

## Expo to Showcase Medical Device Innovation

By **Steve Sinovic**, San Diego Business Journal

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San Diego has a long tradition of being a nerve center for medical device innovation, and some of the more promising new devices and diagnostic tools on the market — or nearing commercialization — could be front and center this week in La Jolla.

“We are pretty excited about the lineup,” said Joe Panetta, president and chief executive officer of Biocom, a trade association for the region’s life sciences industry, which is sponsoring the Med Device and Diagnostics Expo.

The event is a showcase for some of the newest and most innovative devices from local companies, says Panetta, adding that there will be about 15 exhibitors at the Nov. 18 event.

“It’s a pretty popular networking event,” he added, as members and nonmembers show up to get a gander at some innovative technologies. “We also have investors here,” he said, referring to an underlying goal of many exhibitors looking for funding.

“There’s much more investment activity in the (med devices) space over therapeutics because the time to market is much shorter,” said Panetta.

Investors sinking money in significant new drug development efforts are looking at a time frame of 12 to 15 years — and billions of dollars — from discovery to sales, says Panetta.

“Most devices can get to market at a tenth of that cost, which means a little more of a return on the investment in a more predictable time frame,” he said.

### Driving the Local Economy

Panetta says the companies’ products at the expo, which usually attracts several hundred participants, are addressing diverse diseases and medical problems. They also represent a significant — and increasingly important — economic force in the region.

Volcano Corp., a Carmel Valley-based business that specializes in making catheters and other devices for working in veins, is the most well-known local company at the expo, according to Panetta. Volcano, which has about 1,200 employees, on Nov. 3 reported revenues of nearly \$213 million for the first nine months of the year, a 36 percent increase from the same period a year ago.

Panetta says the expo — which is free to the public — is different from another Biocom event called DeviceFest. That full-day conference explores the implications of such forces as health care reform and its impact on the medical device industry. Others have addressed the roles of telehealth, reimbursement, regulatory agencies, intellectual property and financing strategies.

While his business isn’t one of the 550 companies that are Biocom members, Ed Arkans, founder and president of ACI Medical Inc., says he’s looking forward to exhibiting his company’s latest devices: products that are focused on the peripheral disease market. In 1988, the company began design of a noninvasive diagnostic device for chronic venous disease. It was used on the Mir Space Station and iterations are being developed for other international space travelers.

“It’s all about increasing blood flow to the legs and feet,” Arkans said about the product line. One product applies a unique form of pneumatic compression to increase arterial blood flow to legs with poor circulation.

The San Marcos manufacturer has 30 employees and targets niche-market customers at hospitals and clinics.

Another company exhibiting at the event is La Jolla-based CorTechs Labs Inc. CorTechs’ mission is to create advanced brain image analysis that would help physicians diagnose and treat serious neurological disorders, such as Alzheimer’s disease, more effectively, says Kora Marinkovic, the company’s director of marketing and sales.

### Heady Stuff

Its premier product is called NeuroQuant, which is the first software cleared by the U.S. Food and Drug Administration on the market that provides information on brain structures, returning results in minutes. Several pharmaceutical companies have also recognized the value of NeuroQuant, and the software is being used in several clinical trials, says Marinkovic.

But the Biocom event isn't the first venue to feature the product. A couple of years ago, NeuroQuant was named among the top three new products at the world's largest medical imaging show sponsored by the Radiological Society of North America.

The company, which has about a dozen employees, has benefited from National Institutes for Health grants totaling \$7 million to fund the development of NeuroQuant. But more money will be needed to help the company, incorporated in 2001, to grow its market.

"Greater visibility in the area (San Diego) will be helpful in advancing this technology," said Marinkovic.

Other San Diego area companies scheduled to exhibit are Cytori Therapeutics Inc., Epinex Diagnostics Inc., Naviscan Pet Systems Inc. and RF Surgical Systems Inc.

One of these companies just might be in the running for an award as well.

The evening will conclude with a panel of venture capitalists and industry experts selecting companies for technical excellence and medical significance, says Panetta.

And for the first time, the fifth annual event will include a "contract alley," he added. This will feature local firms that provide design and contract manufacturing services for device and diagnostic companies.

"This will be a great opportunity for businesses to preview what services are available and meet those individuals who could be an integral part of bringing a product to market," said Panetta.