Paul Laikind

Interview conducted by

Mark Jones, Ph.D.

May 14, 1997

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Dr. Paul K. Laikind, Ph.D. has been the Chief Executive Officer and President at ViaCyte, Inc. since June 2012. Dr. Laikind has been the Chief Business Officer and Senior Vice President of Business Development at Sanford-Burnham Medical Research Institute since November 2009. He served as a Co-Founder at Metabasis Therapeutics Inc., and served as its Chief Executive Officer from April 1998 to December 9, 2008. He served as the President of Metabasis Therapeutics Inc., from June 1999 to December 9, 2008 and its Secretary since June 1999. Dr. Laikind served as Interim Chief Financial Officer of Metabasis Therapeutics Inc., from May 2008 to December 9, 2008. He founded Gensia Inc. in 1986. He served as Vice President of Business Development at Gensia Inc., from 1986 to 1999 and was responsible for establishing major research and development corporate partnerships with leading U.S. and European companies including Marion Merrell Dow, Sandoz, Boehringer Mannheim, Pfizer and Sankyo. While at Gensia, Dr. Laikind founded Viagene Inc., a biotechnology company acquired by Chiron, Inc. in 1995. He served as Chairman of the Board of Metabasis Therapeutics Inc., from April 1998 to September 2006. He has been a Director of Metabasis Therapeutics Inc., since April 1997. He serves as Director Emeritus of BIOCOM, Inc. He served as a Director of Gensia, Inc., from 1986 to 1999. He served as a Research Faculty Member at the UCSD School of Medicine. Dr. Laikind is a seasoned entrepreneur with extensive experience in business development. Dr. Laikind holds a Ph.D. in biochemistry from the University of California at San Diego, or UCSD.

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THE SAN DIEGO TECHNOLOGY ARCHIVE

INTERVIEWEE: **Paul Laikind**

INTERVIEWER: **Mark Jones, Ph.D.**

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JONES: OK, you were at UCSD, right, you had done a Ph.D. in chemistry, and you were doing a post-doc. At that time, what was your intended career path? Were you thinking about an academic career at that point?

LAIKIND: Not necessarily. I've never been one to really plan my career path all that well. I just kind of, you know, went for what I thought was appropriate for me, and saw where it would take me.

JONES: Why did you decide to do the Ph.D. in chemistry?

LAIKIND: Well, that goes way back, I mean, I started off doing my undergraduate in math, and then was thinking of going to veterinary school, and decided that I wanted to research more, and decided that veterinary school wasn't a great path to research, and so I went to biochemistry as an undergraduate degree, and then when I came to UCSD, there is no biochemistry department, biochemistry was part of chemistry, so I went into the chemistry group there, and continued on that.

JONES: After you completed the Ph.D., you decided to do a post-doc here. Did you have other opportunities, did you consider other things?

LAIKIND: Yeah, I actually kind of fell into the post-doc a bit. It's kind of an interesting story in that in my last year of my Ph.D. program, I came down with gout, which is very unusual for somebody my age and such, but you know, I had a classic case of gout in the big toe, and I found out that upstairs, Jay Seegmiller, who was a scientist at UCSD, was one of the world's experts in gout, to describe the disease early on, and also I remember I went up and started talking to him about my gout, and we got along well, and he eventually asked me if I'd join his group to continue doing

research with him, and I said yes, so it was kind of an unusual way of segueing into a post-doctoral position, but that worked.

JONES: Yeah, and what, precisely, were you doing, what kind of work?

LAIKIND: Working on metabolism, various types of metabolic diseases, Lesch-Nyhan's disease [Seegmiller wrote a review article on Lesch-Nyhan's syndrome and purine metabolism] and a form of purine autism, mainly involving purine and purine nucleosides and purine pathways.

JONES: And, when did you meet Harry Gruber?

LAIKIND: He was working in Seegmiller's lab when I joined, and he and I, and one other scientist, actually, shared an office when I came there, so we got to know each other. We started working on some common projects together.

JONES: And were these things that turned into the technology for Gensia?

LAIKIND: Some of it, yeah.

JONES: And what about Doug Jolly, was he around at this time, too?

