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## Financings of the Fortnight Gets an Earful in the Hall of Byers

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For a guy with the good fortune to speak in front of hundreds of people under the roof of a building that carries his own name, Brook Byers was sure in a cranky mood this week.

The venture veteran of Kleiner Perkins Caufield & Byers was part of a panel discussing academia-industry ties at the University of California, San Francisco's Mission Bay campus. It was the caper of an open house to showcase the school's research departments and its desire, which rivals the Massachusetts Institute of Technology, to encourage entrepreneurial ties to venture and industry.

The event took place in the side-by-side Genentech and, ahem, Byers Halls (see picture). And if Byers' participation didn't emphasize enough the deep connections everyone was celebrating, another panelist was UCSF's new chancellor Susan Desmond-Hellman. We've heard she once had something to do with Genentech.

As the panel, rounded out by Pfizer chief scientific officer Uwe Schoenbeck, BayBio chief Gail Maderis, and [QB3](#) director Regis Kelly, cooed over innovation as if it were a gently swaddled newborn, Byers was the cranky uncle banging his coffee cup on the table for a refill.

Of course, he's all for innovation, which in our world is as sacred and gauzy a concept as "freedom" is at a gun show. You just don't mess with it, pal. But while everyone else kept the conversation sunny, Byers cast a rather Nixonian shadow, sowing blame on various parties for the economic gloom.

First came the media: He took the New York Times to task for [a feature](#) on MIT's Deshpande Center and other entrepreneurial engines on academic campuses that failed to mention all the similar activity happening at UCSF. Later, after Kelly asked about the dearth of venture money for start-up companies these days, Byers seemed to hold himself in check. "I was going to say something not very nice," he said, then proceeded to suggest negative media coverage is helping keep investors on the sidelines.

He also wished out loud for policy changes. Many VCs these days are fending off attacks to tax carried interest as regular income -- although some think it is [a fine idea](#) (be sure to read the comments, too) -- and in grumbling about the issue Byers said he was "very frustrated right now" with President Obama even though "I helped elect him."

Byers had a few words for the innovation-stifling FDA, too, especially for the confusion that forced one of Kleiner's anti-infective companies developing a MRSA treatment to re-do a Phase III trial. That sounds a lot like Trius Therapeutics, which had to postpone its IPO because of the trial do-over. (*Don't mess with innovation* can also mean *Don't mess with my money*.)

Byers isn't alone: DowJones VentureSource reports that venture-backed companies that went public this past quarter took a median 9.4 years to exit, the longest the service has ever recorded. In a different data set, the NVCA/Thomson Reuters quarterly exit poll showed that biotech and health care accounted for 4 of 17 venture-backed IPOs and 8 of 92 venture-backed acquisitions in the second quarter. Overall IPO volumes are up, but -- sorry if this is accentuating the negative, Brook -- post-IPO performance isn't encouraging. That's not our opinion: even NVCA chief [Mark Heesen says so](#). Nothing in the data so far points to anything but a "washout" of health-care venture firms. Again, that's not our opinion: [Ask Jim Garvey of SV Life Sciences](#).

As the panel wrapped up, Byers tried to make amends by ending on a more positive note. When we caught him outside, we apologized with a smile on behalf of our journalistic brethren for prolonging everyone's financial bummer. He smiled, too, and said a lot of his comments on the panel were deliberately provocative, a favor to Kelly to spice things up. But seriously, we asked: Are we missing something from the big picture? We lay out the data, we slice and dice it, we talk to investors and entrepreneurs all the time. Byers amicably eased away; dinner with his fellow panelists beckoned. That, he said, would have to be part of a longer conversation.