

# *Bloomberg News*

## **ViaCell/ ViaCord Wins Reversal of \$7 M PharmaStem Verdict**

By Susan Decker

*Sept. 20 (Bloomberg)* -- A U.S. judge threw out a \$7 million patent-infringement verdict against ViaCell Inc. and three other companies that store umbilical cord blood used in stem cell research.

The ruling by U.S. District Judge Gregory M. Sleet in Wilmington, Delaware, is a setback for PharmaStem Therapeutics Inc., the owner of the patents that sued the four companies. Sleet ruled there was no infringement of one patent and ordered a new trial on a second disputed patent.

The three other defendants in the case are Cryo-Cell International Inc., CorCell Inc. and CBR Systems Inc. A jury in October found that all four companies infringed patents for freezing umbilical-cord blood to help treat childhood diseases.

The ruling offers support for blood banks that preserve umbilical cord blood for stem cell research, said ViaCell Chief Executive Officer Marc Beer in a statement.

"This means that any individual, corporation or institution providing services to assist a family in preserving the cord blood does not infringe PharmaStem's patents," he said.

PharmaStem said in a statement that the new trial is needed only "to determine the defendants' level of infringement and resulting damages." The company said it would appeal the ruling on the other patent.

Stem-cell technology may in the future be used to treat diabetes, heart disease, Alzheimer's disease and genetic disorders, PharmaStem Chief Executive Nicholas V. Didier said after the trial last October.

The case is PharmaStem Therapeutics Inc. v. ViaCell Inc. et al, 02cv148, U.S. District Court in Wilmington, Delaware. --With reporting by Phil Milford in Wilmington, Delaware. Editor: Rubin.

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