

Melinta, Are We Getting the Message?



By *David Shlaes* — November 30, 2018



Dr. David Shlaes

Along with [Achaogen](#) [1], Melinta has now [announced](#) [2] a corporate restructuring where they will amputate virtually all of their R&D efforts and may close their New Haven facility. This is occurring just after they received approval from Europe to market Vabomere (meropenem-vaborbactam) similar to how Achaogen's reorganization rapidly followed the US approval of their plazomicin. This is becoming a repetitive pattern of success breeding failure in the antibiotic space.

Expensive development programs followed by disappointing launches are chasing investors from antibiotics. Over the last year, Melinta's share price has dropped 85% and their current market capitalization is around \$120 million.

As I have noted [previously](#) [3], when companies and analysts overestimate the potential market for an antibiotic, disappointment when reality is finally confronted is inevitable. This, in my view, contributed to the situation now facing both Achaogen and Melinta. But the greatest problem facing all antibiotic companies is the utterly broken antibiotic marketplace.

I feel that 2019 will be a make or break moment for the antibiotic market. Either we will come together to provide solutions to the broken market, or we will see a continuing and catastrophic exit of companies, large and small, and a sharp erosion in investor confidence and therefore in funding for antibiotic commercialization. This situation may have a dramatic effect on the willingness of organizations such as CARB-X, the Wellcome Trust and others to continue investing in antibiotic R&D since there may be no chance for any resulting products to be successfully commercialized and delivered to the patients who need them.

European [data](#) [4] now clearly demonstrate that the burden of antibiotic resistant infection on the

population equals the burdens of tuberculosis, influenza and HIV infection combined.

We must obtain and then (appropriately) use new antibiotics active against resistant infections. To continue to use ineffective and toxic polymyxins rather than spend the money on available, safe and effective new products is unforgivable (see [this](#) ^[5]).

Once again, I implore everyone to continue the drumbeat on their political representatives to tackle the broken antibiotic market such that we can replenish our woefully inadequate pipeline of products. The US congress will clearly not act before January. But they may never act unless we can do a better job than we have been doing to make them understand the severity of the problem and the seriousness of the threat we are now facing. Europe must also act - either as national authorities one by one or, preferably, as Europe. A little help from Japan, China, Korea and other Asian countries would also be extremely useful. But we must get this done and 2019 is the year!

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Links

[1] <https://globenewswire.com/news-release/2018/11/05/1645191/0/en/Achaogen-Announces-Review-of-Strategic-Alternatives-and-Corporate-Restructuring.html>

[2] <https://endpts.com/low-sales-high-cost-melinta-slashes-hq-research-staff-as-it-struggles-to-grow-antibiotics-revenue/>

[3] <https://antibiotics-theperfectstorm.blogspot.com/2018/08/>

[4] [https://www.thelancet.com/journals/laninf/article/PIIS1473-3099\(18\)30605-4/fulltext](https://www.thelancet.com/journals/laninf/article/PIIS1473-3099(18)30605-4/fulltext)

[5] <https://antibiotics-theperfectstorm.blogspot.com/2018/01/antibiotic-price-perversion-data.html>

[6] <https://antibiotics-theperfectstorm.blogspot.com/2018/11/melinta-are-we-getting-message.html>