LAIKIND: Yeah, Doug Jolly was in a lab down the way from us, a different group, and he was working on gene transfer. Harry had started a program that I helped on, came in and worked on as well, in Lesch-Nyhan's disease, and the idea of transferring the defective, the gene that codes for the defective protein in Lesch-Nyhan's disease, using gene therapy to transfer that in, and we actually did the first transfer of a human gene into human cell lines, while we were at the university, and we published that in Science. So, Doug was in the group that was doing more the gene therapy side of it. We were in more the metabolic side, taking the constructs that they'd make and testing them to see if they were giving good HPRT [human hypoxanthine phosphoribosyltransferase] production.

JONES: And around this time, it was starting to become pretty common that faculty would be involved with…

LAIKIND: Not that common.

JONES: This was '85?

LAIKIND: '84, '85.

JONES: So, when did you start to have discussions about, you know, we have something here that we could start a company with?

LAIKIND: Well, Harry had, we'd worked on acadesine, which was the drug that we first tried developing here at Gensia, while at the university, and in fact, Harry had filed a patent based on some of the data that we'd gotten on its ability to increase adenosine release.

JONES: Was this Compound Q, is that what you were calling it?

LAIKIND: Yes, that's what we called it back then. It's had a number of different names. Where did you get most of your information up to here, by the way?

JONES: Well, I've been talking to, most of information about Gensia, I talked to Howard Birndorf, and he told me how he was involved in getting it off the ground, and you know, just reading stuff.

LAIKIND: Anyway, we had done some work and hooked up with Bob Engler, who was a cardiologist who was interested in granucyte activation and such, and we had shown that this compound appeared to increase adenosine production, and adenosine had just been shown to have effects on granucyte activation and such, so we got Bob interested, and he worked with us to do some cardiovascular studies. Anyhow, Harry filed this patent, and we were looking at how we could take that patent and so something with it to help fund our research. About the same time, I was working on this purine autism project, and through some animal use forms or something, a newspaper picked up on the work, or a local news station, and they did some reports on how the work came out with Harry, and did some reports on our autism work, and there was a lawyer in town, Sam Alhadeff, whose son is autistic, who saw the reports and was very intrigued with what we were doing, and came to visit, and actually donated some money to help support our research, and such, and we got to know him, and he suggested, he asked us if there was, you know, another way to support the research, and we thought, he asked us if we ever thought about doing a company. And at the time, we had been, you know, Harry had the patent, he was considering going out to some companies, and we had actually gone out to a couple companies to talk to, I think at that time we visited Marion, but anyhow, Sam Alhadeff suggested doing a company, and we said, sure, we'd be interested, we didn't

know much about it at that time, but he set us up with some of his friends, some local, you know, a bank president, a guy who came out of one of the big ten accounting firms, a physician who kind of reviewed what we were doing, and they ended putting up like a hundred thousand dollars to get us started. And that's kind of how we got started.

JONES: Yeah, do you remember talking to these people, how you represented what you were doing? How you tried to convince them?

LAIKIND: Sure. The thing that I remember most was we went to a meeting, Sam called a meeting together, we actually met at Murray Galenson, who was the president of San Diego National Bank, we met at his office town. He brought with him Warren Kessler, who is a local urologist, a pretty smart guy, to kind of act as an advisor, you know, to help him understand the science, and then Sam was there, and I don't think the others in the group were present at that point. Anyhow, so kind of presented the technology and all to them, and they were very enthusiastic, in fact, Warren Kessler was very excited by it, and he said, 'I don't know about you, but I'd invest in this.' And it kind of took off from there.

JONES: So, what did you then do with the first $100,000?

LAIKIND: It took a while to get it in because, you know, we had to set up the company, and we had to, you know, start working at it, but, you know, at the time, we thought it was a lot of money, obviously we learned quickly that it wasn't, but, you know, we used to just kind of start getting rolling a little bit, you know, we started to look for, we realized that we had to look for me, and so we used it to start looking for more, we started talking to venture capitalists a bit, and...

JONES: And with your initial investors, did you form a board, and were these people giving you advice on what to do?

LAIKIND: Sure, Dick Lavinthal, who was another one of that group, who, you know, came out of the family that was, the accounting firm, he helped us. He went with us to meet with accountants. We met with various accounting groups to find out which is the best accounting group to start working with, and so forth. And then, Samuel Haddif introduced us to a lawyer in a New York firm, who started working with us, he had a lot of venture capital experience, and stuff, and he gave us advice in that area,

and so we started, so yeah, they gave us, I can't remember if we actually formed the formal board or not. I don't think we did.

