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# MEDICAL DEVICE DAILY™

THE DAILY MEDICAL TECHNOLOGY NEWSPAPER

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## *2007 Medical Innovation Summit*

### **Spotlight again on cardio sector at Cleveland Clinic's gathering**

By **HOLLAND JOHNSON**

**Medical Device Daily Managing Editor**

CLEVELAND — The 2007 edition of the always interesting Cleveland Clinic Medical Innovation Summit this week returns to a theme that the clinic excels at: cardiovascular medicine.

The timing of this topic is particularly appropriate as the **Cleveland Clinic** prepares to open a new heart center next fall that it believes will show the way concerning the future of how cardiovascular medicine is likely to be practiced.

While most people are curious about the five-year horizon for medicine, Chris Coburn, executive director of **CCF Innovations** — the technology transfer arm of the Cleveland Clinic — told *Medical Device Daily* that the new heart facility will seek to look far beyond that time frame. "To me,  
*See Cardio, Page 5*

## *Financings roundup*

### **Bioheart IPO will seek \$46.9M to back cell therapy for heart**

By **DON LONG**

**Medical Device Daily Executive Editor**

**Bioheart** (Sunrise, Florida), a company hoping to commercialize cell therapy for regeneration of the heart — a sector that so far has produced successes only in extremely small trials and with no regulatory approvals to speak of — has filed with the **U.S. Securities and Exchange Commission** to raise \$46.9 million after expenses from a planned initial public offering.

Bioheart expects the offering, which totals 3.6 million shares, to price between \$14 and \$16 per share. The estimated proceeds assume an offering price of \$15 a share.

Bioheart is developing therapies that use autologous cells — meaning cells from the patient's own body — to treat heart damage.

Bioheart said it plans to use the IPO proceeds to fund  
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## *Report from Europe*

### **Air Liquide grows Brit 'footprint' via Allied Respiratory purchase**

**A Medical Device Daily Staff Report**

After entering the UK homecare and medical gases market in May with the acquisition of **Linde UK, Air Liquide** (Paris) this week said it will now have an even larger "national footprint" in Britain's respiratory homecare market with the acquisition of the respiratory homecare businesses of **Allied Healthcare Products** (St. Louis).

Air Liquide will acquire **Allied Respiratory** and **Medigas** (together, Allied Respiratory), providers of unified oxygen services including concentrators, directly to customers in the South East of England and Northern Ireland as well as cylinder gases in Scotland. The payment is denominated in sterling and consists of an initial consideration of £36.5 million with £500,000 held back until certain conditions are met.

Allied Respiratory provides unified oxygen services including concentrators directly to customers in the South East of England and Northern Ireland as well as cylinder  
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## *Deals roundup*

### **Software of Excellence acquired by Henry Schein for \$51.4 million**

**A Medical Device Daily Staff Report**

**Henry Schein** (Melville, New York), a large provider of healthcare products and services to office-based practitioners in the North American/European markets, reported that it has received sufficient acceptances of its offer to acquire **Software of Excellence International** (Auckland, New Zealand), for NZ \$2.90 per share. Excluding transaction costs, the total price is NZ \$82 million (about \$61.4 million).

Henry Schein said it expects the transaction to be neutral to 2007 earnings and slightly accretive to 2008 earnings. Henry Schein expects the acquisition to close shortly.

Software of Excellence says that it is a leading supplier of practice management systems to private and public health dentists in the UK, and the largest supplier of dental software in Australia and New Zealand.

The company says it serves more than 5,000 practices in the UK, Ireland, Australia and New Zealand and had rev-  
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 **AHC Media LLC**

*Patent watch***ISTO wins patent for cell-based cartilage repair technology****A Medical Device Daily Staff Report**

**ISTO Technologies** (St. Louis), a private orthobiologics company, reported that the U.S. Patent and Trade Office granted it a patent protecting its core technology for cell-based cartilage repair. The patent is titled: "Method for Chondrocyte Expansion with Phenotype Retention."

ISTO develops products for cartilage regeneration and repair in knee joints and spinal discs using its cartilage cell expansion technology. Cartilage cells (chondrocytes) normally lose their native phenotype after serial expansion *in vitro* and can no longer produce functional cartilage tissue.

To circumvent this problem, ISTO scientists have developed a process for growing chondrocytes without the loss of phenotype, thereby providing a commercially viable number of cartilage cells for clinical applications, the company said.

"This is a significant patent for the company. Our cell expansion technology serves as a platform for developing products for wide ranging medical needs," said Mitchell Seyedin, PhD, president/CEO of ISTO.

According to the company, cartilage regeneration is often called the "Holy Grail" of the orthopedic industry because of its potential to restore function to damaged joints that otherwise have limited healing potential. Cartilage serves as a "shock absorber" protecting all joints including spinal discs from the wear and tear experienced during motion.

