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Victory for Mako as it acquires new tech and hobbles a rival in one move



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The patent dispute between the robotic surgery firm Mako Surgical and orthopaedics company Stanmore Implants has come to a swift and decisive end. Mako will now purchase Stanmore's robotic surgery business, gaining a new technology and removing a competitor at a stroke.

Stanmore will hand over its Sculptor Robotic Guidance Arm assets, including intellectual property, for just under \$1m in cash. Stanmore had received US 510(k) clearance for the Sculptor in February, for use in partial knee resurfacing – Mako's main target market – a move that seems to have prompted the acquiring company into action.

Mako filed its complaints 41 days later, on March 19, alleging patent infringement and seeking an injunction preventing Stanmore selling the Sculptor in the US. The interesting thing was that the smaller company probably did not pose much of a threat, given that Mako's RIO Robotic Arm Interactive Orthopedic system has been available in the US since 2008, and was used in more than 10,000 procedures in 2012 alone. Analysts from JP Morgan expect it to be used in 13,674 procedures this year.

Why buy?

The difficulty of competing with an established technology explains why Stanmore might be reasonably happy to sell the Sculptor. But why would Mako buy? It could have disbarred Stanmore from the market easily enough.

In fact, buying Stanmore's tech was probably the cheaper path. Mako's chief financial officer, Fritz LaPorte, told the *South Florida Business Journal* that the cash deal was for just under \$1m, and said that the legal wrangling could have taken 18 months and cost six times as much.

It is unlikely that Mako saw something in Stanmore's tech that it wanted in-house. Sculptor became the property of Stanmore through its 2010 acquisition of fellow Imperial College spinout Acrobot, and does not appear to offer anything that would enable it to take significant share from Mako. Indeed, their very similarity is what permitted Mako to file suit in the first place.

That said, two factors seem to suggest that Mako is glad to have Stanmore inside the tent rather than as an adversary. Firstly, as part of the settlement Mako managed to extract from Stanmore a promise that it would stay away from robots in the future. And secondly, Mako's chief executive Maurice Ferré said that his company was "enthused about the possibility of partnering with Stanmore on potential future projects".

The deal leaves the UK-based Stanmore with its orthopaedic operations including the excitingly-named Extreme Ortho business, which produces custom-made implants designed to match a patient's injuries exactly. Perhaps future partnerships with Mako might involve the use of these with Sculptor or RIO.

Whatever the future brings, Mako is now a little more secure in the robotic surgery sector. But the CyberKnife robotic radiosurgery system sold by Accuray has been recalled by the FDA this week owing to a defect, and the largest robotic surgery company, Intuitive Surgical, is facing questions over its hugely expensive technology ([FDA wonders whether robotic surgery is intuitive after all, March 4, 2013](#)). It's good for a company to shore up its position in the market. But maybe robotic surgery is not the best market for a company to be in.

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