

THIS MONTH'S MEETING

**TUESDAY,
 MAY 11, 2010**

WPI, WORCESTER
Campus Center Odeum

NETWORKING: 5:30 – 6:30 P.M.

MEETING: 6:30 – 8:30 P.M.

ADMISSION:

*Free – \$125 members & students
 \$30 – general public
 \$15 – WPI alumni*

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contents

Will Robots Rule the Earth?.....2
Navigating New European Patent Rules.....3
A Look at April 2010's Meeting4
Calendar of Events.....6
Community News6
Spotlight on Entrepreneurs.....7

The WPI Venture Forum is a program of the Collaborative for Entrepreneurship & Innovation at Worcester Polytechnic Institute



Robotics: Making Life Easier

Opportunities abound to improve healthcare outcomes and reduce costs through medical robotics and automation, according to Martin Sklar, President and CEO of Automated Medical Instruments, Inc.. Drawing on his experience in researching medical markets and developing numerous automation systems, he will discuss market opportunities and new technologies for medical robotics at the WPI Venture Forum's May 11 meeting.



MARTIN SKLAR
*President & CEO
 Automated Medical Instruments, Inc.*

The first president of Medical Development Group (MDG) and one of its co-founders in 2001, Sklar currently serves on the MDG Board and chairs its new Entrepreneur SIG. In 2002, together with MDG colleagues, he co-founded AlvaMed, LLC, a quality and regulatory consulting company, and in 2006 cofounded Medical Development Partners, Inc. a business strategy and development consulting company.

Sklar has more than 25 years of successful experience in business development, project

management, invention, design/development engineering, analysis, quality, regulatory, and manufacturing engineering, including roll-out of various medical products. Earlier commercial experience includes work with Corning Glass Works, Dade Behring, Hewlett Packard, Johnson & Johnson, Millipore Corporation, Orion Research, and Visualization Technology, Inc. (now part of GE Medical). His more recent work has included development of micro technologies for drug delivery and pain management devices.

Case Presentation:

Neuron Robotics

Neuron Robotics was founded in 2008 by Bob Breznak '09 and Kevin Harrington '08. While students at Worcester Polytechnic Institute, they had independently encountered critical problems in their senior projects — a lack of a unified system for robotics development. With fellow student Alex Camilo '09, they developed an open source, programmable and inter-operable platform to integrate processing, actuators and sensors, thereby lowering the costs of entry into robotics development to more affordable levels.

The Neuron Robotics Prototyping System is designed to let developers focus on what they

Kalenian Award Winner

The 2010 winner of the Kalenian Award for innovative ideas or commercial product development will be announced at the May 11 WPI Venture Forum meeting. The winner, or group of winners, will receive an 18-month, \$25,000 grant, plus \$5,000 of in-kind legal services from Wolf Greenfield.

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100 INSTITUTE ROAD, WORCESTER, MA 01609
Gina M. Betti, Administrative Director
508.831.5075 | ventureforum[at]wpi.edu

A LETTER FROM A CHAIR

Will Robots Rule the Earth?

Most of us have a Hollywood-inspired view of what robots and robotics actually can accomplish. Robots and cockroaches will inherit the earth – at least to the creators of the movie “WALL•E.” This hopeful tale of the earth’s near-demise gave us robots in love. I count myself among those who think of robots as a combination of the movie characters in “Terminator,” “Bionicle,” and that television classic, “Lost in Space.”

On May 11, however, we all have the chance to learn about the reality of today’s robots, robotics and the business opportunities they represent in the medical field. The real question may be, will robots offer the solution to health care’s cost control woes?

It’s especially appropriate for the WPI Venture Forum to host a discussion on robotics, as the local community is quite involved in this arena. A WPI alumnus founded the FIRST robotics competition, and a WPI team recently won the \$500,000 grand prize in a NASA-sponsored lunar excavation robotics contest held in California (*come see it for yourself, see box at right*). Additionally, WPI has just announced a new PhD program in robotics engineering to begin this fall, making it the first school in the country to offer all three degrees – a bachelor’s, master’s and doctorate – in this field.

As chair of the WPI Venture Forum Program Committee, I get to see firsthand the process of identifying and encouraging local business people and entrepreneurs to tell their



Paul O. Danis, PhD

stories and receive constructive criticism from panels of experts. Program committee members find that it is indeed rewarding to reach out to startup CEOs and seasoned venture capitalists to invite them to participate in our meetings. We meet some very interesting and successful people along the way, as we work closely with great

colleagues on the committee.