Two of the most common causes of disability in adults, osteoarthritis and degenerative discs, are joint diseases affecting cartilage of the joints and spinal discs, respectively.

In other patent news:

**Nanogen** (San Diego), a diagnostic products developer, said it has been granted U.S. Patent No. 7,252,940, titled "Abasic site endonuclease assay."

Nanogen said the technology described in the patent

**Today's MDD food for med-tech thought**

*The next 12 months "are going to be the most important months in healthcare policy in the last 15 years."*

— Chris Coburn, executive director of **CCF Innovations**, "Spotlight again on cardio sector at Cleveland Clinic's gathering," pp. 1, 5.

extends the underlying real-time PCR technology used in its MGB Alert products to a new product offering that has been commercialized as research reagents for use in replication validation following genome wide scanning in pharmaceutical and biotechnology industry labs. This technology is also ideal for genetic analysis in multiplex formats of complex genetic diseases, the company said.

The construct of these assay reagents provides researchers with a method for high throughput validation of single nucleotide polymorphisms (SNPs) discovered during genome wide scanning, Nanogen said.

The goal of many genome wide scanning projects is to identify SNPs associated with particular diseases, such as diabetes or heart failure, in order to identify therapeutic targets or develop diagnostic assays. In order to establish clear disease association, SNPs are validated across large sample populations, often on the order of tens of thousands. This technology provides the ability to test large numbers of SNPs in parallel across a large number of samples to complete validation in a relatively rapid manner, the company said.

Nanogen also reported being awarded U.S. Patent No. 7,205,105, "Real-time linear detection probes: sensitive 5'-minor groove binder-containing probes for PCR analysis," related to the probes employed in its MGB Alert line of reagents.

The company said these probes are an important part of its product offering designed to assist clinical laboratories in developing molecular diagnostic tests that will detect genetic sequences associated with pathogens including those often tested in immunocompromised patients such as cytomegalovirus, Epstein-Barr virus, and enterovirus. ■

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**AHC Media LLC**

*Grants***Covidien, MU win funds, partner to make hernia surgeries safer****A Medical Device Daily Staff Report**

Scientists at the **University of Missouri-Columbia School of Medicine** (MU; Columbia, Missouri) reported that they will use a \$750,000 grant from **Covidien** (Pembroke, Bermuda) to make hernia surgeries safer and post-operative recoveries less burdensome.

The grant will help create what both parties are calling a first-of-its-kind materials characterization laboratory where researchers will study materials that physicians typically implant in patients during surgery to repair abdominal hernias.

More than 5 million people have hernias, and every year more than 500,000 operations are performed across the U.S. to repair the condition.

During surgery, physicians implant a synthetic mesh to patch the hernia. Polypropylene mesh is used rather than other methods, such as sutures, because the material reduces some postoperative complications, such as infection, and recurrence rates.

But the mesh technology also is nearly 50-years-old, and researchers with MU's Biodesign and Innovation Program will work to study why sometimes the mesh changes after it is implanted and how to avoid the side effects for patients.

MU surgeons, engineers and other scientists will use the grant from Covidien to investigate the physical and chemical changes associated with biomedical and synthetic implants, such as the hernia mesh.

General Surgery at MU will oversee the lab with Sheila Grant, PhD, assistant professor of biological engineering at MU.

"Our research primarily involves examining mesh that has been removed from patients and analyzing what happened to the mesh inside the body," Ramshaw said. "The interaction between the body and mesh is not well-studied, which prevents us from solving problems with recurrence, infection and chronic pain. If we discover the source of the problems, we might also have an opportunity to develop new and innovative products for patients."

Mesh samples inside Petri dishes at Ramshaw and Grant's lab are so wrinkled and twisted that they no longer resemble the soft white devices originally implanted in patients. "It shrinks, it shrivels and even changes color over time," Grant said. "That's not something you want to see when something is implanted in the body."

Covidien makes a range of products, including surgical devices, energy-based devices, respiratory and monitoring solutions, patient care and safety products, imaging solutions, pharmaceutical products, medical supplies and retail products. ■

**Audio conference explores FDA reauthorization plans**

New FDA reauthorization legislation being enacted by Congress will go way beyond a simple extension of user fees. The changes would reauthorize and amend the Prescription Drug User Fee, the Medical Device User Fee, the Best Pharmaceuticals for Children, and the Pediatric Research Equity Acts, among other regulations.

A BioWorld audio conference, "FDA Reauthorization Legislation: Essential Changes You Must Know Now," scheduled Oct. 24, 2007 from 1 to 2:30 p.m., will explore what the changes mean to the industry and is a must for companies and regulatory professionals who need to make sure they are in compliance with the new legislative requirements.

Speakers Dan Kracov of Arnold & Porter, Kurt Karst of Hyman, Phelps & McNamara, and Wayne L. Pines of APCO Worldwide will guide listeners through the intricacies of the changes and highlight key concerns for the biotech and pharma industry.

