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Case research spinoff ventures draw record \$130 million investment

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Seven companies spun off from research at Case Western Reserve University over the years attracted a record amount of venture capital investment last year - \$130 million.

All of the companies are in the pharmaceutical, biopharmaceutical or medical device industries. And all but one is based in Northeast Ohio.

The local spinoffs attracted almost one-third of the \$318 million invested in all types of Northeast Ohio companies last year, according to the 2007 Venture Capital Report recently released by JumpStart Inc., the region's venture developer.

The spinoff investments also accounted for more than 40 percent of the \$242 million in venture capital invested in the region's health care companies last year, according to a Midwest survey by BioEnterprise, which develops bioscience companies here.

Three of the companies received \$84 million of the nearly \$100 million raised by the six spin-offs in the region.

Athersys Inc. in Cleveland, which is developing stem cell therapies and drugs, attracted \$70 million - Ohio's biggest investment in a health care company last year.

Arteriocyte Inc. in Cleveland raised \$10 million. Arteriocyte is developing stem cell therapies and devices that deliver the cells.

Synapse Biomedical Inc. in Oberlin received \$4 million, which it is using to hire workers to sell its diaphragm pacing device that enables paralyzed people to breathe on their own.

The seventh Case spin-off, Neuropharm, is based in Surrey, England. "At the heart of each start-up is great research - and a researcher willing to put in the hard work necessary to grow a viable enterprise," said Mark Coticchia, Case's vice president for research and technology management, in a written statement.

"Venture funds are in the business of partnering with winners," Coticchia said. "The level of investment we're seeing for Case Western Reserve's spinouts is a commentary on their viability."

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