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BIOTECHNOLOGY

Bankruptcy Won't Stop deCODE, Says Its Founder, Stefánsson

When the Icelandic company deCODE genetics Inc. filed for bankruptcy last week, many observers saw it as a bleak illustration of how hard it is to profit from research on the human genome. But deCODE and its flamboyant leader, Kari Stefánsson, aren't going away just yet. The company will continue operations with a loan from a potential buyer. And Stefánsson says he hopes to stay on as leader of deCODE's hunt for disease-causing genes.

Stefánsson founded deCODE in 1996 based on the controversial notion of collecting genetic data on Iceland's citizens, combining them with medical and genealogical data and mining this biobank for disease markers. Although deCODE's research has been a roaring success, generating many high-impact papers, the company's efforts to make money from new drugs and genetic tests have failed. For the past year, deCODE has been offering some of its components for sale.

What next? Kari Stefánsson is planning a new genetics firm called … deCODE.

Last summer, deCODE was in discussions with the Wellcome Trust, a U.K. biomedical charity, about taking over support for the biobank (*Science*, 28 August, p. 1054). No deal emerged, however. Stefánsson denies rumors that deCODE's restriction on data sharing was an issue. The "fundamental reason" was that Wellcome wanted to run deCODE as a nonprofit research institution, which was not possible because of the company's legal obligations to pay a return to investors, he says. However, he "was moved by the way they reached out to us."

Instead, the company is trying a different way to survive. Last week, deCODE's U.S. parent company filed for Chapter 11 bankruptcy in Delaware, which means it will reorganize its debt and keep afloat for now. The company has a $14 million offer from Saga Investments for its drug-development and -discovery programs and for Islensk Erfdagreining, the deCODE subsidiary in Reykjavík that runs the biobank and genetic testing services. The parent company expects to be liquidated, however, and stockholders are unlikely to get any of their money back.

The deal must first be approved by a court, and other bidders could step in. Stefánsson says that if Saga's offer prevails—he hopes to know by early January—he expects to serve as executive chair of a new company and president of research. Someone else will serve as CEO and lead commercial operations. "It will be called deCODE," he says.

Stefánsson's research plan is to move on to the next stage in the hunt for disease genes: the search for rare variants. It is thought that these variants may confer higher disease risk than those found so far and would provide new insights into the biology of disease. Stefánsson says that by mid-2011 he plans to sequence the complete genomes of 2500 individuals, which, combined with genealogical data, should be enough to find variants occurring in 0.1% of Iceland's entire population of 320,000 people.

Some researchers say that because it is easier to find rare variants in a homogeneous population like Iceland's, the company stands a fighting chance of remaining a leader in this area. Disease-gene hunters have "tacked back to where the field started," says Stephen Chanock, a geneticist at the U.S. National Cancer Institute.

–JOCELYN KAISER

FUSION

Schedule Concerns Delay ITER's Go-Ahead

The scientific and engineering team building the ITER fusion reactor failed to win an expected endorsement from the project's governing council last week. The council, which represents the seven international partners in the project—China, the European Union, India, Japan, South Korea, Russia, and the United States—sent the team back to do more work on the proposed construction schedule for the mammoth undertaking.

ITER is an experimental reactor that aims to show that nuclear fusion, the power source of the sun and stars, could be harnessed to generate energy on Earth. A site has been cleared at Cadarache in southern France for construction, and ITER staff have been racing for months to get the final project baseline documents, which describe the design, cost estimates, and planned schedule, ready for the 18–19 November council meeting at Cadarache (*Science*, 13 November, p. 932). But some council members voiced concern that the schedule, which aimed to start the reactor by 2018, was not realistic and that there was too high a risk that some part of the immensely complicated effort could go wrong.

A slip in the schedule would invariably mean increased costs, and the council is already concerned about budget estimates, which, sources say, may have doubled from €5 billion since the partners signed up in 2006. So the council told ITER staff to nail down more firmly the risks, both technical and organizational, involved in the schedule and come back in February with earliest and latest possible start-up dates. "Europe is very concerned about the risk of pushing ahead too fast," says Steven Cowley, head of the Culham Centre for Fusion Energy in Abingdon, U.K. "Building this is arguably harder than building the [Large Hadron Collider] because everything is inside everything else. You better get it right." Discussion of the cost estimates appears to have been put aside until the schedule has been resolved.

–DANIEL CLERY

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