JONES: Now, at this time, you were still at UCSD doing the post-doc?

LAIKIND: Well, actually, I did a post-doc for a while, and then I was offered a, it's essentially a junior faculty research track position, not a tenure-track, a research track, and I took that. So, somewhere in there, I can't remember when, I transitioned from post-doc to actually faculty.

JONES: So, at this point, you were still doing this part-time, basically?

LAIKIND: Absolutely.

JONES: Then, how did you get in touch with Howard Birndorf?

LAIKIND: That's a little ways down the line, actually.

JONES: OK.

LAIKIND: Basically, Howard, I love Howard, Howard's a great guy, and he and I go way back, and you know, Howard's quite a character. He sometimes, I believe, takes more credit for forming Gensia than maybe he deserves, and I've taken him to task on that, so I'm not worried if he hears this or not. But he was certainly very helpful, though,

JONES: One thing I've found that this is a sort of currency, credit for these various companies, and actually, I've come across some arguments about, you know…

LAIKIND: Sure, Sure. Before Howard, we went to a local venture firm here in town that we met, we met one of the people, what was his name? Kip Hallinan or something like that, who represented, now I'm going to blank on the name of the venture firm, I can find it if I need to, but anyhow, it was a local venture firm here in town, and we talked to them, and they said, 'Oh yeah, this sounds interesting. One of the principals was Brad Gordon, who ended up working for Viagene eventually, but Brad worked for this firm, and it was his responsibility to kind of do due diligence on us, and decide whether this was a good investment for them, and they also brought in another firm, Fairfield Ventures, Ned Olivier, around that time, and wanted to kind of do it with him, with their firms doing it together. And our New York lawyer was

advising against it, he said these were too lightweight, you know, this is a lightweight firm, you shouldn't do it. But we thought we knew what we were doing, so we started working with this firm, and we spent months working with Brad Gordon, you know, and I've said it many times, he was absolutely anal in the way he did due diligence. I mean he had these sheets, long lists, I still have them, of questions and all, and it was great for us, because, in a sense, it was like going to school on starting a business, because, you know, by the nature of the all questions he was asking us, of course that showed us what people were interested in, and what we needed to be focusing on. So, you know, we went through this process with him and learned a hell of a lot about what it was we were actually trying to do. And that firm decided that they wanted to make an investment and about that time, they folded. The whole firm went under, and so, you know, Fairfield walked away, too, because they didn't know what was happening, so we were kind of left high and dry. At that point, we went to the New York lawyer, and said, "OK, we're in your hands, you know, find us venture capitalists.' He sent it out to a number of groups. I also Brook Byers at that point, called him up, and luckily got through to him, and said, you know, 'This is something you should look at.' And Brook's view, because 'Hey, I've made a lot of money off the university, I'll certainly talk to anybody who comes out of there, and that's when we got hooked up with Howard, because Brook and Howard go way back, and Brook said, 'Listen, it sounds interesting. Here's what I'd like you to do. I'd like you to meet with Howard Birndorf and Tom Adams. Tom Adams was at Hybritech, as well. Sit down with those guys and tell them your story. If they like it, then I'll like it.' So, that's when we met Howard, and you know, Howard was certainly very helpful back then, and once we got the deal with the venture capitalists set up, which took a long time, we had Howard on the board, really as Brook's surrogate. Brook decided not to sit on the board, and put Howard on the board. And yeah, Howard was extremely helpful, and I don't want to say anything negative, and I used to go to Howard if I needed some advice. I'd go to him often, you know, sit with him and talk things over, and all. He was not a founder of the company, though, by any stretch of the imagination.

JONES: He never indicated that.

LAIKIND: It comes out in newspaper articles all the time that he was one of the founders, but he wasn't. But he was very helpful, and I certainly feel we owe a lot to Howard. So that's kind of where we met Howard, so Howard came in after quite a number of, you know, layers, I guess, of the company, had already been laid down.

JONES: What other kinds of diligence did Kleiner-Perkins do besides Howard and Tom Adams?