Creating a thoughtful and educational program each month is not always a simple process, but we enjoy working together. We are always looking for people with good ideas that want to join our merry band. If you are interested, please send me an email to paul.danis(at)eastwoodsconsulting.com.

If you would like to expand your network, learn from others’ experiences, or become familiar with novel technology, the WPI Venture Forum is the place to be. I look forward to seeing you at our May 11 meeting.

Sincerely,

Paul O. Danis, PhD

Chair, Program Committee

Founder and Principal, Eastwoods Consulting

**Ask the Experts:
See Moonraker 2.0
at May Meeting**

WPI team members will answer questions about their grand prize-winning robot, 5:30-6:30 p.m.

Navigating the New European Patent Office Rules

Decision makers in innovative businesses know that obtaining patents can assist in attracting investments, protecting market share, and enabling licensing of their technology. In a global marketplace, local businesses with an interest in foreign markets are increasingly filing and obtaining approval of patent applications overseas, including in Europe.

Just like the U.S. Patent and Trademark Office, the European Patent Office (EPO) has begun experiencing a backlog in patent applications needing to be examined. In an effort to reduce this backlog, the EPO has implemented a number of changes in patent practice effective April 1, 2010.

The overall effect of these changes is to make European patent prosecution more compact, requiring patent applicants to make early decisions about what subject matter is important to pursue in Europe, and to pursue separate inventions in separate patent applications.

Business leaders who wish to have an edge in the European market should give careful consideration to the effect of the new rules on their European patent strategy.

Restrictions on Divisional Applications

Previously an applicant could string together European patent applications over a period of many years as a chain of applications off of a first application, by filing what was known as a divisional application. Under the new rules, it is now necessary to file all voluntary divisional applications relatively early in prosecution, within just two years from the first Office Action issued in the first European application that is filed in a given patent family.

Under transitional provisions, the two-year term is extended so that it does not expire before October 1, 2010. This means that

October 1, 2010 is the due date for filing any and all divisional applications in European patent families having a first action prior to October 1, 2008.

Single General Inventive Concept

Another change to the European rules prohibits the amendment of claims from including material that was not the subject of the initial search and which does not form a "single general inventive concept" with the original group of claims. Such claims must be filed in divisional applications. Taken together with the first rule change, this new rule adds pressure to an applicant to file as many European divisional applications as are necessary early in prosecution to protect subject matter that the applicant wishes to claim.

Limits on Independent Claims

A further rule change requires applicants in most situations to have only one independent claim per category in a given European application; for example, only one independent system claim, one independent method claim and one independent use claim. Applicants may need to file divisional applications where more than one independent claim of each type is needed. Existing rules on double patenting should be considered where divisional applications are filed.

Early Reply to Objections Raised in International Stage

Significantly, the new rules require applicants to reply early during European prosecution to objections raised in search reports. In particular, where an applicant filed an international application under the Patent Cooperation Treaty (PCT) and in which the EPO has acted as the International Searching Authority, the applicant has only one month to reply to a communication by the EPO regarding objections raised during the inter-

by

KEITH J. WOOD, ESQ.
Hamilton Brook Smith Reynolds

HAMILTON
BROOK SMITH
REYNOLDS
Intellectual Property Law

national stage. Because of this rule, applicants who use the EPO as the International Searching Authority should consider evaluating any objections raised during the international stage as early as possible. Also, where there are multiple claims of the same category, the PCT communication may be limited to the first, so the claims to be examined in the primary application should be presented first. Others may have to be filed in divisional applications.

Claims Fees Previously Increased

In addition to the new rule changes, the EPO had already increased official fees that are based on the number of claims in the application, setting the fees at an additional €200 per claim over 15 claims, and an additional €500 per claim over 50 claims. This fee increase provides a further incentive to applicants to make prosecution compact in Europe, focusing each application on key features of an inventive concept.

Consider Strategy in Light of New Rules

The new European rule changes are complex and have many features in addition to those discussed above. Because of the need to consider strategies carefully together with

CONTINUED ON PAGE 7

A LOOK AT THE APRIL 2010 MEETING

Don't Give up the Goods: Non-Equity

by

TODD JEWETT, ESQ.