The audio conference is just \$299 per listening site. It includes presentation handouts and a half-hour Q&A session with the speakers. A CD (MP3 format) of the conference is also available. For more information or to register, call 800-688-2421 or 404-262-5474, and be sure to mention conference code T07480.

**BRIEFLY NOTED****New UCLA center dedicated**

The **UCLA Biomedical Sciences Research Building and Orthopaedic Hospital Research Center** (Los Angeles), a research hub located on the UCLA campus, was officially dedicated late September. UCLA and Orthopaedic Hospital researchers who have been engaged in expanding the frontiers of orthopedic medicine, microbiology, immunology, transplantation, AIDS research, embryonic stem cell research, molecular, cell and developmental biology, and biological chemistry now have a new home at this center.

The creation of this structure, along with a new neurosciences research building, has offered UCLA and Orthopaedic Hospital a chance to rethink the basis of laboratory design, which has not changed much since the days of Thomas Jefferson.

The new environments will maximize the potential of modern biomedical tools, establish a sense of community among research leaders from a variety of interrelated disciplines and provide resources as advanced as the challenges researchers face.

## BRIEFLY NOTED

### GA Life Sciences Summit coming to Atlanta

An exploration of cancer research advances by three renowned scientists will be among the special features of the 7th **Annual Georgia Life Sciences Summit** October 3 at the Georgia World Congress Center in Atlanta.

Georgia Cancer Coalition president/CEO William Todd also will highlight his group's activities. The cancer research program will be moderated by Margaret Offermann, MD, PhD, deputy national VP for research at the American Cancer Society, and will include selection of winners in a scientific poster competition that covers the full range of life sciences research.

For more information on the program, please visit the organizations website at: [www.informedhorizons.com/summit2007/](http://www.informedhorizons.com/summit2007/).

### Sagemark forms subsidiary for radiation therapy

The **Sagemark Companies** (New York) said that it has formed **Premier Oncology**, a wholly owned subsidiary, to pursue its radiation therapy cancer treatment center initiative.

Premier Oncology's first radiation therapy venture is Premier Oncology Management of Nassau, which is developing a 5,000 square foot out-patient cancer treatment facility in Great Neck, New York that will feature a TomoTherapy Hi-Art system, one of the most advanced radiation therapy cancer treatment systems available, with an anticipated opening in Q108.

The location of the Great Neck center will build on the company's existing presence in that market, where for the past five years, it has built a substantial referring physician base for its PET/CT imaging centers — two of which are located within the referring physician radius of the new radiation therapy center.

The Sagemark Companies owns, operates and administers out-patient medical diagnostic imaging centers that utilize positron emission tomography (PET), and PET and computed tomography (PET/CT) equipment, an advanced diagnostic imaging procedure used by physicians in the detection and staging of certain cancers, coronary disease and neurological disorders.

### SmoothShapes now called Elemé Medical

**SmoothShapes** (Merrimack, New Hampshire), said that it has changed its company name to **Elemé Medical**. The company also said that it has added two veteran aesthetic laser industry executives to expand its management team: William McGrail, formerly senior VP of operations at Candela, is Elemé Medical's new VP of research & development; and Peter D'Errico, formerly VP of commercial operations at Aesthera, is Elemé Medical's new VP of sales & marketing.

"Our new name underscores a momentous transformation in the evolution of our Company—from development stage to commercialization phase," said Nancy Briefs, president/CEO of Elemé Medical. "We are entering the body shaping market at a time when there is a significant opportunity for a cellulite treatment that improves upon existing systems, because women are determined to find a solution for their cellulite. We take great pride in the fact that our claims about SmoothShapes 100 are based exclusively on the results obtained in rigorous, independent clinical studies of the system. Indeed, the system's underlying technology, Photomology, has a strong scientific underpinning. The growth capital being made available to Elemé through a credit facility with Pinnacle Ventures will assist us in executing key operational imperatives, such as a global product launch."

Elemé Medical is an aesthetics company.

### PerkinElmer to expand x-ray fabrication facility

**PerkinElmer** (Santa Clara, California), reported the expansion of its Santa Clara, California, digital x-ray detector fabrication facility. The 80,000-square foot facility produces amorphous silicon digital x-ray detector panels for use in radiography, angiography, cardiovascular imaging, and radiation oncology. The occasion marks a milestone in the company's \$50 million capital initiative to expand fabrication capacity to meet rapidly growing customer demands. Capacity from the fabrication expansion will begin to come on-line in Q407.

"The expansion of our Santa Clara facility demonstrates PerkinElmer's commitment to ensuring that we have sufficient capacity to satisfy our customers' growing needs in medical, diagnostics and oncology treatment, as well as the non-destructive testing market," said Gregory Summe, CEO and chairman.

