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Young biotech snags promising technology

Company could start production at TSU incubator this summer

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A Nashville biotech start-up has secured a global licensing pact for a new technology that detects, neutralizes and removes bacterial toxins.

After netting the open-ended, exclusive deal with the National University of Singapore, BioDtech Inc. plans to manufacture the product at Tennessee State University's business incubator and perform research and development from Cumberland Emerging Technology's biotech incubator near the Gulch.

The technology, named Factor C or the sushi peptide because of its appearance, is based on an amino acid in the horseshoe crab that's used in defense. Applied to injectable drugs and implantable medical devices, the peptide kills the organism, such as E.coli and salmonella, and then neutralizes the fever-producing endotoxin.

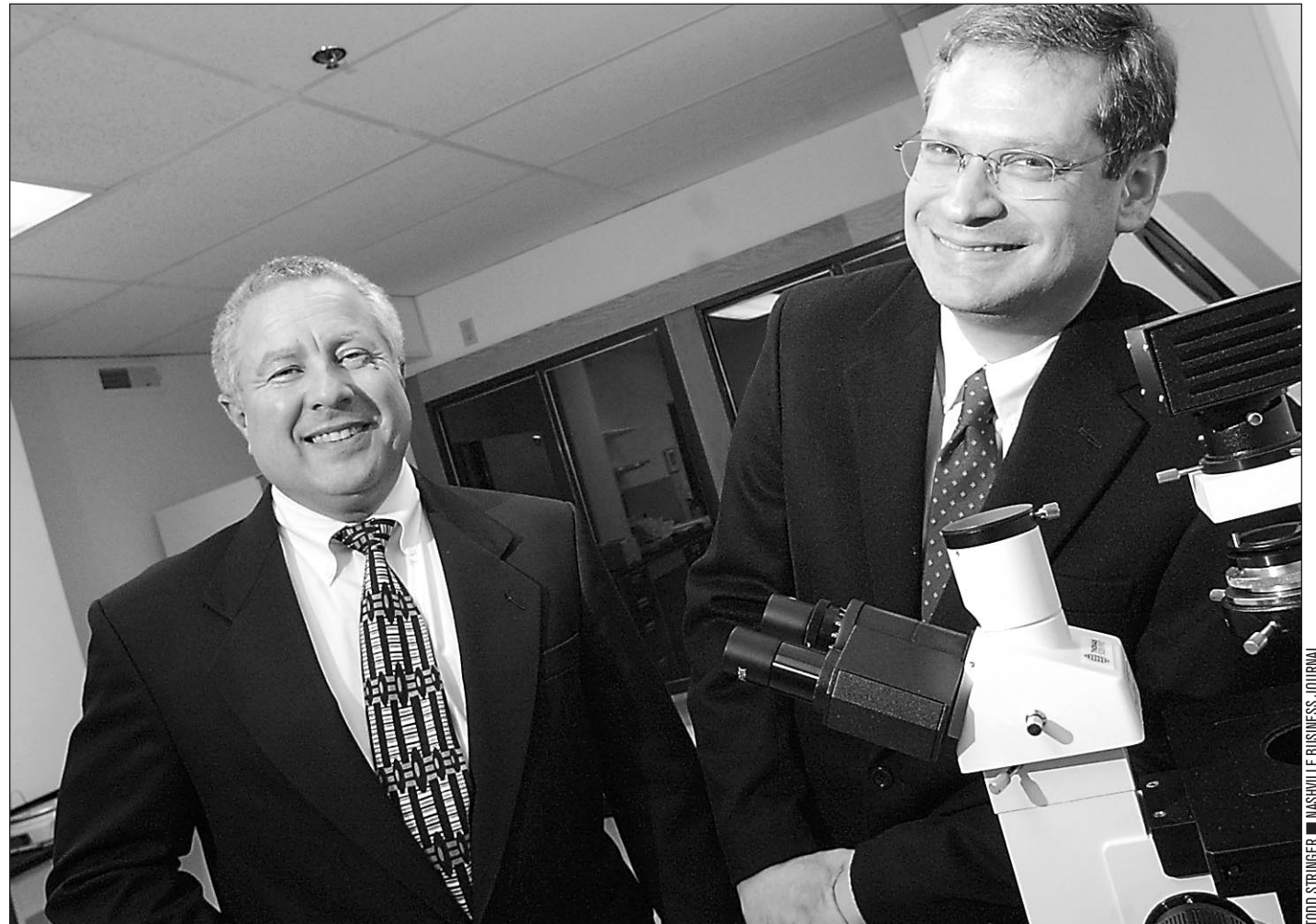
"We have the ability to use the same molecule to detect and also kill the bacteria," says Michael Pepe, president and CEO.

Moving from prototype to production phase could occur within the next six months. Pepe won't talk about volume projections, but says that developing the technology could turn BioDtech into a 200-employee operation.

Estimating endotoxin costs in the health care industry at more than \$17 billion a year, BioDtech will market its product to researchers and bioprocessing operations. The Food and Drug Administration requires all injectable drugs and implantable medical devices to be measured for endotoxins.

Pepe and Ira Weiss, vice president of finance and operations, say the technology could be used in hospital emergency rooms for early diagnosis of sepsis, a systemic response to infection that can lead to organ dysfunction and death.

"The real beauty of it is that we play



Michael Pepe, right, and Ira Weiss have inked a deal to license a new biomedical process.

into many fields that I think will be growing," Pepe says.

Weiss says BioDtech may open a Singapore office to capitalize on its global agreement. The company is collaborating with the Singapore university researchers at CET's life sciences center.

The firm joins a growing list of biotech and biopharmaceutical concerns operating at CET, a joint initiative between Vanderbilt University, Cumberland Pharmaceuticals and the Tennessee Technology Development Corp.

Launched in early 2000, CET counts among its tenants Avatar BioSci Inc., Rhizoma Corp. and NanoDelivery Inc. At its life sciences center, CET provides

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BioDtech Inc.

laboratory space, equipment, management and technical assistance.

"You're really utilizing processes they've already developed, which is nearly impossible for a small company

to tap into in this industry," Weiss says.

Joseph Rolwing, director of the life sciences center, says the center's eight tenants typically perform research that's in the early stages of development and needs a couple of years of work before commercialization. His operations help those companies, including getting government funding through grants.

"I see them as an excellent example of the type of tenant that the lab here would like to have more of," Rolwing says.

Factor C marks BioDtech's first license deal, but more could follow if they complement the company's Factor C operations.

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