Bill Edelman (left) with John Hession

Financing is always a challenging subject, especially when considering how to obtain funds without handing over a piece of the company. On April 13, the WPI Venture Forum welcomed a panel of four experts to discuss options for non-equity financing. Introduced by WPI Venture Forum Chair Mitch Sanders, the panel included:

- **John Hession**, founder and managing partner of the Boston office of Cooley Godward Kronish LLP and a member of the Venture Capital Financings and Emerging Companies practice groups;
- **Bill Edelman**, a medical device industry executive and chairman of the board of PolyTouch Medical Ltd, a leading developer of hernia mesh placement technologies and Stimatix GI which develops ostomy products;
- **Natalie Rudolph, PhD**, founder of Rudolph Biomedical Consulting, which provides consulting services to biomedical companies and research institutions in order to identify government grant funding opportunities;

• **Luis Miguel Barros**, senior vice president of investments and industry development for the Massachusetts Life Sciences Center (MLSC), Massachusetts' ten-year, \$1 billion life sciences initiative signed into law in 2008.

After a brief welcome by co-moderator and part-time chief financial officer Mort Rosenberg, Hession and Edelman tag-teamed to explain how strategic alliances can create alternatives to traditional financing by helping partners leverage resources to achieve mutually desirable business goals. Such alliances may help a company leverage strategic assets such as intellectual property, technical knowledge, sales force and distribution networks, without turning to dilutive sources of capital.

Likening a strategic alliance to a marriage, Hession explained the importance of pre-nuptials: establishing clear objectives at the outset and understanding what value your company brings to a potential partnership. Hession described the ideal partner as one who was unaware of their alliance's potential value, thus allowing an entrepreneur to identify and capitalize on the opportunity.

Hession and Edelman were followed by Natalie Rudolph, who shared key insights on how small businesses can tap into the more than \$2.1 billion available through Small Business Innovative Research (SBIR) programs administered by the federal government. According to Rudolph, SBIR funding is generally available for high-risk, innovative ideas with commercial potential. SBIR grants do not require repayment, and true to the evening's theme, federal agencies making the grants do not take a percentage of the grantee's equity.

Rudolph reported that to be eligible, a company must be an organized business with no more than 500 employees, and at least 51 percent owned by individuals who are US citizens. The company must also have its own "brick and mortar" facilities. Rudolph noted that the two largest SBIR programs are administered through the Department of Defense and National Institute of Health.

Following Rudolph's presentation, co-moderator Jerry Shapiro of Fem-Medical, LLC introduced Luis Barros of the MLSC.

Financing Opportunities



Natalie Rudolph



Luis Barros



The topic of financing generated many audience questions.

Barros began by noting the strong impact MLSC funding has already had on central Massachusetts, including \$90 million for the Albert Sherman Center Project at the University of Massachusetts Medical School, and \$6.6 million in grant funds to Worcester Polytechnic Institute to support the development of Gateway Park, its biomedical research facility.

The MLSC has several non-equity funding programs, including the Life Sciences Accelerator Program, that provide financing to

promising early-stage companies. Under the Accelerator Program, funds take the form of a five-year unsecured loan with a 10 percent interest rate, payable upon a financing event of at least \$5 million. Applicants must have raised less than \$5 million in equity financing to be eligible. The program is designed to reduce the risk of financing vehicles that are pre-series A and post-seed financing.

The MLSC also administers the Small Business Matching Grant Program, which

CONTINUED ON PAGE 7

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Community News

MLSC Joins BPC Sponsors

The prize is growing larger for the November 2010 WPI Venture Forum Business Plan Contest with the addition of the Massachusetts Life Sciences Center (MLSC) as a new \$5,000 Platinum Sponsor. It joins ECI Biotech, Mirick O'Connell, and the Bioengineering Institute at Worcester Polytechnic Institute as one of the lead sponsors for the 17th annual Business Plan Contest, which will be held November 9, 2010.

"We are honored to have the MLSC as a new sponsor for this year's Business Plan Contest," said Mitch Sanders '88, PhD '92, WPI Venture Forum Executive Board Chair.

The WPI Venture Forum's Business Plan Contest was developed to honor and reward established or start-up technology companies in the Northeast that provide innovative products and services. Final presentations will be made at the November 9 WPI Venture Forum meeting.

WPI Business Dean Appointed

In a first for WPI, an academic dean has been appointed as part of the Management Department's elevation into a business school, which includes the Collaborative for Entrepreneurship & Innovation, home of the WPI Venture Forum. Mark P. Rice, PhD, will come to WPI this summer from Babson College, where he is currently the Murata Dean of the F.W. Olin Graduate School of Business and the Frederic C. Hamilton Professor for Free Enterprise. Widely recognized as a scholar of technology innovation and entrepreneurship, Rice has had significant experience in business incubation. He was previously part of the leadership team at Rensselaer Polytechnic Institute's School of Management and Technology.