### New study: OEMs to experience much growth

The next few years are expected to be lucrative ones for OEMs (original equipment manufacturers) and contract manufacturer companies processing raw materials for medical device companies—especially in niche areas and among OEMs that offer flexibility to move with market changes. The materials processing area of contract manufacturing for device manufacturing will grow from \$13.9 billion globally to \$25.41 billion by 2011, according to *OEM Contract Manufacturing in Medical Devices, Volume I: Materials Processing*, a new report by **Kalorama Information** (New York).

The trend towards the incorporation of outsourced technologies will be particularly prevalent in product areas where biocompatibility is required for the fusion between biotechnology, chemistry, and medical device technologies. OEMs whose core competencies lie in only one of these areas will require expert input in the other areas that are complementary.

## Cardio

*Continued from Page 1*

an interesting thing about the heart center is . . . that it represents the best thinking of the best people in cardiovascular [medicine] about where the field is going over the next 25 or 35 years. That building is going to be the primary site of cardiovascular services for us for really probably a generation, or even two.”

Coburn emphasized the appeal of the cardiovascular field — the largest in medical technology and healthcare in general — for investors, saying that it represents “more than \$400 billion in the aggregate.”

This year’s topic would also seem to have struck a sharp chord with attendees.

Coburn reported that as of last Friday, nearly 960 people had already registered for the three-day event, an all-time high in the event’s five-year history, with many late registrants and walk-ups expected to swell that number. The growing success of the event could make things a bit crowded this year, particularly since the main auditorium at the InterContinental Hotel and Conference Center is designed to hold 600 people.

That larger numbers of attendees may make things interesting, but Coburn expressed confidence that all will be well. “It always seems to work itself out,” he said, since, as in the past, the events will be broadcast from the auditorium into the hallways and into a handful of overflow rooms.

As for the presentations on the menu this year, the conference schedule reveals another full slate of topics and speakers likely to whet attendee appetites. It features famed TV interviewer Larry King, of CNN fame, chairing a panel discussing the state of cardiovascular medicine. Members of the panel include the chairman of cardiovascular medicine at the Cleveland Clinic; Steve Nissen, MD, Bruce Lytle, MD, chairman of CardioThoracic Surgery at the Cleveland Clinic; Michael Mussallem, CEO of **Edwards Lifesciences** (Irvine, California); Elizabeth Nabel, MD, director of the **National Institute of Health’s** National Heart, Lung and Blood Institute; and Tony Zook, U.S. president/CEO of **AstraZeneca** (London).

Tim Robinson, MD, medical editor for ABC News is moderating a panel on the impact of innovation. Discussing healthcare’s future will be panel members Bill Hawkins, who recently became the CEO at **Medtronic** (Minneapolis), and Steve Helmsley, CEO of **UnitedHealth Group** (Minneapolis).

One of the panels will focus on the continued broad activity in the cardiovascular device sector. And a venture capital panel will evaluate the state of investing in this sector.

Another panel will tackle “DES Utilization in 2012” — a large grey area, given the current state of this particular cardiovascular sector — followed by panel looking at the potential uses of stem cells in the coming decade and a the promise of prevention and wellness in cardiovascular health.

The conference finishes up on a strong note with the second annual “Top Ten” medical innovations list, followed by panels on the coming personalized medicine revolution and heart rhythm therapies and challenges.

As usual, the speakers list reads like a “Who’s Who” in the medical technology field, particularly as it pertains to the cardiology sector.

In addition to those already mentioned, this year’s speakers include John Abele, co-founder and director of **Boston Scientific** (Natick, Massachusetts); John Capek, PhD, executive VP, medical devices at **Abbott Laboratories** (Abbott Park, Illinois); Sidney Cohen, MD, PhD, VP of clinical research at **Conor Medsystems** (Menlo Park, California), a unit of **Cordis** (Miami Lakes, Florida), David Steinhilber, MD, VP and medical director at **Medtronic** (Minneapolis); LeRoy Lenarz, MD, VP of medical affairs at **Medtronic Vascular** (Minneapolis); Kerry Clark, CEO of **Cardinal Health** (Dublin, Ohio); and George Buckley, president/CEO of **3M** (St. Paul, Minnesota).

Coburn said that this meeting is coming at a good time to talk about healthcare issues, with the presidential election coming up in about 13 months. He said the next 12 months “are going to be the most important months in healthcare policy in the last 15 years.”

He added: “For this audience of decision-makers and investors, the conference will be a nice one, I think, crystallizing what the issues are and how they have become issues.” ■

## BRIEFLY NOTED

### MediaTech opens new facility

**Mediatech** (Manassas, Virginia) reported the opening of a new 100,000 square foot facility constructed on 10 acres of land in Prince William County. Right down the road from George Mason University’s National Center for Biodefense, Mediatech joins other biotechnology and technology companies, including ATCC in Innovation Park.

Mediatech is a manufacturer and supplier of cell culture and molecular biology reagents.

