AIDS BLOOD-TEST ROYALTIES

NIH-Pasteur: A Final Rapprochement?

In a move intended to end a long-running quarrel over the AIDS blood-test patent, the U.S. government has conceded that France's Pasteur Institute deserves more royalties from the test and more recognition for its role in nailing down the cause of AIDS. Harold Varmus, director of the National Institutes of Health (NIH), announced on 11 July that the royalties will be reallocated to "equalize" the amount received by the two countries. Varmus said he hopes the new agreement will bring "this matter to a close."

Varmus made his announcement following a meeting of the French and American AIDS Foundation, the group that distributes patent royalties from HIV blood tests developed by NIH's Robert Gallo and, separately, the Pasteur's Luc Montagnier. Varmus and the seven other foundation board members, including Gallo and Montagnier, met at the NIH and voted unanimously to give the Pasteur more money. Under the new arrangement, the Pasteur should receive "several hundred thousand dollars" more per year.

To date, the United States has received $20 million from its HIV blood-test patent; the Pasteur has taken in $14 million. The reason for the imbalance is that the U.S. test sells better than France's and, under the terms of a 1987 agreement signed by the French and American governments, each country keeps 20% of the royalties from its test before pooling the rest. Of the remaining 80%, 25% has gone to the World AIDS Foundation, which funds AIDS research and education in the developing world; the rest has been split evenly between the two sides.

The 1987 agreement ended a lawsuit by the French charging that Gallo's lab had violated a noncommercialization agreement by using the French virus as the basis for the American blood test. The change will even the financial scales by giving the Pasteur 50% of the pooled money and cutting the U.S. share to 25%, with 25% still going to the World AIDS Foundation.

Varmus also noted that the Department of Health and Human Services (HHS) and the NIH "officially acknowledge" that Gallo's lab "used a virus provided to them by Institut Pasteur to invent the American HIV test kit." It has been known that the isolate Gallo used to develop the blood test was virtually identical to a strain called LAV provided to his lab by Montagnier. A 1989 *Chicago Tribune* article by John Crewdson raised the possibility that Gallo's lab stole LAV; Gallo has argued that it contaminated his cultures. An NIH inquiry found that Gallo had other isolates and therefore had little motivation to steal the virus, but an investigation did find Gallo guilty of scientific misconduct for a misstatement about the French virus in a key research paper; that charge was later dropped.

The new agreement does not address whether Gallo's lab did anything improper. "We're not contemplating wrongdoing here," said Varmus in an interview with *Science*. Varmus acknowledged, however, that a 10 June report of an official investigation into Gallo's lab by the HHS Inspector General, which was critical of Gallo (*Science*, 1 July, p. 23), "had some catalytic role in my own thinking." Gallo issued a statement supporting the new agreement. Noting that he had "consistently acknowledged the significant contributions of the Pasteur scientists" in the hunt for the cause of AIDS, Gallo said that it is "now time for this episode to be permanently closed."

Pasteur director Maxime Schwartz says the acknowledgement that LAV wound up as the basis for the American blood test is key. "It is important that the truth is known," he said. Schwartz wrote Varmus a letter on 11 July stating that this "brings to a satisfactory conclusion all of the concerns we have raised with you regarding these matters." Perhaps the only remaining player who could reignite the Gallo affair is Representative John Dingell (D–MI), whose probe into Gallo's lab has not yet been concluded.

–Jon Cohen and Eliot Marshall

BRITISH SCIENCE

Shake-Up Will Leave Most Labs Intact

Most of Britain's government scientists breathed a sigh of relief earlier this week, when a government-appointed panel revealed plans for rationalizing work in the government's own laboratories. Researchers had feared a major upheaval, with many labs earmarked for sale into the private sector and others converted into contract research centers. A more moderate reshuffling of government labs is now in prospect, however. "[I]t's not as bad as I thought it was going to be," says Tom Blundell, chief executive of the Biotechnology and Biological Sciences Research Council, which had stood to lose several of its labs.

Researchers began to get anxious last summer when the government revealed a plan to focus science on economically important topics (*Science*, 4 June 1993, p. 1419). Buried in the fine print was an announcement that publicly-owned labs would be scrutinized to see which activities could be trimmed to reduce the government's in-house research capacity down to "the minimum necessary" to carry out its legal responsibilities and to identify candidates for early privatization.

The backdrop was the ruling Conservative Party's policy of separating the "customer" and "contractor" functions of government departments. The theory goes that a department wishing to buy a service, such as research, should do so from whatever body—public or private—offers the best deal; services that now exist within a department, meanwhile, should be spun off into an independent body. For government science, this policy could have meant reconstituting labs in a separate civil research agency or agencies, which would compete for research contracts from government and industry. Ultimately, these contract labs might be privatized. Research administrators worried that this would introduce a new layer of bureaucracy and make it more difficult for research funding agencies to develop and control long-term research strategies.

The so-called scrutiny report, compiled by a team drawn from several government departments and published on 11 July, agrees with these objections and concludes that there "are few instances of actual duplication" across the 50 government-owned labs covered in the review. But it does propose shifting a small number of institutes from one agency to another to create new lab groupings, within which their new owners would look for opportunities for streamlining. It suggests two main options: Creating four new sectoral lab groupings—each owned by a single government department or research council—devoted to the marine environment, the nonmarine environment, biotechnology and biology, and food and agriculture; or forming two new geographical groups, one based in Scotland, the other in England and Wales. The big loser would be the Natural Environment Research Council, which under either proposal would forfeit much of its in-house expertise in coastal marine science.

The government will announce its final decision on the report's recommendations in November, after a period of consultation. And while the major players seem relieved that a more radical reorganization is not in prospect, senior scientists warn that the scrutiny team has not yet addressed the most contentious issue: the number of research jobs that may be lost as a result of the rationalization. "The Sword of Damocles is still hanging over a lot of people," says Michael Atiyah, president of the Royal Society.

–Peter Aldhous