

Friday, November 23, 2007

## Licensing agreement to bolster SpineSmith's reach, profits

Austin Business Journal - by [Kate Harrington](#) ABJ Staff

An Austin medical device distributor has entered into a new licensing agreement that, at a time when it already expects to see revenues double, will substantially increase its profits and market reach, executives say.

Austin's SpineSmith Partners LP acquired the global rights for Honolulu, Hawaii-based Tissue Genesis Inc.'s fat tissue-derived cell technology for spine-related diagnoses and treatment earlier this month.

Having the licensing rights means SpineSmith, which designs, develops and markets implants and biologics for spinal-tissue regeneration, will be able to participate in surgeries at a larger scale, says Kevin Dunworth, founder of SpineSmith. While Dunworth and Steve Melchiodo, SpineSmith's president, decline to use exact numbers because each surgery varies in price, Dunworth says the deal could allow the company to capture up to five-fold the amount of profit from surgeries as it had been.

Melchiodo says the licensing agreement also gives the company international rights and the ability to break into new markets in France and the Middle East, where SpineSmith will start doing research and participating in procedures.



Heather Purvis (left), Rob Donohue and Brian Keiser with SpineSmith LP. The company was founded by Kevin Dunworth, who leads two other companies in Austin.