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Innovation at Worcester Polytechnic Institute

Is Digital Gaming Sustainable?

by
**BARB FINER AND
TODD JEWETT**

Identified as a \$2 billion-plus industry in the region in 2009 by the Massachusetts Technology Leadership Council, digital gaming welcomes new startups every month, adding to the more than 40 companies already in operation. Governor Deval Patrick has declared that the digital gaming industry is “on fire” in Massachusetts. But is this a sustainable industry or a passing fad?

At the March 8 WPI Venture Forum meeting, keynote speaker Jeff Anderson will look at what it takes to start and sustain a digital gaming company, what challenges these companies face when attempting to scale across the chasm, and what factors are contributing to the region’s current boom. As founder and CEO of QUICKHIT, the Foxborough, Mass.-based free social sports game company, Anderson will address the staying power of the gaming industry and what key ingredients will keep it sustainable.

Several teams of WPI students will also have their own digital games on display during the meeting.

Digital gaming companies require minimal initial capital, typically gaining a foothold with bootstrapping, private or angel capital. These startups rely on the talents of software engineers, graphic designers, video producers, digital artists, and the depth of thought-leaders from leading universities, and user interface designers — talents and resources that are abundant in this region.



JEFF ANDERSON
CEO of QUICKHIT

Anderson brings a strong background in game design, product management and business development. Prior to starting QUICKHIT, he was president and CEO of Turbine, Inc. where he rebuilt that company into a global publisher of massively multiplayer online role-playing games with hits like Dungeons & Dragons Online and The Lord of the Rings Online. Before Turbine, he served as the vice

president and executive in charge of production at Origin/Electronic Arts. Prior to Origin, Jeff was the executive director for the consumer products division of Viacom, Inc., managing Paramount Pictures’ world-wide interactive licensing. Before Viacom, he was the vice president of operations at Mission Studios Corporation and practiced law at Holleb & Coff. He graduated summa cum laude from the University of Illinois with a bachelor’s degree in economics and received his J.D. from the University of Chicago Law School.

Case Presentation:

Ayeh Games, Inc.

Ayeh Games is dedicated to producing superior gaming experiences. It was founded in 2010 with the idea that social games should be highly graphical, very social, and very entertaining. As an

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A LETTER FROM A CHAIR

What Would You Like to Gain?

If you are reading this letter, it means that the WPI Venture Forum is important to you as a place to learn, network, gain innovative ideas, and because our mission of fostering the entrepreneurial community in New England resonates with you.

The focus and goals of our marketing team are to grow the WPI Venture Forum so that we continue to provide these benefits to the largest possible audience and ensure our long-term impact.

To these ends, the all-volunteer Marketing Committee has been quite busy accomplishing the following:

- A new Facebook page supporting increased online community with conversation, program information, and announcements
- A fast-growing LinkedIn group that connects members to one another and the WPI Venture Forum to other like-minded groups
- Support for all other WPI Venture Forum committees — with outreach, messaging and marketing
- Record attendance growth over the last year.

Our social media initiatives have the added benefit of sharing the value of our programs



Lisa Hamaker

with those who cannot attend them.

You can help us continue providing these benefits to the New England entrepreneurial and business communities by:

- Joining the WPI Venture Forum
- Serving on a committee (especially the Marketing Committee).

I joined the WPI Venture Forum and the Marketing Committee as my commitment to supporting the mission of the WPI Venture Forum and to learn more about how it works. I found that I gained so much more – admission to a committed community of smart, dedicated people who are focused on expanding the success and value of innovation. What would you like to gain? It will come to you in direct proportion to your participation.

Look for more information on the WPI Venture Forum to come your way this spring as we continue to expand our initiatives. I look forward to seeing you or working with you at a future WPI Venture Forum event.

Best regards,

Lisa Hamaker

Chair, Marketing Committee

Principal, Kaliday Marketing

SEEKING SUCCESS STORIES

HAS YOUR BUSINESS MET WITH SUCCESS?

WON A BUSINESS PLAN CONTEST?

RECEIVED FUNDING?

BEEN RECOGNIZED BY YOUR PEERS?

Vantage is seeking news about our members and presenting companies.
Email your news to editor Allison Chisolm, Chisolm(at)ChoiceWordsOnline.com.

Managing the Pace of Patent Applications

Obtaining an issued U.S. patent can be very important to furthering one or more goals of an organization. However, the length of patent examination is often uncertain, making it difficult for an organization to control this important aspect of its business. Organizations seeking greater predictability over the length of patent examination should consider using one of several programs that the U.S. Patent and Trademark Office (USPTO) is implementing to allow an applicant to expedite patent examination under certain conditions.

