

Aircraft Medical seeks to soar to No 1 spot in laryngoscope market

Size doesn't matter to Matt McGrath. The CEO of Aircraft Medical believes that if your product is able to offer distinct advantages over competing devices, than you need not worry if you're coming up against a billion-dollar company or a start-up.

And he may well be right. Despite facing competition from well-established players such as Karl Storz, Pentax and Verathon, Edinburgh, Scotland-based Aircraft has managed to seal in quick succession several distribution deals for the product designed by the CEO himself, the McGrath series 5 video laryngoscope. Since the device was officially launched in the US in 2006, the company has signed up distributors covering 16 countries in North America, Europe and, most recently, Australasia. The agreements have an expected market value of \$110m over five years.

Nor is Mr McGrath expecting demand for the company's product to abate too soon. "Traditional laryngoscopes are still being used in 95% of tracheal intubations, and video laryngoscopes in 5%. The intention is to convert all laryngoscopes to video laryngoscopes within 5-10 years," he told *Clinica* in an interview.

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Laryngoscopes are used in a commonly practised surgical procedure known as tracheal intubation, whereby a tube is inserted into the wind pipe to allow the patient to breathe while under general anaesthetic. Intubation with traditional laryngoscopes requires a lot of skill and often forceful manipulation of the patient's anatomy in order to get a view of the larynx. Video laryngoscopes typically have a camera attached at the end of the blade – images of the patient's trachea are then transmitted by an electrical cable and displayed on an external screen.

The McGrath video laryngoscope, however, is the first in the world to have both the camera and a flat panel video screen on the same device. This, together with the fact that it is powered by a single AA battery, makes the device fully portable. In addition, the McGrath also features a sliding blade, which allows a single blade to be adjusted easily to each patient's anatomy. Current laryngoscopes require different blade sizes to be fitted, which is not ideal in an emergency situation, said Mr McGrath, who envisages his device being a "fundamental rescue tool" carried in every doctor's pocket.

"It's just not possible to carry around with you a laryngoscope attached to cables. The McGrath is able to open up more markets because it can be used in routine general anaesthetic procedures, as well as in emergency situations – for example, when a patient has had a heart attack," the CEO said.

Taking into account the benefits offered by the McGrath laryngoscope, the company believes the device's \$9,000 price tag would not be a deal-breaker for healthcare payers. "Current video laryngoscopes cost around \$10,000. With difficult intubations, where traditional laryngoscopes fail, doctors would use fibre optics. These cost anywhere from £15,000-30,000 (\$30,000-60,000) and are generally very fragile, take time to learn to use, require a lot of maintenance and are difficult

to clean," said Mr McGrath. "If you put all this together, our laryngoscope is very cost effective overall."

Having made significant headway in the commercialisation of the device over the last two years, Aircraft continues to expand global distribution of the McGrath. The firm is said to be "on track" to achieve full European coverage for the product this year, and 2009 will see the focus shift towards Asia.

The company signed a deal in May with Medtel – a subsidiary of Getz Bros – for the commercialisation of the McGrath in Australia and New Zealand, and is keen to capitalise further on an emerging Asia-Pacific demand. "There is a lot of interest and potential for our device in that region. We've had about 300 independent distribution companies from Asia coming to us over the last two years, requesting distribution rights for the product," said Mr McGrath.

Not surprisingly, Aircraft's aggressive pursuit to make its device "the world's number one laryngoscope" has caused some unrest among its competitors. The firm is facing charges of patent infringement filed in the US and Europe by its rival Verathon, which manufactures the Glidescope video laryngoscope. The Seattle, Washington company is claiming £37m in damages for lost sales.

So far, Verathon has not won any court rulings against Aircraft and the US Patent Office has declared the company's '447 patent – the subject of litigation – to be invalid.

For its part, Aircraft has refuted all claims of patent infringement and said it is prepared to fight its rival. The CEO told *Clinica* that the pending lawsuit has not had any impact on sales of the McGrath. "The market is calling for our product – I don't think it would care for frivolous patent disputes." Confident that Aircraft would prevail over its rival at the end, Mr McGrath sees the positive side to the legal action: "It is a consequence of our success."

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