

Israeli firm EarlySense moving to Cleveland, developing new heart-monitoring application

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CLEVELAND, Ohio — Israeli device company EarlySense will launch its product in the United States next year and will establish a base of operations in Greater Cleveland to develop the next version of the device.

EarlySense, which monitors a series of vital signs in hospitals and home health-care settings, is among four companies that will share \$2 million in grants from the Global Cardiovascular Innovation Center (GCIC), the organization announced Tuesday evening.



EarlySense's EarlyOn device

The other three companies are:

- Blue Ash Therapeutics of Cincinnati, which is developing a drug to treat abnormal heartbeats in conjunction with implantable defibrillators
- Cardioception of Cincinnati to develop a treatment to increase the rate of healing after a heart attack
- Deca-Medics of Columbus, which is developing a device to make manual heart compressions easier during CPR

The innovation center does not share the specific amount each company receives until final contracts are signed, said Tom Sudow, director of business development at the GCIC. In addition, Cleveland Clinic and University Hospitals were awarded GCIC grants to further research the development of cardiovascular drugs.

Companies are required to have a presence in Ohio to receive the funding. So while Blue Ash, Cardioception and Deca-Medics will not have to move, EarlySense is required to create a presence in Ohio. EarlySense Chief Executive Avner Halperin said the company will open an office with a handful of employees. It also will add sales and marketing staff in the United States. But Halperin said the location of those jobs will depend on additional partnerships and funding.

Halperin said he likely would raise money during the latter half of next year. He declined to comment on the money-raise — a sign he's likely in talks right now. Companies often avoid talking about fund-raises that are in progress for fear of violating federal regulations.

This is the fourth Israeli company since May that will come to the United States through GCIC funding. The center invested \$1 million in Cardiostar Ltd., Sensible Medical Innovations Ltd. and Vasostar Ltd. Cardiostar is developing a non-invasive way to monitor blood-pressure; Sensible Medical's device works during congestive heart failure to, among other things, quickly detect fluid in the lungs; and Vasostar's catheter would better break up artery blockages known as total chronic occlusions.

EarlySense was a natural choice for the region. Its lone American investor is Cleveland's Bridge Investment Fund, which seeks out businesses that "have synergies with the leading health care industries and institutions in Northeast Ohio," though it also has partnerships on the West Coast where it has tested its product.

EarlySense received the GCIC funding to expand the use of its product. The EverOn device looks like a flat, electronic heating pad attached to a lunchbox-sized monitoring screen. The pad is placed under a bed mattress to monitor respiration and body movements, which the company says can provide better data on patients and lead to faster, more effective treatment than conventional monitoring systems. The company will use the GCIC funding to add heart-monitoring capabilities, including blood pressure and irregular heartbeat, to the device.



Deca-Medics' Life Belt

The company has received U.S. Food and Drug Administration approval to sell its device, and will begin next year to market a version of the device without heart monitoring capabilities. It also has received European approval and is already selling there, Halperin said, though he declined to release sales figures or revenue goals.

Halperin said the company wants to have a new device with heart-monitoring features ready by the end of 2010. That device may require additional FDA approvals, he said.

EarlySense is further along than many GCIC companies. These business often are in very early stages with products that need to be tested and approved by regulators before they can be made and sold. Cardioception is being spun out of the University of Cincinnati, while Blue Ash Therapeutics is licensing technology from Procter & Gamble.

Deca-Medics of Columbus wants to raise an additional \$800,000 above the GCIC grant, President Thom Lach said. His device straps around cardiac arrest patients, making it easier for paramedics to do chest compressions to keep them alive. The device also gives feedback on the necessary depth of the compressions, Lach said.

There are automatic chest-compression devices on the market. But Lach noted that these weigh up to 20 pounds, require batteries and are much more expensive than a manual device.

Deca-Medics will use its money to finish development of its product and submit an application to the FDA. He expects to submit that application about 10 months after completing his fund-raising.