### US Med-Equip expands corporate office

**US Med-Equip** (Houston), a provider of hospital equipment rentals, sales, and service to acute care and homecare providers, has expanded its corporate support center in Houston. Expansion into a state-of-the-art facility will enable US Med-Equip to successfully continue the growth it has experienced over the past four years and to better position it for future plans, it said. The 15,000 square feet of additional floor and office space is triple its former location.

“This move will allow us to further streamline our systems and to set the stage for our next level of growth,” said Gurmit Bhatia, president of US Med-Equip.

## Bioheart

*Continued from Page 1*

clinical trials, make payments related to its license agreements, further develop its intellectual property portfolio, build a sales and marketing force and repay accrued interest on certain debt obligations.

Bioheart said it will proceed with a Phase II/III trial of its lead product candidate, MyoCell, in North America, Europe and Israel. It said it expects to have final data available for the trial by 3Q09.

For the six months ended June 30, Bioheart widened its losses to \$5 million, from \$3.9 million in the prior-year period. During the same period, the company increased its revenues to \$208,000, from \$75,000.

Among the risks listed in its SEC filing, the company notes that no company has won U.S. or European regulatory approval for a cell-based therapy product for the treatment of heart damage. "Cell-based therapy products, in general, may be susceptible to various risks, including undesirable and unintended side effects, unintended immune system responses, inadequate therapeutic efficacy or other characteristics that may prevent or limit their approval by regulators or commercial use."

It adds: "Although our clinical research to date suggests that MyoCell may improve the contractile function of the heart, we have not yet been able to demonstrate a mechanism of action and additional research is needed to precisely identify such mechanism." And: "Although we intend to seek regulatory approval of MyoCell in the United States based upon the results of the Phase II/III MARVEL Trial, there can be no assurances that the FDA will consider the MARVEL Trial pivotal. Accordingly, we may be required to conduct additional trials prior to obtaining commercial approval, if ever, in the United States."

The company says also in its SEC filing that it does not hold patent rights to protect its technology outside the U.S.

Bioheart expects to have 16.9 million shares outstanding after the offering.

Merriman Curhan Ford and Dawson James Securities are serving as lead underwriters for the IPO. In previous filings, BMO Capital Markets, Janney Montgomery Scott and Merriman Curhan Ford were listed as underwriters.

Bioheart has given the underwriters an option to buy up to another 536,250 shares to cover over-allotments.

Since launch, the company has had net losses of about \$13.2 million: \$7.3 million and \$5.5 million in 2006, 2005 and 2004, respectively.

The company plans to list its shares on the Nasdaq under the symbol BHRT.

In other financing activity:

• **Diomed Holdings** (Andover, Massachusetts), a developer of minimally invasive medical technologies, including its EndoVenous Laser Treatment (EVL) for varicose veins, said it has entered into a \$10 million senior secured term loan with Hercules Technology Growth Cap-

ital, effectively monetizing the damages award arising out of its '777 patent litigation.

Under the terms of the loan, \$6 million was funded at closing on Sept. 28, with the remaining \$4 million to be funded at Diomed's option, between Jan. 31, 2008, and March 30, 2008.

No principal payments are due under the term loan until July 1, 2008, at which time 24 monthly installments of principal and interest will be paid until maturity on July 1, 2010. The loan is secured by the \$14.7 million patent infringement judgment awarded to Diomed against Angio-Dynamics and Vascular Solutions in May 2007, as well as the assets of Diomed and its subsidiaries. In addition, Diomed has issued a warrant to Hercules to acquire about 87,000 shares of its common stock with a price of 70 cents a share.

David Swank, CFO of Diomed, said, the deal works to accelerate the receipt of the award and convert it to available cash.

"The completion of our latest financing transaction supports our strategy to drive market share growth in the endovenous laser treatment of varicose veins," said

Swank added: "Although we would have preferred to avoid any dilution to our current stockholders, we believe that dilution from the current transaction is significantly less than what we were likely to incur in an outright sale of common shares in a PIPE or similar equity financing."

Diomed develops minimal and micro-invasive medical procedures that use its proprietary laser technologies and disposable products.

• **Aspect Medical Systems** (Norwood, Massachusetts) reported filing a shelf registration statement with the SEC for re-sale of up to \$125 million of 2.50% Convertible Senior Notes, due 2014, which the company issued in a private placement in June 2007, and shares of Aspect common stock, \$0.01 par value, issuable upon conversion of the notes.

The holders of the 2.50% Convertible Senior Notes, due 2014, and the common stock which may be issued upon conversion of such notes, may sell these securities in one or more offerings with the size, price and terms to be determined at the time of sale.

Any offering of securities covered by the shelf registration will be made only by means of written prospectuses and prospectus supplements.

Aspect develops brain monitoring technology. To date, it says that its Bispectral Index (BIS) technology has been used to assess about 20 million patients and has been the subject of more than 2,800 published articles and abstracts.

