

StemCells ACCUSES Neuralstem OF INFRINGING STEM-CELL PATENTS

July 25 ([Bloomberg](#)) -- StemCells Inc., which uses stem cells to research treatments for damage to the nervous system, liver and pancreas, sued Neuralstem Inc. to stop the development of rival products.

StemCells said it owns the basic technology for the use of neural stem cells, derived from the brain and spinal cord, and Neuralstem lacks a license, according to the lawsuit filed yesterday in Greenbelt, Maryland.

The companies are the only ones with patented technology for the use of neural stem cells, Neuralstem Chief Executive Officer Richard Garr said. StemCells, based in Palo Alto, California, failed to persuade the U.S. Patent and Trademark Office to withdraw a Neuralstem patent.

“This is just a continuing story of them trying to crush the competition,” Garr said in an interview. Neuralstem, based in Rockville, Maryland, will challenge the suit because its stem cells are more regionally specific than the “generic” StemCells technology, he said.

Stem cells can mature into myriad cells and tissues. Both companies use cells from fetal brain tissue donated by women who had abortions, miscarriages or stillbirths.

StemCells sued over four patents tied to the cell cultures grown in labs, ways to make them grow, and their use. The company is conducting studies on its first product, a therapy for infants with a rare and fatal disorder called Batten disease that causes loss of movement, sight and mental capacity.

StemCells seeks a court ruling that Neuralstem must stop infringing the patents, as well as cash compensation. Neuralstem has filed with the U.S. Securities and Exchange to become a public company.

The case is StemCells Inc. v. Neuralstem Inc., 06cv1877, U.S. District Court for the District of Maryland (Greenbelt).

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