

More and more biotech companies are developing immunotherapy treatments for diseases like cancer. One of the leaders in that area is Seattle-based biotech Juno Therapeutics, which has impressive clinical trial results and [raised \\$265 million](#) when it went public last year.

"It's definitely the hottest field in oncology right now," Nierengarten said.