It says that BIS technology is installed in around 80% of hospitals listed in the July 2007 *U.S. News and World Report* ranking of America's Best Hospitals and in about 58% of all domestic operating rooms. ■

## Europe

*Continued from Page 1*

gases in Scotland. The consideration is denominated in sterling and consists of an initial consideration of £36.5 million with £500,000 held back until certain conditions are met.

With the acquisition, the combined Air Liquide businesses will serve over 20,000 patients in England and Northern Ireland, particularly in the highly populated area of the South East, with homecare sales of around Eur 34 million.

In the UK, the National Health Service (NHS) has required an increased quality in homecare services, thus attracting its interest, Air Liquide said. Today, patients in Britain are mainly treated for chronic obstructive pulmonary disease in their home.

In other European countries, the Group has developed an enlarged offer covering more treatments, respiratory or not, in the same home setting. Allied Healthcare grew a respiratory homecare business serving 14,000 patients.

Jean-Marc de Royere, senior VP in charge of the Healthcare World Business Line and member of the executive committee of the Air Liquide Group, called the acquisition "an excellent base for Air Liquide – which now becomes No. 2 in the British market – to further develop homecare services across the country. It fits exceptionally well in our homecare plan to implement an extensive network in the growing European markets, to the benefit of our customers."

The Healthcare World Business Line of Air Liquide is a global provider of medical gases, homecare and medical hygiene with 7,000 employees in 35 countries and sales of Eur 1.7 billion in 2006. Its customers include 5,000 hospitals and 300,000 patients throughout the world.

Air Liquide says it also has expanded its services for other chronic diseases, for example diabetes in France. These treatments are being developed in addition to hospital care and allow patients to have a better quality of life and the community to enjoy a reduction in costs.

Sarah Eames, interim CEO and deputy chairman of Allied, said, "As we move forward, Allied will continue to concentrate its efforts on expanding the company's significant UK branch network, which provides homecare services and flexible staffing to local governments and Primary Care Trusts. "Allied is committed to providing a full spectrum of disease state management programs to sustain patient independence and mobility in the home."

David Moffatt, CFO of Allied Healthcare, said that Allied "will utilize the proceeds from the transaction to pay down debt and invest in information technology that will enable the company to more efficiently partner with local governments in patient care management." We are optimistic about the growing market potential that exists in the UK, and look forward to moving ahead with a significantly strengthened balance sheet," he said.

## OmniGuide lasers on market in Europe

**OmniGuide** (Cambridge, Massachusetts) reported the beginning of European commercialization for its flexible CO<sub>2</sub> laser fibers. The company said the OmniGuide family of laser fibers and accessories will primarily be utilized for otology, laryngology and head & neck surgery.

Additional applications in gynecology, gastroenterology, laparoscopy and bronchoscopy are under development and will be commercialized over the next year, OmniGuide said.

"Since the beginning of 2007 over 1,000 successful minimally invasive surgeries have been enabled using our flexible surgical fibers to the benefit of patients across the U.S.," said Professor Yoel Fink, OmniGuide's co-founder. "We are thrilled to begin addressing the need for precision surgical fiber-cutting tools in Europe."

He added, "Surgeons and patients throughout Europe will begin to realize the same benefits that our current surgeons have communicated to us about the OmniGuide system: reduced procedure times, broader treatment options, less invasive surgical treatments and improved surgical technique."

The first European surgical cases were performed by the department of otolaryngology at the **CHUV Medical Center** (Lausanne, Switzerland). According to primary investigator Dr. Luc Bron, the initial cases of head and neck tumor resection, laryngology and otologic stapedectomy were very successful.

OmniGuide is currently supporting initial European centers through a direct clinical and sales operation from its U.S. headquarters. It said that alternative support and distribution alternatives will be evaluated as the European business expands.

The OtoBeam, BeamPath and LightPath flexible CO<sub>2</sub> laser fiber systems are FDA-cleared and CE-marked devices, and have treated more than 1,200 patients in about 150 U.S. and European medical facilities. OmniGuide said CO<sub>2</sub> laser energy "offers unparalleled precision and a high degree of control over penetration into soft tissue."

The company added that these attributes are "critical" in otology, laryngology, laparoscopy, gastrointestinal, head and neck surgery, and pulmonology procedures, "for which there is the potential to damage delicate untargeted structures."

OmniGuide said that 20,000 CO<sub>2</sub> lasers have been deployed in operating rooms throughout the world, but that, until now, such lasers have limited applications to invasive surgery due to the absence of a fiber delivery system at their wavelength of operation.

The company said the key to its technology is a photonic bandgap fiber originally invented and developed at the **Massachusetts Institute of Technology** (MIT; Cambridge). OmniGuide holds an exclusive license for the product from MIT and has added an "extensive" portfolio of related U.S. and international patents. ■

## Software

*Continued from Page 1*

enue of about \$19.1 million for its year ended March 31, 2007.