LAIKIND: I think that was probably a big part of Kleiner-Perkins diligence. We certainly went up there a couple times, and Kleiner-Perkins actually came down, Brook came down and wanted to do the deal himself, and we had, actually, a very memorable dinner with him, where he put an offer on the table where he would be the principal venture capitalist, and really do the initial funding, and later take it out to other venture capitalists. We didn't think it was the right deal for us. We rejected it, and Howard was jumping mad at us. He couldn't believe that we would turn down a Brook Byers deal.

JONES: Was that because they would have had too much control?

LAIKIND: He was using a formula that had worked in the past for him, and for others, and his arguments were bad, which is basically, he puts in a relatively small amount of money, a half million, a million dollars, takes sixty percent of the company right off the bat, OK, and his argument is, you know, he was kind of the golden child of venture capital at that time, he still is a lot of ways in biotech venture capital, so his argument was, 'Yeah, you're giving me a lot for a little, right now, but because I'm involved and, you know, we'll get this thing in shape, and when we go out for the next round, you know, we'll sell it at a much higher price, so the overall dilution of your shares won't be that bad, OK, versus doing it another way. But we didn't like that idea. So, actually, it was a little bit of an uphill battle after that to keep Brook in the deal, because we'd kind of turned down his deal, so now we had to convince him that there was another structure that would be good for him. There was also kind of a battle going on concerning who would lead the deal between Domain, Jim Blair, and Kleiner-Perkins, Brook Byers.

JONES: And did you get very involved in that, or was that basically between them?

LAIKIND: Certainly, I got involved in the sense of, you know, talking to them, telling them who we thought was important and why, and we were OK with either one of them. It was kind of frustrating because it delayed the deal quite a long time, so we were trying to push them to make the decision, and get this thing going, and actually, one of the other venture capitalists, Dick Schneider, who had come into the deal through 3i Ventures, he actually finally set these two down and said, 'You guys need to make a decision so we can get on with this.'

JONES: And what was the decision?

LAIKIND: Jim Blair led the deal.

JONES: So, when you had that funding in place, you had a lot to work with at that point, what was the next step, what did you do then?

LAIKIND: Well, the way we had set up the funding and proposed it to the venture capitalists, which eventually led them to accept, which was kind of a neat concept at the time, and which they've used a lot since, was the idea that they'd give us a, I think they gave us initially, like $600,000, I can't remember exactly, but a relatively small amount of money initially, for a small amount of stock -- I think they took like 20% -- and then we guaranteed them the ability to step up their amount of stock at a higher valuation if we met certain milestones, and those milestones were to show safety on acadesine, to put a development plan in place, to hire a CEO, and hire a person to do the development, and there may have been one more milestone, but we had a series of milestones that we set for ourselves, that if we achieved those milestones, then they would put in an additional larger chunk of cash at a better valuation. So, when they actually made their investment in Gensia, the first investment, is when I left the university and went out and set up an office. We had a two-room suite with a big warehouse in the back where we put up some HPLCs and stuff, and so that's essentially when I left the university to start the company.

JONES: Did you move through the milestones pretty consistently after that? Did the deal work the way it was planned?

LAIKIND: Yeah, we did. We hired David Hale, and other things like that.

JONES: So, did you really get more involved in the business end at this point, almost at the beginning?

LAIKIND: Yeah, well, early on, when Harry and I were setting up the company, at first we were both out kind of chasing money, you know, chasing the investors and stuff, and pretty soon, it was taking a while, and pretty soon, we realized that if we both did that, nobody was concentrating on the science anymore, and we both had jobs at the university and responsibilities there, you know, at the university, doing science is more than just an eight hour job, generally, and we were treating like it was an eight-hour job, in a sense. And so, we decided early on that Harry should go, and

you know, really concentrate on the science, making sure the science kept progressing forward and stuff, and I would concentrate on raising the money and getting the company set up, and I would be the one who would leave the university and go out and set it up. So, from the very beginning, you know, I concentrated more on the business issues and getting the money in and setting up the company. Oh, the other milestone was getting the license from the university, so that's what I did.

JONES: So this particular division of labor, did this reflect the fact that Harry was sort of the senior scientist? I mean, you're taking a risk with your scientific career, right?

LAIKIND: Absolutely.