To obtain an issued U.S. patent, a patent application must be submitted to the USPTO, where it will be examined to determine whether, among other things, the submitted claims (the part of the application defining the scope of protection being sought) meet the relevant legal requirements for patentability. Each application is examined in approximately the order in which it is received. However, because of a large backlog at the patent office, patent examiners often don't initiate examination until at least *two to three years* after the application is submitted to the USPTO, depending on the area of technology. Completing the examination process can take another year or more.

The long application pendency at the USPTO can be advantageous to some applicants. For example, an applicant operating on a thin budget may be content with the delay because examination can involve significant expenditures on patent attorney fees. In other cases, however, the delay is undesirable, as in the case of a company seeking to stop a competitor from practicing an invention. In addition, a company that licenses out its inventions can often obtain higher royalty payments on issued patents compared with pending applications. And an early-stage company may have an easier time obtaining funding if it has one or more issued patents, particularly if the patents create barriers to entry in areas of importance to the business.

USPTO Pilot Programs

Recognizing the issue of long application pendency times, the USPTO has established several pilot programs and is considering further proposals that allow an applicant to expedite the examination process under certain conditions.

Accelerated examination program (implemented)

The Accelerated Examination Program is aimed at completing examination of an application within 12 months from filing. The program, which among other things limits the number of claims in the application, requires an applicant to provide examiners with detailed information about the invention and closest prior art (by way of an examination support document) to help examiners make patentability decisions more quickly. While there is no fee for entry into this program for some technology areas—such as counter-terrorism and environmental/energy technologies—preparation of the examination support document can be a significant expense for applicants.

Patent Prosecution Highway (PPH) (implemented)

In the PPH Program, an applicant receiving an allowance on an application pending before a participating foreign patent office may request that the USPTO fast track examination of an application containing claims of essentially the same scope as those in the foreign application. The PPH Program has been extended to enable applicants to obtain fast track examination by leveraging positive results in a written opinion (or similar work product) obtained in an international application filed under the Patent Cooperation Treaty. An application entering into the PPH Program will be advanced out of turn for examination. In practice, examination will be initiated within two to three months after entry into the program. The application will also be placed on the examiner's "special" docket and

by

PATRICK R. H. WALLER AND
DANIEL W. YOUNG

Wolf, Greenfield & Sacks, P.C.

should therefore progress more rapidly than in traditional examination.

Three-Track Program (proposed)

The Three-Track Program would provide applicants with greater control over when their applications are examined. Track I would provide for prioritized examination; Track II would provide for traditional examination; and Track III would provide an applicant-controlled delay. The USPTO is currently refining the proposal in response to public input, but recently announced it will proceed with the prioritized examination track, which is aimed at completing examination within 12 months of acceptance into the program. An examination support document is not required, but there is a substantial fee (\$4,000) for entry into the program.

Several other programs for expedited examination are available, including the Green Technology Pilot Program, the Application Exchange Program, and the Peer-Review Pilot Program.

With the current backlog at the USPTO, obtaining an issued patent can be a lengthy process. However, a variety of options are available to applicants for expediting examination. Interested applicants should consult with their patent attorney or agent for details on best strategies for participating in these programs.

Patrick R. H. Waller, Ph.D., is a shareholder and Daniel W. Young, Ph.D. is a patent agent at the intellectual property law firm of Wolf, Greenfield & Sacks, P.C., the largest IP-only firm based in New England. Waller and Young are members of the firm's Biotechnology Group and can be reached at pwaller@wolfgreenfield.com and dwyoung@wolfgreenfield.com respectively. ✓

A LOOK AT THE FEBRUARY 2011 MEETING

The Challenges and Opportun

by

DARLEEN FLAIG



Keynote speaker Ryan Moore



Co-moderator Andrew Goloboy

The decision to conduct business internationally involves more than just adding another time zone to your day. In addition to language and geographic complications, there is an abundance of detail indigenous to each country and each culture, virtually guaranteeing a long learning curve.

Reading articles and books may help at the beginning, but sharing knowledge from people who have worked through this process provides more precise and usable insight and wisdom.

On February 8, the WPI Venture Forum presented experts who have built businesses in some of the toughest and most culturally diverse countries.

The keynote speaker, Ryan Moore, General Partner of GrandBanks Capital, clearly outlined the advantages and challenges of starting businesses in global communities. The advice, which was geared primarily toward early-stage companies, is clearly applicable to businesses of all sizes:

- A global presence can make a company look larger, and being able to convey how the business will “scale” internationally will help when seeking funds.
- There can be significant labor savings, but one must also balance the management complexities of productivity and efficiency. The work ethics and practices of Asian countries are much different than those of North America and different still from those of the European communities.
- People often underestimate the impact that culture has on team building. When people from three continents work together to bring a project to fruition, they lack the informal “water cooler” discussions which often build a team, making it stronger and able to push through some of the difficulties. Management has to find a way to bring these diverse teams together, and make the distance “across the pond” seem shorter.
- Many of the “early adopters” are not located in the United States. Building a

business in several countries simultaneously also provides access to faster growth and increased sales, which in turn will build business faster in the US. It is a cycle; the introduction of new technology in one country awakens the interest for that technology in other countries.