Rice succeeds Professor McRae Banks, who has served as head of the Department of Management for 15 years. √



2010 CALENDAR OF EVENTS

Second Tuesday Monthly Programs

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

- MAY 11** Robotics: Making Life Easier
- JUNE 8** Five-Minute Pitch Contest
- SEPT. 14** New Program Year Kick-off
- OCT. 12** Program to be announced
- NOV. 9** Annual Business Plan Contest

WPI Venture Forum Radio Programs

WTAG 580 AM/94.9 FM
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Networking Events

Pre-registration required

- JUNE 3** Massachusetts Biomedical Initiatives, Biotech Three, Worcester.

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

Life Science/Biotechnology Networking Event

**June 3 at Massachusetts Biomedical Initiatives
One Innovation Drive, Biotech Three, Worcester, Mass.**

5:30 p.m. registration

5:30 - 7 p.m. welcome, laboratory tours and networking

Massachusetts Biomedical Initiatives (MBI) promotes the growth of start-up biomedical companies by providing cost-effective, high quality laboratory space and support services through its incubator facilities in Worcester. After opening remarks from Kevin O'Sullivan, President and CEO, tour several laboratories and enjoy networking with food and refreshments.

Please register in advance at wpiventureforum.org/mbi.html

Website: massbiomed.org

Directions: massbiomed.org/contact.htm

(click on the 1 Innovation Drive link above the Google Map to see the Biotech Three directions)

Parking is across the street from the building.

Robotics: Making Life Easier

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want to do without needing to work from the ground up. Its goal is to give anyone with a robotic-related idea the ability to realize it in as little time as possible.

Presenter Breznak will be asking the panel of experts how to find the right people to support their company's growth, how to reach their potential customers, and when to outsource. √

A Look at the April 2010 Meeting

CONTINUED FROM PAGE 5

provides matching support to companies that have already received Phase I or Phase II SBIR or small business technology grants. Funds are capped at \$500,000 per company. Barros also mentioned the MLSC's \$25 million in tax incentives and 2010 internship program, both with potential to benefit small businesses.

During the question and answer session, attendees were given the opportunity to quiz the experts. One attendee asked for the best approach to obtain the all-important initial round of non-equity financing. Hession and Edelman suggested finding customers to fund portions of a project who in return could be given discounts or preferred functionality, in addition to using convertible debt or other financial instruments that do not require sacrificing equity.

Asked about the secret to landing DOD funds, Rudolph suggested utilizing both formal and informal routes, such as directly contacting DOD program managers to determine what they are looking for.

Finally, Hession advised entrepreneurs seeking a strategic alliance in lieu of non-equity financing to consider the following:



Co-moderators Mort Rosenberg (left) and Jerry Shapiro

- have a strong sense of why you are doing what you are doing;
- plan for unanticipated consequences; and
- force decision-makers in both organizations to come together both early and often.

Todd Jewett is an associate with the firm Mirick, O'Connell, DeMallie & Lougee, LLP, in Worcester, MA where his practice focuses on business law. He is also member of the WPI Venture Forum's Program Committee. He can be reached at [tjewett\(at\)mirickoconnell.com](mailto:tjewett(at)mirickoconnell.com). ✓

New Patent Rules

CONTINUED FROM PAGE 3

European patent attorneys, and given the effective date of April 1, 2010, we encourage those who have patent applications on file in Europe, or who plan to file there, to seek advice without delay on how to best navigate these rule changes to the applicant's advantage.

Keith J. Wood counsels clients in all areas of intellectual property law. Keith's services include patent preparation and prosecution, including counseling clients in obtaining patent protection both in the U.S. and abroad. Keith can be reached at [keith.wood\(at\)hbbsr.com](mailto:keith.wood(at)hbbsr.com). ✓

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Visit wpiventureforum.org/Programs/radio.html and click on the Guest Form link at the bottom of the page.

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Spotlight on Entrepreneurs

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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:

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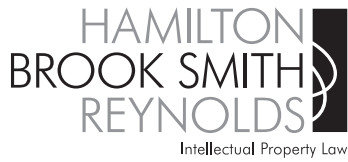
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