JONES: Well, if Gensia doesn't work out, how did you perceive that risk? Did you have second thoughts -- should I walk away from the...?

LAIKIND: No, I don't think so. I think Harry and I were both very entrepreneurial, and you know, like I said at the beginning, I've never really planned my life, it's been more, you know, 'Gee, this just seems like the right path,' and so this was kind of being in the right place at the right time and recognizing it, and taking advantage of it. But, you know, I didn't have any second thoughts or anything. I thought this would be exciting new thing to learn and I had enough confidence in myself to be able to do this, and if it didn't work out, to do something else.

JONES: What was the licensing deal like? This was eleven, twelve years ago, what was it like dealing with the administration then?

LAIKIND: Both, certainly for the license, and just in general, you know, back then, the administration had still not really come to an understanding of what its role should be, or what it should do with regards to faculty getting involved in companies, especially when it comes to licensing university technology to those companies, you know, there are all these conflict of interest rules, but when you really get down to it, there were very few written rules about this, and it was very difficult to get to the bottom of what exactly, you know, the policies were with regards to this, and so we had to talk to a number of people about potential conflicts of interest. It was pretty tough back then to do stuff with the university, and I think that if you talk to the university, those people would probably be the first to admit that they really didn't make it very easy back then for people to do this type of thing. So, there was a lot of back and forth with the university with regards to conflicts of interest and such, more

so with Harry than me, I think, because Harry was on a tenure track versus myself being on the research track, and so I think they were much more concerned with conflicts with Harry than with me, plus he was an inventor on the patent. So, we worked through that, and talked to a lot of university people and all, and could never really get to the bottom of what was required of us. We went through a couple of conflict of interest committee groups, and stuff, to review it, and finally they signed off on it, and then came negotiation the license, which was another fairly long, drawn out process at that time. But we licensed it.

JONES: Do you recall what the deal was? What the university received?

LAIKIND: It was, I can't remember what they got. I think they got a little bit up front, not a lot. They got, it's a royalty bearing license, maybe it had certain diligence provisions, and some minimum royalties, which we've been paying now for some time, but you know, it was in the range of, I don't know exactly what it was.

JONES: What were the circumstances surrounding David Hale coming?

LAIKIND: We actually saw David, we went to a CONNECT meeting on raising capital, venture capital, and David was one of the speakers, and spoke on raising money and stuff. Actually, it was the same meeting where we met the venture capitalists, the local guys. So, we heard David at that meeting, so I called CONNECT after that meeting, and said, 'We're a couple of young guys, we're starting a company, and we'd really like to talk to David Hale, can you arrange it?' And so, they did, they arranged for us to meet with him, and we went over and met with David, kind of informally, we just, you know, told him what we were doing and what we were looking for, and he just kind of gave us some advice. He suggested some people that we might talk to, and he agreed to give our names to a couple of people. So, it was very helpful, and thereafter, he agreed to meet with us periodically, you know, and we met with him maybe once every month or two. Actually, I knew Sarah, his secretary, socially, which really helped a lot in terms of getting in to see David. She would make sure that we got on his schedule. So we met informally with him a number of times. When we were actually setting up the company, for instance, when we brought Ron Tuttle, who was one of our first employees, who came in as a vice-president of drug discovery, you know, we asked David to interview him, and stuff like that. So, he was helping us out. At the time, we had no concept of him joining the company, we just thought he was a nice guy who was helping out the local community. But then, when

we were actually looking for a CEO, we interviewed a lot of people for the CEO position, and we had not yet found anyone who we were really satisfied with, and about that time was when, or some time before that was when, or some time before that, the Lilly acquisition of Hybritech happened, and so, during that period, one of the venture capitalists said, 'You know, I think David Hale is probably looking around.' And in fact, he was, and we asked him if he was interested in our company. And so he said, 'Well, geez, let's talk.' So we talked to him, actually Jim Blair was really helpful, he got involved in that, too, and David ended up joining the company.

JONES: Do you remember discussions with him. Do you have an inkling of why he decided to come here? In talking to him, did he express that?

