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Cephalon gets rights to Ception

By Andrew Pollack

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Cephalon Inc., the maker of pain and cancer drugs, said yesterday that it had signed a deal giving it the option to buy closely held Ception Therapeutics Inc., developer of an experimental inflammation drug.

Cephalon, of Frazer, will pay Ception \$100 million up front and, if it exercises the option, \$250 million for all of Malvern-based Ception's outstanding shares, the companies said yesterday in a statement.

Ception's lead product is reslizumab, a novel treatment for eosinophilic esophagitis, an allergic inflammation of the esophagus, the companies said in the statement.

The drug is in clinical trials for use against the disease in children and eosinophilic asthma in adults. Symptoms of the disorder include vomiting, chest pain, difficulty eating, and characteristics that mimic severe gastro-esophageal reflux disease.

The deal "creates the opportunity for Cephalon to introduce its first biologic into the market," said Frank Baldino, Cephalon's chief executive officer, in the statement.

Ception was founded in 2004 by three former GlaxoSmithKline P.L.C. executives, an investment banker, and a lawyer to license an antibody whose development to treat asthma had been halted by Schering-Plough Corp. Midstage trials had established the molecule's safety.

Ception's five founders put in their personal money to start the company. Two of the founders were Osagie Imasogie and Dennis Langer, Partners in Phoenix IP Ventures L.L.C., a Philadelphia intellectual-property venture capital firm.