



Office of University Marketing and Communication

10900 Euclid Avenue • Cleveland, Ohio 44106-7017

Phone 216 368-4440 • Fax 216 368-3546 • www.case.edu

January 29, 2008

Contact: Laura Massie

(216) 368-4442

laura.massie@case.edu

**CASE WESTERN RESERVE UNIVERSITY START-UP COMPANIES ATTRACT
\$130 MILLION IN VENTURE CAPITAL IN 2007**

***Nearly \$100 million goes to Northeast Ohio start-ups, contributing to record year of
investments for region***

CLEVELAND – Companies spun off from research at Case Western Reserve University took in \$130 million in venture investment capital last year, according to Mark E. Coticchia, the university's vice president for research and technology management.

“Venture funds are in the business of partnering with winners,” he said. “The level of investment we’re seeing for Case Western Reserve’s spin-outs is a commentary on their viability.”

All seven spin-out companies involved operate in the health care sector – developing biopharmaceuticals, biotechnology and medical devices – and all but one are based in Northeast Ohio. The six Cleveland-area enterprises attracted nearly \$100 million in venture investments.

That figure represents almost a third of the \$318 million of new capital investments that flowed to the region's start-ups in 2007, a record total reported in the 2007 Venture Capital Report, to be released in February by the NorTech Venture Capital Advisory Task Force. The task force operates through NorTech, the Northeast Ohio Technology Coalition.

Of the nearly \$100 million raised by Case Western Reserve spin-outs in Northeast Ohio, three companies accounted for \$84 million:

- Athersys, Inc., a biopharmaceutical and regenerative medicine company headquartered in Cleveland, attracted \$70 million. Athersys develops therapeutics to treat significant and life-threatening diseases.
- Another Cleveland-based start-up, the biotechnology company Arterioocyte, Inc., raised \$10 million. Arterioocyte develops cellular therapies using adult-derived stem cells.

- Synapse Biomedical, Inc., an Oberlin biotech spin-out, drew \$4 million. Synapse develops minimally invasive neuro-stimulation devices.

Those companies were joined by three other Northeast Ohio spin-outs, which earned a total of \$7 million, bringing the 2007 regional total to \$91 million, including CardioInsight Technologies, Inc., which develops noninvasive electrocardiographic imaging technologies; Copernicus Therapeutics, Inc., a developer of human gene therapy to treat cystic fibrosis; and NDI Medical, which develops implantable neurostimulation devices.

A seventh Case Western Reserve start-up, the biopharmaceutical company Neuropharm, is based in the United Kingdom. The company, which develops medicines for neuro-developmental disorders, went public in London in 2007, raising 20 million British pounds sterling, or approximately \$39 million. The Neuropharm deal combines with the \$91 million in Northeast Ohio capital investments to account for the \$130 million of venture capital directed to Case Western Reserve start-ups in 2007.

“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,” Coticchia said. The \$91 million attracted by the university’s local bioscience spin-outs also accounted for more than a third of the record \$241.8 million earned by the Cleveland area’s health care start-ups last year. As cited in the 2007 Midwest Health Care Venture Investment Report, an annual report published by the Cleveland bioscience accelerator BioEnterprise, Inc., the \$241.8 million placed the region second only to Minneapolis (\$296 million) in the Midwest. The next closest was Chicago at \$125.5 million. The Midwest’s health care investment total for the year was \$1.2 billion, a record for the area.

“Case Western Reserve made a clear commitment five years ago by promoting research innovation and catalyzing an entrepreneurial infrastructure within and outside the university,” said Baiju R. Shah, president and CEO of BioEnterprise, which is affiliated with Case Western Reserve. “The results show the university has joined the ranks of the nation’s leading research universities in terms of start-up activity and contribution to regional economic growth. The institution is core to Cleveland’s booming bioscience economy.”

Noteworthy among the statistics was the level of investment deriving from outside Northeast Ohio, demonstrating the promise that investors beyond the region and state see in the area’s innovations. The lead venture capital fund in the Athersys investments was Radius Ventures of New York City; Arterioocyte’s lead funder was DW Healthcare Partners in Salt Lake City, Utah; and Vivo Ventures, based in Palo Alto, Calif., took the lead in the investments to Synapse.

Last year's bioscience investment numbers are in keeping with the university's national leadership in life sciences research. Based on data compiled by the National Science Foundation tracking fiscal year 2006 research-and-development expenditures, the university ranked 27th among all universities for total spending in the life sciences fields, with \$313 million. For federally financed R&D expenditures in the life sciences fields, Case Western Reserve ranked 16th, with \$269 million.

The university's spin-out investment success is part of its continuing national leadership in technology transfer performance. According to the recently released U.S. Licensing Survey for fiscal year 2006 by the Association of University Technology Managers (AUTM), Case Western Reserve remains in the top 10 nationally with respect to the other 109 institutions whose research base is \$300 million or less.

The university also continues spinning out companies at a high rate. In the last six years, 18 companies have been started from research on campus. Its 2006 total, four new enterprises earned Case Western Reserve 14th place in that AUTM ranking category.

Generating spin-outs, helping them attract investment dollars, and contributing to the region's economy is central to the university's technology transfer plans. "Part of our research commercialization mission is regional economic development, and in an effort to fulfill our mission we developed an aggressive approach to new company formation," said Coticchia. "The results of that emphasis are now beginning to be seen."

###

About Case Western Reserve University

Case Western Reserve is among the nation's leading research institutions. Founded in 1826 and shaped by the unique merger of the Case Institute of Technology and Western Reserve University, Case Western Reserve is distinguished by its strengths in education, research, service, and experiential learning. Located in Cleveland, Case Western Reserve offers nationally recognized programs in the Arts and Sciences, Dental Medicine, Engineering, Law, Management, Medicine, Nursing, and Social Work.
<http://www.case.edu>.