“Software of Excellence has been delivering innovative solutions to Dental professionals since 1988,” said Stanley Bergman, CEO and chairman of Henry Schein. “Software of Excellence’s clinical and practice management software will be an important addition to Henry Schein, supporting our objective to be a full service provider to our customers.

Brian Weatherly, CEO of Software of Excellence and its management team will join Henry Schein management.

Weatherly said, “Together we will be able to offer integrated solutions to our dental customers, enabling them to spend more time delivering quality care to their patients.”

Henry Schein said that it has received acceptances from Software of Excellence shareholders equal to about 91.9% of that company’s voting rights and has begun the necessary process to compulsorily acquire the remaining shares.

Henry Schein’s four business groups — Dental, Medical, International and Technology — serve more than 500,000 customers worldwide, including dental practitioners and laboratories, physician practices and animal health clinics, as well as government and other institutions.

Software for Excellence has offices in Victoria, Australia, and Kent, UK.

In other dealmaking:

- **3M** (St. Paul, Minnesota) reported that it has agreed to acquire **Lingualcare** (Dallas), an orthodontic technology and services company offering the iBraces system, a customized, lingual orthodontic solution. Terms of the transaction were not disclosed.

Lingual braces are bonded on the tongue side of the teeth to make them invisible, and “the most aesthetic orthodontic solution available,” according to 3M. In addition, it says that lingual braces are more effective at moving teeth than other invisible solutions such as clear aligners, which can be removed by the patient and therefore require patient compliance.

“Lingualcare brings the newest generation of lingual braces, along with sophisticated digital tools to make treatment easier for doctors and patients. Lingualcare nicely complements 3M’s full line of orthodontic solutions and further broadens both our aesthetic and digital orthodontic platforms,” said Paul Keel, president, 3M Unitek.

The transaction is expected to close in the fourth quarter, subject to customary closing conditions.

Lingualcare’s iBraces are customized to the patient’s tooth anatomy to create braces that are lower profile and more comfortable than traditional lingual braces.

Unitek’s products include Clarity Ceramic Braces, APC Adhesive Pre-Coated Brackets and, most recently, Smart-Clip Self-Ligating Braces, and Clarity SL Ceramic Self-Ligating Braces. As **3M Unitek**, the company will deliver more than 14,000 orthodontic products and solutions.

- **Cytc** (Marlborough, Massachusetts) reported that it

is delivering a notice to the holders of its 2.25% Senior Convertible Notes, due 2024, between Cytc and U.S. Bank Trust National Association, under which the Convertible Notes were issued.

The notice informs noteholders that the company’s board has determined Oct. 22, 2007, to be the anticipated date of the merger of Cytc into Nor’easter Corp., a subsidiary of **Hologic** (Bedford, Massachusetts).

In addition, the notice states that it is currently expected that holders of Cytc common stock of record will be entitled to exchange their Cytc common stock for the merger consideration payable in connection with the merger as of such date. However, there can be no assurance that the merger will be consummated on or about Oct. 22, 2007, Cytc said.

Cytc is a diagnostic/medical device company that manufactures diagnostic and surgical products, primarily in the cancer and women’s health sectors.

- Eye care products company **Advanced Medical Optics** (AMO; Santa Ana, California), reported entering into a U.S. patent license agreement with **Carl Zeiss Meditec**, a developer of ophthalmic and surgical devices and instrumentation. Financial and other terms of the agreement were not disclosed.

AMO’s IntraLase subsidiary has granted a non-exclusive, royalty-bearing license to Carl Zeiss Meditec to use the IntraLase patent portfolio to provide femtosecond technology for corneal surgery.

- **Celera** (Rockville, Maryland), an **Applera** (Norwalk, Connecticut) business, said it has entered into agreements with **Siemens Medical Solutions Diagnostics** (Alameda, California), which include a license conferring rights in the human *in vitro* diagnostics field to the Applera patents for real time PCR thermalcycling instruments and reagents. Financial details of these agreements were not disclosed.

Applera consists of two operating groups.

Celera is a molecular diagnostics business using genomics and proteomics discovery platforms to identify and validate new diagnostic markers, and is developing diagnostic products based on these markers as well as other known markers.

