

Israel, Florida partner in biomedical venture

Published by: [Jerusalem Post](http://www.jpost.com) www.jpost.com

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14/06/2007

The Florida-Israel Biomedical Initiative launched in Jerusalem on Wednesday with the aim of partnering with promising Israeli biotech companies in order to market local innovations in the US while making it easier for those businesses to profit from the deals.

The new company is a project of Jacksonville, Florida-based M-EDG, LLC, a consortium of business and healthcare professionals who help companies commercialize healthcare technology in the US, a task that requires a multifaceted understanding of the scientific, legal and business issues in the US industry.

"[There's an] excellent fit between our business vision and many Israeli companies," M-EDG President and CEO John Perry told The Jerusalem Post. "What we found was that there was a terrific need, a problem we thought we could help solve."

Perry was referring to foreign marketing agreements that Israeli companies sign in the hopes of reaping the financial rewards of their innovations, only to find that they receive just a minuscule share of the profits.

He contends that there is "frustration and disappointment [among Israeli companies] at not having been able to fairly share in the benefits of commercialization in the US market because of licensing and royalty agreements." He hopes that sentiment will make Israeli biotech companies much more receptive to the initiative's equity-based model, which he claims allows for higher direct returns to Israeli companies, as well as an opportunity for majority Israeli ownership of the American marketing company at the end of four years.

Comparing the new partnership between US and Israeli businesses to the biblical episode in which Aaron and Hur helped hold up the arms of Moses during the battle with Amalek, Shimon Ifrach, senior economic adviser to Industry Trade and Labor Minister Eli Yishai, praised the new venture as a fairer model of Israeli-US business cooperation.

"This will help in the efforts of the Israeli medical commercial sector to become even more successful than it is today," he declared.

Perry believes that if things were to work out ideally under his business model, Israeli companies could end up raking in up to \$7 billion annually in direct returns, out of an industry which he estimates to be potentially worth some \$20b annually.

Although that may certainly seem like a very large industry, it is not the only such industry in the world. Asked why he is counting on Israeli businesses to form the flagship of his company's corporate activities over the next two years when Japan, China, the EU, UK and others have biotechnology sectors as well, Perry lauded the strong direction of research and innovation here.

"Israeli products have been managed very well from the outset," he said. "Many companies here begin developing products with FDA approval in mind from the start, making it much easier for other companies to market those products in the US."

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