LAIKIND: Yes. I think he was, you know he came into Hybritech after it was already a company. It still was pretty small, had not accomplished a lot of the things that were accomplished while he was there, but you know, it was already up and running, and the strategy was already pretty much set, and he came in, and I think did a great job of implementing and building the company and eventually selling it to Lilly. The other position that he was being recruited for at the time, I know, was Gen-Probe, and you know, that was similar to Hybritech, it was already set-up, established, and I think he saw Gensia as a chance to really come in on ground floor before all the strategy is set, and really, be a major part of setting the strategic goals, and you know, starting from ground zero. You know, we had been operating for six months or something like that, and he would certainly agree, we were looking to the CEO to come in and really set the tone for the company. You know, one of the things that I think Harry and I were good about, which, really, a lot of entrepreneurs are not, was to recognize where our strengths and weaknesses were, and we recognized, you know, that we really needed someone with a lot of business experience. So, I think that was a big motivation for him choosing Gensia.

JONES: And there was never any question for you, that, you know, if you could get David Hale to come, because of his track record and experience, if you could get him…?

LAIKIND: I don't know. We interviewed him just like we interviewed everybody else, and made sure that we felt he was a good fit with the company, and talked to a lot of his references and people who knew him, so yeah, it wasn't like this guy up on this pedestal somewhere, and if we can get him, we'll take him, no questions asked,

we knew, from our discussions with him, we were very impressed with him, but we treated him like any other candidate coming in, and I think, you know, put him through the whole process.

JONES: And a lot of it had to do with, you felt that you could personally work with him on an extended basis?

LAIKIND: Yeah, and I think, also, you know David is an incredible networked, you know, he was certainly back then, and still, he was tied into the biotech community like no one else was, you know, he had an incredible network, and that was very impressive. And also, I liked David's style. I still like David's style. You know, I would say David, if it's, you know, 'you take the high road, I'll take the low road,' David will always take the high road. It's the risky road, but he'll take the high road, rather than the low-risk, low road. And, you know, that's an attitude that I like. A lot of people would take the low road, the low-risk way. I'd rather go for high-risk, high-reward.

JONES: When you're setting this up, the first thing you have to do, I guess, after getting the management in place is set up an R&D operation, because, at the beginning, that's basically what it is, right? And you guys have experience in academic settings, and I guess at this time, there are not a lot of models in the biotech industry. How did you go about doing it?

LAIKIND: A lot of it was dictated by the technology. I mean, we knew where the technology needed to go, and the types of experiments, the type of technology we needed to build into the company. So a lot of what we needed to build was dictated by what the technology needed. We also brought in Ron Tuttle about that time, the inventor of dobutamine at Eli Lilly, and you know, had been in the key pharmaceuticals in the company and had been involved in watching that build up, so he could certainly give us some insight, and David Hale himself, of course, knew a thing or two about that. In terms of the actual physical plant, we were lucky enough that, Molecular Biosystems, at just about the time that we were getting ready to set up the lab, they were moving into their new facility on Sorrento Mesa, and vacating labs they had built in Sorrento Valley, that were right next door to where I had set up the original offices, and so we were able to sublease that lab space, so we kind of moved into, they were pretty crude actually, by today's standards, but we moved into some completely established, built out lab space, and kind of hit the ground running

when it came to that. So, you know, it was just kind of a combination of learning as we go, I guess.

JONES: How did you go about recruiting researchers? How did you target people?

LAIKIND: Some of the researchers actually came out of the university, people we knew at the university who were working on the projects with us, and stuff, and decided to join the company. We got a few like that. Some of the people that we knew from our past work, not necessarily that had worked with us on these projects, but, for instance, David Bullow, who was a post-doc when I was doing my graduate work at the university in the same lab I was in. I got to know him, and he was a very good enzymologist, and we had some enzymology issues, so we recruited him. You know, that type of thing, and that kind of built the core group, and then we also used very traditional methods of advertising, and also, the same way with any venture business, or any business in general, if you have areas that you need expertise in, you generally know of the people that are experts in that area around the country, and so, you know, some of those we recruited from afar to come and work with us.

JONES: And how did you try to persuade them to come? Did everybody get a piece of the company?

LAIKIND: Yeah, everybody who joined the company, right down to the dishwasher, got stock in the company. Back then, they got actual shares in the company. Now they get options, but obviously back then, they get a lot more than they do now.

