

11 Dec 2023 | News

News We're Watching: Activist Investor Causes Kerfuffle At Nevro, Lifespin Launches Antibiotic Dx, And More

by [Reed Miller](#)

Medtech Insight's News We're Watching highlights medtech industry news developments that you may have missed over the last few weeks. Last week, EndoQuest closed a \$42m round to support its endoluminal surgery system, Intuitive Ventures closed a \$150m round, Noah Surgical announced the first biopsy procedures with its Galaxy technology in Asia, the FDA cleared Smileyscope's VR system to reduce needle anxiety, and Guardant will collaborate with Cancer Research UK.

Engaged Capital Wants Nevro To Focus On SCS

Engaged Capital wants [Nevro](#) to focus on achieving profitability instead of acquisitions, according to a report from Bloomberg Law.

In [a new 13D filing with the US Securities and Exchange Commission](#), the Southern California-based activist investor firm disclosed that it now owns about 6% of Nevro stock. Engaged said it is in communication with Nevro's board and management team "regarding opportunities to maximize stockholder value."

The disclosure comes less than two weeks after Nevro agreed to Vyrsa to add a complete line of devices for sacroiliac (SI) joint fusion surgery to its existing line of high-frequency 10 kHz (HFX) implantable SCS devices to treat chronic pain.

The deal is the first acquisition in Nevro's 17-year history and its first business expansion outside of SCS. Led by new CEO Kevin Thornal, Nevro expects Vyrsa's products to give it an edge over competitors that are not as focused on the pain-specialist market. (Also see "[We're A Pain-Management Company.](#)" [Nevro Adds SI Joint Surgery To SCS Business](#)" - Medtech Insight, 6 Dec,

2023.)

But Engaged believes that – at least until the Vyrsa deal proves to be a success – more acquisitions could jeopardize Nevro’s core SCS business.

Engaged also believes Nevro could be acquired by a larger rival, according to *Bloomberg Law*. Nevro competes with Medtronic, Abbott and Boston Scientific, among others. (Also see "[Nevro Attacks Pain And Competition With Individualized AI-Enabled Spinal Cord Stimulator](#)" - Medtech Insight, 6 Apr, 2023.)

Engaged hopes to have more influence on the board, according to the report.

Despite the success of its SCS technology in clinical trials, the stock market has been disappointed with Nevro’s results over the past three years. (Also see "[Nevro Names Kevin Thornal As Its New CEO; Investors Remain Disappointed In Results](#)" - Medtech Insight, 21 Apr, 2023.)

The company’s share price on NASDAQ exceeded \$182 in December 2020, but it has been mostly downhill since then, dropping below \$15 in October. The price has trended upward since the announcement of the Vyrsa deal, closing 11 December above \$20.

Lifespın Launches Anti-Infection Diagnostic

Lifespın launched a new diagnostic to assess the impact and efficacy of anti-infective medications in patients suffering from sepsis and respiratory tract infections.

Using nuclear magnetic resonance technology, the test can rapidly, accurately and affordably output drug concatenation values from human serum samples, according to the company. (Also see "[Spinning Around – One Company’s Bid To Diagnostic-ify The Metabolism](#)" - Medtech Insight, 12 Sep, 2023.)

By offering precise measurement of antibiotic levels in a patient’s blood, Lifespın is trying to enable doctors to monitor and prescribe these drugs, ensuring maximum efficacy and, perhaps even more importantly, avoid antimicrobial resistance.

“Responding to market demands for enhanced antibiotic stewardship, we’ve made this groundbreaking technology accessible globally through our cloud-based system. This empowers laboratories worldwide to deliver personalized treatment options,” said Lifespın CEO Ali Tinazli.

EndoQuest Closes Financing To Support Endoluminal Robots

EndoQuest Robotics announced on 4 December it closed a \$42m C-1 preferred financing round led by CE Ventures Limited and McNair Interests, with new investor Puma Venture Capital.

The Houston-based medical robotics developer said the capital will drive key initiatives including R&D on its endoluminal robotics system, regulatory milestones, commercialization efforts and will strengthen the firm's position as the frontrunner in flexible endoluminal robotics.

EndoQuest Robotics' system is designed to navigate and perform procedures within the body's luminal spaces.

Last August, EndoQuest Robotics announced that its endoluminal surgery system will be installed at Brigham and Women's Hospital in Boston to help therapeutic endoscopists and surgeons perform scar-free upper and lower gastrointestinal surgery less invasively through a trans-oral or trans-anal approach.

Intuitive Ventures Adds \$150M

A hair over three years since its last raise, Intuitive Ventures has closed another round of funding – this time worth \$150m.

