

Race to Publish Shows Glaxo Zeal to Get Leg Up in China

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Liu Xuebin recalls working 12-hour shifts and most weekends for months, under pressure to announce research results that would distinguish his GlaxoSmithKline Plc (GSK) lab in China as a force in multiple sclerosis research.

It paid off -- for a while. Nature Medicine published findings about a potential new MS treatment approach in January 2010 and months later Liu was promoted to associate director of Glaxo's global center for neuro-inflammation research in Shanghai. Two months ago, his career unraveled. An internal review found data in the paper was misrepresented. Liu, 45, who stands by the study, was suspended from duty on June 8 and quit two days later.

His story, told in a cafe a short stroll from his former workplace, offers insight into Glaxo's zeal to succeed in the world's fastest growing major drugs market, where the London-based company languishes in 12th place. Glaxo is now the subject of a corruption probe, Johnson & Johnson was fined for monopolistic practices, and Sanofi and Eli Lilly & Co. are being examined by authorities in China, where intense competition built incentives for employees to bend rules and cut corners.

"It was extremely tough, we were all very tired and everyone was competing to be first," Liu said in an interview last week. "Everyone had many projects. The more you do, the more likely you will make mistakes."

The China-born scientist was the first of 18 authors on the 2010 paper, which included graphs later shown to have incorrectly labeled healthy human cells as being those from multiple sclerosis patients. Liu says he opposes a retraction of the paper.

"It was an honest mistake, and it doesn't affect the findings," he said, sipping a cappuccino. "I can confidently say that I can recreate the result in any laboratory."

R&D Head Fired

Glaxo, the U.K.'s largest drugmaker, disclosed the error in a statement on its website on June 10, the day Liu resigned. The head of Chinese research and development was fired and three others were placed on administrative leave pending a final review, it said. The paper, titled "Crucial role of interleukin-7 in T helper type 17 survival and expansion in autoimmune disease" was from preclinical, early stage research and didn't directly involve patients.

'Clear Evidence'

“Our thorough investigation found clear evidence of data misrepresentation and 16 of the 18 authors on the paper have agreed it should be retracted,” David Daley, a Glaxo spokesman in London, said in an e-mailed response to questions. “We will not tolerate activity and behavior that falls short of the high standards expected from our employees.”

Daley didn't respond to a question regarding the competitive environment Liu described. Nature Publishing Group declined to comment specifically on the status of Liu's paper.

“The only people who can retract papers are authors or editors,” Editor-in-Chief Phil Campbell said in an Aug. 3 e-mail. “Editors may be requested to retract a paper over the heads of authors, whether by the authors' institution or company or by anyone else.”

In those situations, Nature's editors will decide in consultation with the authors, Campbell said.

The disputed research isn't part of the investigation of Glaxo China announced in late June by the nation's Public Security Ministry of alleged economic crimes involving 3 billion yuan (\$489 million) of spurious travel and meeting expenses, and trade in sexual favors. Glaxo's head of emerging markets Abbas Hussain said on July 22 after meeting with government officials in Beijing that some of its employees may have broken China's laws. The drugmaker has said it's cooperating with the government's investigation.

Still, Liu's experience tells of the rapid expansion in research from immune diseases to herbal medicines that Glaxo underwent in China and of the competitive environment in which he and colleagues worked.

'Virgin Territory'

“For Glaxo and for other multinationals, China represented virgin territory -- it could build up its sales force and R&D effort in parallel there,” said Navid Malik, head of life sciences research at Cenkos Securities Plc (CNKS) in London. “Because it's still under-penetrated, they could think about how to target certain disease areas where they can build sales infrastructure and roll out their R&D cheaply and efficiently.”

The China-based research units of most global drugmakers tend to support centers located in the U.S. and Europe. Glaxo's facility in Shanghai was different: it was conceived to lead the company's global efforts in research into neurodegeneration.

It would “eventually direct the global discovery and development activities” for disorders such as multiple sclerosis, Parkinson’s disease and Alzheimer’s disease, Glaxo said in a May 2007 statement.

Politically Savvy

Establishing the center didn’t only enable Glaxo to tap a pool of talented Chinese researchers -- many of whom had worked overseas, as Liu had -- it was also politically savvy, said Fabian Wenner, a health-care analyst with Kepler Capital Markets in Zurich.

“If you want a government contract, it’s easier for you to negotiate if you have a solid presence in China,” Wenner said in a telephone interview.

Liu, who moved to the U.S. after obtaining a doctorate in immunology from Beijing Medical University in 1999, was part of the diaspora of Chinese researchers returning home.

NIH Job

A U.S. permanent resident, he worked as a senior biologist at the Bethesda, Maryland-based National Institutes of Health before becoming the 30th person hired at Glaxo’s Shanghai research center in December 2007. The center, located in a technology park on the eastern outskirts of Shanghai, now has a staff of about 500.

“This was my first job in industry and there was a very different culture,” Liu said behind thick, rimless glasses and dressed in a short-sleeve checked shirt tucked neatly into his belted trousers. “I was also not experienced with compliance back then, and we didn’t pay enough attention to things such as recording of reports from our collaborators.”

There was also a culture in which Glaxo scientists were grouped into competitive teams, known as discovery performance units, which vied internally for funds every three years, he said. Those who failed to meet certain targets risked being disbanded.

The publication of Liu’s paper in Nature Medicine was initially lauded by Glaxo, he said, adding that the company rewarded his 30-strong team with 20,000 yuan (\$3,300), which they spent on a team-building trip.

“We heard Pfizer (PFE) and a few other universities and research institutes were working on something similar,” Liu said of his research. “If someone else had published ahead of us, it would have screwed up our plans. The novelty would

have been lost.”

He’s now unemployed and contemplating returning to the U.S. to escape damage done to his reputation in China.

“This situation has destroyed my past and maybe even my future, but I still hope someday to be back researching drugs,” Liu said.