- When deciding where to locate the various functional teams, remember that keeping the design and engineering function in close proximity to each other, and to sales, increases the chance for timely success. The teams must work together as one.
- The “28 hour day” is great (working across multiple time zones), but also be aware of holidays in all countries that must be added to the operating schedule to avoid delays.
- The product is so important with start-ups. When the design team is not aligned with the customer, it increases the chance of a “disconnect,” resulting in a product “miss” instead of a “hit.”

ities of “Going Global”



Panelists (from left) Michael Papish, Laura Davis and Ryan Moore offered probing questions to case presenter Sriram Subramaniam of WhizRx.

- Many countries have indigenous challenges with labor retention issues. Be aware of this before the office site is determined. The location you choose will affect your ability to retain staff.
 - Seek “local” counsel regarding mores, regulations, laws, local practices, and access to proper authorities and channels.
 - It is critical to develop a “corporate culture” while embracing the local cultures across all continents. This takes time.
 - Consider sending a founding partner or corporate officer to the overseas location for a prolonged stay. This can solidify relationships, build the corporate culture, improve understanding on all sides, and increase loyalty and retention.
 - Entrepreneurs create a sense of urgency in the process. This is good, but must also be balanced with the normal learning curve of international business.
 - Growth is great, but when a company is small, it is focused, and this gives it an advantage.
 - There may be times when it just does not work in one location or another. Don’t put off the decision to pull out, once that becomes clear.
 - Remember that the ability to downsize can be costly, difficult, or seemingly impossible in some countries due to national or regional labor laws and regulations.
- Moore assured the audience that although global expansion may be difficult, it is clearly worthwhile. Learning about the culture, work ethic, and business practices is as important as understanding the regulations, laws, and logic patterns. Read a lot, ask many questions, seek local counsel, keep your mind open, and embrace all you encounter. Although challenging, international business is very rewarding.

CONTINUED ON PAGE 7

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Is Digital Gaming Sustainable?

CONTINUED FROM FRONT PAGE

interactive entertainment software company, Ayeah Games develops, publishes and distributes interactive social reality software for personal computers, wireless devices and the Internet.

Presenting the case will be CEO and Founder Doug Levin, a serial CEO and entrepreneur. During his tenure within the gaming industry, Levin has acted as a

consultant for mPath, a tester for “Asheron’s Call” by Turbine Entertainment, and recently as an advisor to gamerDNA. In 2002, Levin founded Black Duck Software, where he served as CEO and President for seven years and remains an active member its Board of Directors. Prior to Black Duck, Levin served as CEO for MessageMachines and X-Collaboration Software Corporation, two

Boston VC-backed companies.

Panelists who will respond to the case presentation are Jeff Anderson, Monty Sharma, Founder and Vice President/General Manager Integrated Services for Vivox, Ed Kershenbaum, CTO, CeruleanResearch.com, and Rodney Brown, News Editor, *Mass High Tech*. ✓

Community News

New Radio Show on WCRN

Are you looking for an entertaining and educational way to spend an hour on a Saturday? Tune into the WPI Venture Forum’s new radio program, now at WCRN 830 AM from 5 to 6 p.m. every Saturday. Hosted by past chair Mitch Sanders, CEO of ECI Biotech, the program features interviews with area business professionals and entrepreneurs in a variety of industries.

If you would like to be a guest on the show, visit wpiventureforum.org/radio.html and click on the online link in the Guest section to fill in a request form.

Five Stars for Ayers

As a testament to his competency and experience, Morgan Stanley Smith Barney has selected WPI Venture Forum Executive Board member John C. Ayers, CIMA as a “Five Star Wealth Manager” in the state of Rhode Island. He was recently featured in the January issue of both *Rhode Island Monthly* and *Rhode Island Business Quarterly* magazines. Ayers was cited for his individualized, client-focused approach to his work as a financial advisor.

Manufacturing Definition Broadened by SJC

If you manufacture prototypes of a product, you can now define yourself as a manufacturer, thanks to a recent decision by the Massachusetts Supreme Judicial Court. As WPI Venture Forum sponsor Dennis Gorman of Fletcher, Tilton & Whipple, P.C. explained in a recent *Worcester Business Journal* article, companies undertaking research and development work can be exempt from certain state use taxes once they are considered manufacturers. The Massachusetts Department of Revenue (DOR) will accept a blueprint or computer disk as proof of manufacturing if they are necessary to produce the product that will be offered for sale. As the DOR will take this new definition on a case-by-case basis, it is advisable to consult an attorney before making any assumptions regarding a company’s R&D activities. ✓

Spotlight on Entrepreneurs

KO INSTRUMENTS



Paul Keleher

Product: Tests circuit breakers at wall outlet to ensure proper and safe operation without tools, third patent recently approved, designed by Robert Waite '65 for automated assembly. Beta product in use today. North American market projected to be 2-3 million professionals, 10 million tradespeople.