- **Pediatric Medical Group** (Fort Lauderdale, Florida) reported that it has acquired **Neonatologists Professional Service** (Nashville, Tennessee), a neonatal physician group practice that staffs the Level III neonatal intensive care unit (NICU) at **Baptist Hospital**; and **Central Coast Maternal-Fetal Medicine** (San Luis Obispo, California), a maternal/fetal medicine physician group practice specializing in high-risk obstetrics and serving San Luis Obispo, northern Santa Barbara and southern Monterey counties. The separate transactions were effective Sept. 30. Pediatric reports that it has completed seven physician group practice acquisitions during 2007, including three neonatal group practices; a maternal-fetal medicine practice; one pediatric cardiology practice; an ultrasound radiology practice; and an anesthesia physician group practice. ■

## PRODUCT BRIEFS

• **Cordis** (Warren, New Jersey) has introduced the Fire Star Rx PTCA dilatation catheter and the Dura Star Rx PTCA dilatation catheter. Both balloons, indicated for expansion in the narrowed area of a coronary artery or bypass graft, will be offered to catheterization laboratories and interventional cardiologists starting Oct. 15. The Fire Star is equipped to enable interventional cardiologists to easily guide the catheter through tortuous arteries and to cross complex blockages, usually prior to the placement of a stent. The Dura Star facilitates the post-delivery expansion of stents in coronary arteries and is also suitable for tackling tortuous arteries and complex blockages. It has been designed to provide interventional cardiologists with controlled and even expansion of the balloon to the correct diameter, which may help reduce the potential for artery damage to the patient. makes interventional vascular technology.

• **MDS Analytical Technologies** (Sunnyvale, California) reported the launch of what it called a "significant advance" in high speed imaging technologies from its Molecular Devices business with the release of the MetaMorph ICS (integrated confocal system), in partnership with VisiTech International, a manufacturer of confocal hardware. This turnkey, confocal microscope is the first of its kind in the imaging industry. It has the capability to obtain high-resolution images in multiple dimensions to support researchers in their exploration of live cell and functional imaging without the limitations inherent in other high-speed imaging technologies. This microscope combines the Molecular Devices' MetaMorph software with the VT-Infinity 2D-array laser confocal scanner from VisiTech International. This combination is designed to meet the growing demand for imaging rapid changes within cells and then analyzing these changes in multiple dimensions. MDS makes diagnostics and other life science products.

• **Medical Acoustics** (Buffalo, New York) reported the initial commercial shipments of its pulmonary device, the Lung Flute. The Lung Flute is a small, flute-shaped plastic device that can assist in the harvesting of sputum for diagnostic purposes. It generates a specific low frequency sound when the user blows into it and the resulting sound waves vibrate the airways and lung secretions, causing the deep lung secretions to thin and be expelled. The Lung Flute enables pharmaceutical developers to monitor inflammatory biomarkers during an asthma attack or at various stages of obstructive or restrictive pulmonary events. Medical Acoustics makes employs acoustic technologies for diagnostic and therapeutic medical applications.

• **OBS Medical** (Indianapolis) reported clearance to market its next generation patient deterioration early warning system (Visensia) in the U.S. Formerly known as BioSign, the Visensia technology evaluates up to five vital signs: heart rate, respiration rate, body temperature, oxygen saturation and blood pressure – and fuses this data into a single measurable index, the Visensia index. The Visensia can allow hospital clinical staff to evaluate patient deterioration from central locations (department central station or hospital-wide patient safety response center). In addition, the new system will be able to integrate vital signs from periodic monitoring environments (such as medical/surgical floors and telemetry floors) to create the first-ever hospital-wide patient deterioration early warning system.

• **Small Bone Innovations** (New York) has introduced its Precise SD volar distal radius locking plate system to augment its wrist management portfolio. The plate geometry is based on computer analysis of CT data generated from a broad series of distal radii in the Hamann Todd Osteological Collection at the Cleveland Museum of Natural History. The result is an anatomic locking plate that provides optimized fit and improved articular support over a broad range of anatomic variations. The plate's poly axial locking screw technology is a patented, low profile design with a proven clinical track record. Small Bone Innovations makes products for the small bone and joint sector.

## PEOPLE IN PLACES

• **Assay Designs** (Ann Arbor, Michigan) reported two additions to its senior leadership team: Michael Mullenix, PhD, was named VP of R&D. Mullenix comes to Assay Designs from Amgen. Gabriella Szekely-Klepser, PhD, was named VP of science and technology. Assay Designs makes immunoassay kits, antibodies and reagents.

• Vinciane Gaussin, PhD, has been named chief scientific officer for **Cardio<sup>3</sup> BioSciences** (Braine L'alleud, Belgium). Most recently, Gaussin was an assistant professor in the department of cell biology and molecular medicine at the University of Medicine and Dentistry of New Jersey

(UMDNJ). Cardio<sup>3</sup> is focused on regenerating heart muscle by using cardiac lineage-committed stem cell therapy for patients with congestive heart failure.

• Victoria Bradley, RN, has been named chief nursing informatics officer of **Eclipsys** (Boca Raton, Florida). Most recently, Bradley was the director of patient information for the **University of Kentucky** (Lexington, Kentucky). Eclipsys provides clinical, revenue cycle and access management software.

• Vincent Dadamo has been named general council of **TMG Health** (King of Prussia, Pennsylvania). Dadamo previously served as senior VP, general counsel and corporate secretary for ICT Group. TMG provides business processing outsourcing to Medicare and Medicaid managed care plans.