JONES: And you're trying to get people that are established in their academic careers, this is a risky thing, was it difficult to get certain people?

LAIKIND: Some just won't leave, and others do. Some people we got came from other companies to us. It wasn't just academia. But, you know, those are always personal decisions that people have to make. As long they are allowed to do good science, then..... There are a lot of people in academia, their goal is to get out into industry because there is only a small percentage of the people that can stay in academia just because not enough positions are available.

JONES: Let me ask just one more thing. Viagene got spun off almost immediately. What were the circumstances surrounding that? Why did you decide to do that?

LAIKIND: Well, when we were setting up the company, you know, we had these two ideas for the company, this adenosine regulating technology that was embodied by acadesine, and we also believed that gene therapy was an exciting event. Back then, nobody was talking about gene therapy in terms of a commercial technology, or very few were. It was a very new idea, but we had some ideas and filed some patents on some commercial applications in gene therapy that we thought were exciting. So, when we went to the venture capitalists, you know, we talked to them about both technologies, and most of the venture capitalists were actually more excited about the adenosine technology at that time. Like I said, gene therapy was still a very unknown quantity, and I think they could understand the adenosine technology better. So, you know, the venture capitalists initially said, 'Listen, you can't do both of these things in the same company. It's crazy. You have to choose one to get us to go with one of these, and we'll invest in it.' And we were very stubborn, and said, 'No, we think they're both exciting, and both should be continued.' And Doug Jolly, at that time, actually left and went to INSERM in France. You know, he was kind of out of the picture, but we were still pushing the gene therapy part of it, and so, finally, the venture capitalists relented and said, 'OK, we'll fund this thing with both technologies.' So, they did, but the very first board meeting, which we actually had in Howard Birndorf's kitchen, they said to Harry and I, "OK, we've funded this thing, now you need to go away and come back to us at the next board meeting and tell us how you're going to pursue both of these technologies, how are you going to fund them, how are you going to pursue both of them at the same time.' And so we went away, and we spent a lot of time discussing and evaluating those, and we came back at the next meeting and said, 'Well, here's the thing. We think we should split it off into a new company. You're right we probably shouldn't do these both in the same company, but we do think it's very valuable. We should split it off.' So, they agreed, and then it took us quite a long time to actually do that, to get them to step up to the plat and actually put the funding in place to start this new company. And also, I had to get Doug Jolly back into the picture at that point, so I spent a lot of time in France trying to talk Doug Jolly into coming back and working with us at Viagene, and he eventually did.

JONES: Why had he left in the first place?

LAIKIND: Well, I don't think he ever really thought we were going to get a company started, and we were talking to him about starting a company, and telling him that we were going to do this, and that we'd like him to participate if we get if off the

ground. And, you know, it takes a long time, and I don't think he every fully believed it. Our wives never believed it, why should he, you know? And he got this offer, essentially a lifetime position at INSERM in France, and he decided to take it, and he left and took it. So, once we actually got the company started, and then I went over and started talking to him about spinning off Viagene into its own company, and then he started seeing that it was real, and he actually came back and met with some of the venture capitalists, and we eventually talked him into it, giving up this lifetime position at INSERM and coming back. And I think that was a pretty bold step on his part, you know, coming back and working with Viagene.

JONES: Well, after he had left initially, did you have people in mind, because you guys, your expertise was not in gene therapy….

LAIKIND: Not directly. I mean, we had some expertise in that area. We had worked on it. We had good ideas in the area, but we had a couple of people who had worked with Doug, who were interested in working with us, but you know, a key to getting that project off the ground was either getting Doug back, or we could have potentially gone after somebody else if we really wanted to, but we were comfortable working with him.

END INTERVIEW

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The San Diego Technology Archive (SDTA), an initiative of the UC San Diego Library**,** documents the history, formation, and evolution of the companies that formed the San Diego region's high-tech cluster, beginning in 1965. The SDTA captures the vision, strategic thinking, and recollections of key technology and business founders, entrepreneurs, academics, venture capitalists, early employees, and service providers, many of whom figured prominently in the development of San Diego's dynamic technology cluster. As these individuals articulate and comment on their contributions, innovations, and entrepreneurial trajectories, a rich living history emerges about the extraordinarily synergistic academic and commercial collaborations that distinguish the San Diego technology community.