



Biotech firms get federal funding

Rikki Mitchell Arizona Daily Star | Posted: Thursday, December 2, 2010 12:00 am

Nearly \$9 million in federal tax credits and grants recently awarded to a dozen Tucson companies will boost research on technology ranging from new cancer drugs to a device used to cut open an eye during cataract surgery.

The money comes from the Therapeutic Discovery Project under the federal health-care overhaul, which will allow companies with fewer than 250 employees to further their research and create new jobs.

Nina Ossanna, chair for the Arizona BioIndustry Association, said the credits and grants are vital because it's nearly impossible for small biotech companies to raise any kind of venture-capital money in the current economy.

"It's absolutely a lifeline to be able to access these credits," said Ossanna, who is director of business development for the University of Arizona's Bio5 Institute. "There's a lot of talent here and a lot of good ideas."

The money was awarded to projects that have shown potential to develop new therapies, address unmet medical needs, reduce the long-term growth of health-care costs, or advance the goal of curing cancer within the next 30 years.

Nearly 3,000 companies nationwide, including 37 in Arizona, were awarded Therapeutic Discovery Project credits or grants.

The money can be used for investments and projects that began in 2009 and 2010.

Tax credits

Research Corporation Technologies Inc.

- Awarded: \$488,958.50

Research Corporation Technologies, a technology development and investment firm, is working to develop and produce therapeutic proteins relating to cancer, CEO Shaun Kirkpatrick said. The projects are currently in the pre-clinical stage.

Kirkpatrick said the money will help offset some of the high risk associated with developing the drugs.

"Ultimately the idea is that we're trying to deliver better therapeutic drugs to patients, at the end of the day," he said.

SynCardia Systems Inc.

- Awarded: \$488,958.50

SynCardia Systems manufactures temporary artificial hearts for transplant patients who are awaiting donor hearts.

The company will use the credits to study more durable materials for its Total Artificial Hearts, to see if the devices can be approved as permanent replacement hearts.

The company hopes to begin the study in 2011.

Grants

AmpliMed Corp.

- Awarded: \$244,479.24

The grant money will provide drugs for clinical trials on lymphoma being done by the University of Arizona and the University of Rochester, said

Chris Richied, chief financial officer for AmpliMed.

"The money came at a great time for us," said Richied. "We wouldn't have been able to provide this drug to the trial, and it might mean a lot to the lymphoma patients."

BioVidria Inc.

- Awarded: \$162,102

BioVidria studies different types of proteins in the body in order to detect diseases and is developing technology to separate proteins in a sample in a very accurate and precise way, said Corey Smith, president and CEO for BioVidria.

The company will use its grant money to help commercialize the product and technology, which originated at Purdue University.

Calimmune Inc.

- Awarded: \$244,479.25

Calimmune develops gene-based stem-cell therapy for HIV patients and will use the money to take their therapy into clinical trials, said Louis Breton, CEO for Calimmune.

The company is currently in the process of preparing for its first clinical trial.

"As a company, we're hoping to eventually bring this therapy to the larger HIV population and we'll be working diligently to make sure it's safe and effective," said Breton.

Cancer Prevention Pharmaceuticals Inc.

- Awarded: \$244,479.25

Cancer Prevention Pharmaceuticals is developing a drug to prevent colon cancer. The company plans to use the money to help cover costs of manufacturing the drug and to begin clinical trials, CEO Jeffrey Jacob said.

The firm hopes to develop a prevention therapy that those with an elevated risk for colon cancer could take.

"It (the grant) was very important to us," said Jacob. "We're about the start the pivotal trials and this money is helping us bridge the larger financial gap."

Eye Care and Cure Corp.

- Awarded: \$116,941.86

Eye Care and Cure has developed two patent-pending devices, one to diagnose patients whose eyes are not aligned, and another to treat patients during cataract surgery with a device used to make an opening in the eye lens, said Johan Van Dalen, CEO for Eye Care and Care.

Van Dalen said the grant money will be used to buy components for the production of the devices and they are currently in the final phases of software development.

High Throughput Genomics Inc.

- Awarded: \$703,908.50

High Throughput Genomics is working on several technologies relating to gene activity and looking at changes that a disease like cancer may have on a person's genes, said Bruce Seligmann, chief scientific officer for the company.

"We can now use the money for research, and to get the product out sooner," said Seligmann. "It will benefit the patients and everyone using the technology."

MSDx Inc.

- Awarded: \$204,671.85

MSDx is developing technology to study biomarkers - biological traits - for neurological diseases, in particular multiple sclerosis, said Marie Wesselhoft, president of MSDx. The company, formerly Multiple Sclerosis Diagnostics LLC, will use its grant money to fund studies to determine if its technology works.

"This kind of thing is so huge to a small startup," said Wesselhoft. "It's the difference between going forward or not."

The firm also is working on producing its first product, for possible sale to researchers as soon as next year.

Salutaris Medical Devices Inc.

- Awarded: \$244,479.24

Salutaris CEO Mike Voevodsky said the money will be used for development, but he declined to elaborate.

Salutaris is in a legal "quiet period," restricting company communications, following a recent venture-capital investment.

In January, Voevodsky and three others filed a U.S. patent application for minimally invasive methods and devices to implant therapeutic radioactive material behind the eye. The application, which assigns the patent to SalutarisMD, cites uses of such radiation therapy for possible treatment of age-related macular degeneration, a leading cause of blindness in the elderly.

Spacefill Enterprises LLC

- Awarded: \$27,000

The startup company is developing therapeutic agents, called kinase inhibitors, to treat cancer and inflammation, said Gary Flynn, the founder of Spacefill and a research professor at the UA College of Pharmacy.

Flynn said he is currently funding the research himself.

"Without this money, it would not have been possible to carry it on any further," he said.

Thayer Medical Corp.

- Awarded: \$178,384

Thayer is developing devices to help deliver medication to patients on ventilators, said James Strickland, CEO of Thayer.

Strickland said when a doctor needs to deliver medication to a patient using a ventilator for assisted breathing, Thayer's device allows an entry portal for the medication.

Different patients require different connection sizes, and Thayer will use the grant money to develop a delivery portal for patients needing a 15-millimeter connection.

"We did reasonably well," said Strickland. "It (the grant) allows us to accelerate the completion of the project."

Valley Fever Solutions Inc.

- Awarded: \$244,479.25

The company is studying the effectiveness of a new drug in the treatment of valley fever, a fungal respiratory disease commonly found in the desert, President David Larwood said. The firm is in the process of designing a clinical trial for the drug and seeking required regulatory approvals.

Larwood said valley fever is very troublesome to people in Arizona and California, and many people are looking for a better treatment.

"Every bit helps," he said. "Our hope is that it is effective and that it will save some lives."