Bringing the total under its management to \$250m, the latest raise will focus on the same areas as the previous: companies developing technology which will either improve the access to or mitigate the burden of delivery for advanced therapeutics/surgeries.

“We are proud of the strides achieved by the Ventures team over the past three years,” said Gary Guthart, CEO of [Intuitive Surgical](#), Intuitive Ventures' parent company. “They have been instrumental in accelerating innovation in minimally invasive care and diligent in advising their portfolio companies.”

“The Ventures team is a key member of our Future Forward group, who identify and foster innovations in minimally invasive care. Fund II deepens Intuitive's commitment to the broad ecosystem of innovators working to improve patient outcomes.”

While Intuitive Ventures' strategy remains the same, its personnel has changed slightly. Prior director, Oliver Keown, who spoke to *Medtech Insight* about the fund's strategy, is going it alone, having founded a new in-stealth start-up, Cleo Surgical.

In his place is Murielle Thinard McLane, who joined earlier this year, and brings with her more than 20 years of experience working as an investor and entrepreneur.

Noah Surgical Announces Galaxy Lung Biopsy

Noah Medical has continued its path of expansion, announcing that it has completed its first procedure in Asia.

Calvin Ng and Rainbow Lau at the Prince of Wales Hospital in Hong Kong surgeons biopsied lung nodules using Galaxy's bronchoscopy technology.

"We are excited to be the first site in Asia to trial this exciting new technology," said Calvin Ng. "The Galaxy System is the latest generation in robotic bronchoscopy and we are very much looking forward to seeing this being used in Hong Kong, and eventually the broader Asia region."

The surgical robotics start-up has been on a heater this year. In April, it closed its series B funding round, raising \$150m in order to scale its single-port platform.

In March, Galaxy received US Food and Drug Administration approval, and the system has been used in the US, commercially, since May.

FDA Clears Smileyscope's Needle-Anxiety VR

The US Food and Drug Administration cleared Smileyscope's virtual reality (VR) system to temporarily reduce or manage pain and anxiety in children aged 4 to 11 associated with needle procedures.

This is the first VR device to receive regulatory clearance for this indication, the company said.

"Smileyscope therapy replaces negative real-world stimuli with positive virtual scenarios to reduce pain and anxiety associated with the use of needles during common acute procedures," Smileyscope said on 28 November.

In randomized trials using procedural VR and self-ratings, the VR system reduced children's pain by up to 60% and reduced anxiety by up to 40%.

Smileyscope has partnered with more than 50 hospitals including Boston Children's Hospital and Children's Hospital of Orange County to implement the VR technology.

In October, Smileyscope closed an undisclosed seed prime round with investments from Breakthrough Victoria, Ten13, Alicia Anderson Fund and MedAngels and planned to use the funding to grow its clinical-stage pipeline and rapidly expand across health systems in the US

and Australia.

Guardant And Cancer Research UK Announce Collaboration

[Guardant Health](#) and Cancer Research UK plan to “explore the sharing of technologies, data, and insights” to improve precision treatment of cancer.

A new agreement, announced on 4 December, will enable Guardant to collaborate with Cancer Research UK’s Centre for Drug Development on trials such as [DETERMINE](#), the first UK national precision medicine trial in rare cancers.

"Partnering with Cancer Research UK grants us with a unique opportunity to further validate Guardant’s unique technologies ... while providing the support needed for those with rare cancers and others who could greatly benefit from precision oncology," said Guardant Health co-CEO Helmy Eltoukhy.

FDA Clears NeuroOne’s Ablation System

The US Food and Drug Administration [cleared](#) NeuroOne’s OneRF ablation system to create radiofrequency lesions in nervous tissue for functional neurosurgical procedures, the company announced on 11 December.

With a radiofrequency generator, OneRF repurposes previously implanted electrodes to ablate brain tissue during surgery for certain neurodegenerative conditions such as Parkinson’s disease. (Also see "[Minute Insight: NeuroOne Moves Forward With Brain Electrode 510\(k\) Submission](#)" - Medtech Insight, 15 Jun, 2023.)

NeuroOne has also developed Evo and Evo Cortical electroencephalography electrodes, the thinnest in-brain electrodes on the market.

“When NeuroOne was founded, one of our ambitious goals was to be the first to develop and commercialize thin-film electrodes capable of performing both diagnostic and therapeutic functions and offer a better methodology to treat patients suffering from a variety of neurological conditions,” said Dave Rosa, CEO of NeuroOne.

“We believe we have the potential to dramatically change the way these surgeries are performed so that patients may only need to go through surgery once for both diagnostic and therapeutic procedures.”