Seeking: \$250,000 to \$500,000 for commercialization, launch and to reach break-even

Email: [pakeleher\(at\)gmail.com](mailto:pakeleher(at)gmail.com)

Phone: 978.838.2457

Website: www.keleherelectrical.com

The WPI Venture Forum invites technology entrepreneurs seeking investors or potential partners to make a one-minute elevator pitch at monthly programs. Fill in the online form one day prior to the program and, if you meet the criteria, we will place it into a PowerPoint slide to be projected during your pitch. One pitch per business idea, per season. Please visit:

wpiventureforum.org/Programs/spotlight.html

February 2011 Meeting

CONTINUED FROM PAGE 5

Case Presentation:

WhizRx

Sriram Subramanian, co-founder and CEO of WhizRx, presented the case for his business. WhizRx was founded in 2009, and is based in Cambridge, Massachusetts. The company is developing a specific and proprietary information/analysis application for pharmaceutical companies and doctors. WhizRx has one very solid customer for which they provide services and product. They are working to expand their customer base in both areas.



Case presenter Sriram Subramanian

Subramanian shared the challenges of the WhizRx international offices, including regulatory burdens, proximity, and the need for expedient and adequate responses to questions and deadlines. Although a start-up company may be able to devote sufficient time to resolve such issues, it may become impossible to manage as the company grows.



Members of the audience had many questions for the case presenter and panelists.

Decisions will have to be made regarding which branches remain, and how the increasing complexity is handled with limited staff.

Subramanian's main concern was growing the business. "The first stage is market research, and we have done that thoroughly," he told the panel. "Each service area we explore is an experiment. We must see which hypothesis stands the test of time. We already have our first customer, and now we must learn how to grow clients." He concluded by asking, "with the multiple competencies we possess, how does a young company know which path to take?"

The panel, consisting of keynote speaker Ryan Moore, Laura B. Davis, Vice President of Global Sales and Marketing of Covidian, and Michael Papish, CEO and co-founder of MediaUnbound, responded to his concerns, primarily through questions.

The panel acknowledged the value of the thorough market research that WhizRx has amassed. They also inquired about the length of time it takes for WhizRx to access a potential client, the length of time it takes to provide the client with a trial of the application, and the length of time it would take for the client

to reap the benefits of the application.

With the market research WhizRx has, and its access to potential clients, WhizRx has to create a model that will present its product and services quickly and succinctly to professionals who have little time to spare during their long days. WhizRx must be able to demonstrate quickly how this application will be useful to the doctors and pharmaceutical companies. During the trial, the benefits must be clear and immediately obvious.

Of more immediate importance is the decision WhizRx has to make, does it want to invest its precious resources into the product area, or the services area? Once this is decided, the potential client list will be more focused. The audience, as well as the panel, cautioned WhizRx about some of the assumptions it has made based on the primary research. As one audience member noted, "Even though 80% of all doctors have smart phones, very few may know how to use them to their fullest advantage."

Darleen Flaig is the owner of Product Solutions International Inc, which produces proprietary consumer products in factories in more than 15 countries. She can be reached at [psiidf\(at\)gmail.com](mailto:psiidf(at)gmail.com). ✓



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NEXT PROGRAM: DIGITAL GAMING OPPORTUNITIES

Tuesday, March 8, 2011

WPI, WORCESTER
Campus Center Odeum

NETWORKING: 5:30 – 6:30 P.M.

MEETING: 6:30 – 8:30 P.M.

*WPI Venture Forum members
and students – Free
Non-members – \$30
WPI alumni and past case presenters – \$15*



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2011 CALENDAR OF EVENTS

Second Tuesday Monthly Programs

*WPI Campus Center Odeum
5:30-8:30 p.m.*

- MARCH 8** Digital Gaming Industry Opportunities
- APRIL 12** Clean Energy Partnerships
- MAY 10** Smart Moves for Funding
- JUNE 14** Five-Minute Pitch Contest

*Check the wpiventureforum.org
home page announcement box for
program listings throughout the year.*

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Interested in being a guest? Visit
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Guest section for a request form.

Networking Event



March 30
5:30-7 p.m.

**Networking at
Gateway Park, Worcester**

Hosted by Massachusetts Biomedical Initiatives and
Massachusetts Life Sciences Center

Pre-registration required