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## **FDA OK in hand, Chesson moves to market**

By: Frank Vinluan

DURHAM – Having received clearance from the U.S. Food and Drug Administration to market its liquid bandage, Durham's Chesson Labs is now talking with potential distributors and licensees here and abroad that could market the product.

CEO Scott Neuville says Chesson also is in talks with representatives of the U.S. military, which could issue the product to soldiers to cover cuts and scrapes.

“We're hoping to conduct a field trial with one or more branches of the military,” Neuville says.

Chesson is in the midst of a \$2 million second round of financing from angel investors. In March 2008, the company closed a series A round that raised \$3.3 million.

Chesson's product, Nuvaderm, is breaking into a growing market for wound care. In an October report, research firm Global Markets Direct estimated the global market for wound care management devices in 2008 was about \$13 billion. The firm forecasts the market to grow to more than \$17 billion by 2015.

Nuvaderm is made from a compound developed by company founder Jerry Chesson, who has a background in polymers. The market for liquid bandages includes competitors such as 3M and Johnson & Johnson, which acquired its liquid bandage product – Dermabond – by purchasing Raleigh company Closure Medical for \$420 million in 2005.

Nuvaderm is intended for superficial cuts and abrasions, not deep wounds. Neuville says Nuvaderm's edge compared to other liquid bandages is its ability to kill bacteria, lessening the chance of infection.

Chesson has a sales agreement with Durham-based Mutual Drug, a wholesale distributor to independent pharmacies in Virginia and the Carolinas. But Neuville says he aims to build sales primarily through medical professionals and hospitals, in part because Nuvaderm is more expensive than other over-the-counter liquid bandages. The company also is marketing to veterinarians for use on animals.

Dr. Gregory Buford, a plastic surgeon in private practice in Englewood, Colo., says the advantage of liquid bandages is their ease of use. Children, in particular, are less intimidated by liquid bandages. The antimicrobial properties also could be an advantage. But Buford says selling to hospitals could be difficult in today's economy because hospitals will prefer the less expensive product.

Dr. Abhi Mehrotra, assistant medical director at the University of North Carolina School of Medicine's emergency department, says traditional bandages suffice for cuts and scrapes, and that's what UNC uses in the emergency department. But Mehrotra is intrigued by Chesson's claim that its liquid bandage is waterproof yet also allows oxygen to pass through. The flow of oxygen to the wound would limit bacterial growth that could cause infection, he says. A traditional bandage could trap such bacteria.

The company is moving forward with development of other products. At the end of September, Chesson submitted to the FDA an application for a product intended to treat insect bites and stings.

The company also is in clinical trials for a product intended to treat onychomycosis, also known as toenail fungus. Novartis' Lamisil and Sanofi Aventis' Penlac treat the condition but with patents on those drugs expired, Neuville says Chesson has the opportunity to offer an alternative in what is estimated to be a \$5 billion market worldwide.