

3M Responds to Accusations Regarding BacLite

3M responded today to public accusations concerning its efforts to market BacLite, a product it acquired from Acolyte Biomedica Limited (“Acolyte”) in 2007. According to 3M, the technology, originally developed to help detect the harmful bacteria Methicillin-resistant Staphylococcus aureus (MRSA), was not commercially viable and, therefore, the company discontinued efforts to sell it in 2008.

The Porton Group, a London equity firm that invested in BacLite, has repeated allegations that it is entitled to millions of dollars in earn-out payments – based on its claim that 3M should have continued to sell the failed technology. 3M maintains that it discontinued marketing BacLite because, after diligent efforts and spending substantial resources, the company believed the product did not meet performance and customer expectations.

“A hallmark of 3M is its unwavering commitment to providing effective and reliable products,” says William A. Brewer III, partner at Bickel & Brewer and counsel for 3M. “In the view of the company, BacLite was not commercially viable and it failed to meet certain standards of the marketplace, so the company discontinued its efforts to sell the product.”

3M acquired BacLite in February 2007 from Acolyte, a UK company owned by the Porton Group and a subsidiary of the British Ministry of Defense named Ploughshare Innovations. In connection with the acquisition, the Porton Group has alleged that 3M breached its contractual obligations to actively market the product, diligently seek regulatory approvals, and provide the technology with the necessary level of financial resources.

3M concluded in 2008, after thorough investigation and analysis, that BacLite was not a commercially viable product for the detection of MRSA, an antibiotic resistant bacteria commonly found in hospitals. 3M alleges that it ultimately determined not to seek regulatory approval in the United States because it concluded BacLite would never be commercially viable in the US market.

The Porton Group filed a lawsuit in the UK in 2008 – and recently launched a publicity campaign against 3M in the United States. The UK trial is scheduled to begin this week.

“The profit motives of the Porton Group and its publicity campaign will have no bearing on our client’s position in the current litigation,” Brewer says. “3M welcomes the opportunity to present its case to the court and is confident in the positions it has taken.”

About 3M

3M captures the spark of new ideas and transforms them into thousands of ingenious products. Our culture of creative collaboration inspires a never-ending stream of powerful technologies that make life better. 3M is the innovation company that never stops inventing. With \$27 billion in sales, 3M employs about 80,000 people worldwide and has operations in more than 65 countries. For more information, visit www.3M.com or follow @3MNews on Twitter.

About Bickel & Brewer:

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