Dow Jones VentureWire Lifescience

SUNNYVALE, CALIF.

Foundry Grad Miramar Labs Whips Up $35.8M To Zap Sweat Glands

BY TIMOTHY HAY

Raising venture capital for a medical device that isn't approved by the Food and Drug Administration is a tough road nowadays, with investors anxious about returns in a slowed economy. But the picture changes once regulators have blessed a new technology for sale and a young company's most daunting and troublesome hurdle is out of the way.

If Miramar Labs Inc. can be taken as an example, entrepreneurs with an approved device can raise a sizable round without breaking a sweat.

After securing a 510(k) approval from the FDA earlier this year, Miramar has raised a $35.8 million Series C round from new and returning investors for a device that shoots microwave energy into the armpits of patients who suffer from axillary hyperhidrosis, also known as excessive sweating.

The funding was led by new investor Aisling Capital, joined by new investor Cross Creek Capital and returning investors Domain Associates and Morgenthaler Ventures, said Nimesh Shah, a principal at Domain. He declined to disclose the valuation.

Morgenthaler Partner Hank Plain, who like Shah holds a board seat at Sunnyvale, Calif.-based Miramar, said the Series C was raised for a major commercial push that the company is planning for its device, which the company aims to sell to dermatologists.

Miramar graduated from incubator program The Foundry in 2006 and quickly raised a $5 million Series A round. In 2008, the company raised a $20 million Series B round from Domain Associates, Morgenthaler Ventures and Split Rock Partners.

Split Rock Partners didn't participate in the latest round. An attempt to reach the firm wasn't immediately successful.

The company has developed a sweat-glad neutralizing technology that is meant to be an alternative to having troublesome glands surgically removed.

Miramar's system, called miraDry, consists of a console, a handheld device and a disposable tip. The system neutralizes sweat glands with microwave energy, an innovation that came from Miramar, the company has said.

The FDA approval the company received, 510(k) approval, means the FDA found that a similar, existing device has already been proven safe, and so the new device can piggyback on the approval of the prior device.

While many device companies pursue that road, Miramar is an unusual case. Miramar was the company that built the device that paved the way for the approval of its sweat-gland treatment, company founders have said. In 2009, the company proved the efficacy and safety of a different microwave energy device but never commercialized it.

http://miramarlabs.com