

connect

THE WEEKLY NEWSLETTER OF UCSD CONNECT

TUESDAY

OCTOBER 12, 1998

ISSUE 8-38

[HTTP://WWW.CONNECT.ORG/CONNECT](http://www.connect.org/connect)

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WITH LEAP WIRELESS, SAN DIEGO'S LINKABIT FAMILY TREE ADDS A NEW BRANCH

By Andrea Moser, amoser@ucsd.edu

The newest public company in San Diego is also the newest branch on the Linkabit family tree. Leap Wireless International completed its spin-off from QUALCOMM on September 23, 1998. The spin-off was designed to enhance shareholder value for both companies and allow each to focus on its core competencies. "This is a wonderful addition for San Diego," said Dan Pegg, Senior Vice President, Public Affairs. "Just look at lineage, the same leadership qualities that built QUALCOMM are here, especially with Harvey White as our chairman and CEO."

Leap Wireless is a wireless carrier that deploys Code Division Multiple Access (CDMA) networks in domestic and international markets. Leap currently has six ventures in five countries. Leap owns, manages, supports and operates joint venture and equity interests in Pegaso Telecommunications, S.A. de C.V. (Mexico), Metyosyav Limited and Orrengrove Investments Limited (Russia), ChileSat Telefonía Personal, S.A. (Chile), Chase Telecommunications, Inc. (United States), and Oz Phone Pty. Ltd. (Australia). There are prospects for adding a seventh venture in the Ukraine.

With global wireless telecommunications markets rapidly expanding with new spectrum auctions and decreased

government regulation, Leap Wireless is forming strong alliances to capture emerging opportunities. For each of its ventures where it holds a major position, Leap Wireless is actively involved in the management of the networks, combining its management team's experience in international markets with its wireless technical expertise in CDMA. The company's strategy is driven by four basic principles:

Teledensity is critical to economic growth – the high correlation between teledensity and GDP per capita suggests that the telecommunications industry will continue to receive government and consumer support, even when resources are limited.

Wireless is the best way to rapidly increase teledensity – it is generally cheaper and faster to install and more economic to maintain than the traditional wire-based systems.

CDMA is the technology of choice – it costs less to design, deploy and operate and offers the greatest advantages in spectral efficiency and enhanced consumer quality. It is also the wireless technology with the fastest subscriber growth rate.

The wireless industry is changing and wireless carriers are following a new

path – split-ups and sell-offs are now the norm as governments around the world seek to finance increased teledensity. What is emerging in place of monopolies and conglomerates are wireless consortia – spectrum owners, financial investors, and companies such as Leap Wireless that are capable of providing leadership, deployment and marketing management and operational oversight.

Leap Wireless was spun-off from QUALCOMM with \$230 million for investment opportunities and \$35 million for working capital. That is what made it possible for the company to spin-off in the current volatile financial market. For additional sources of funding, Leap Wireless will go to the financial markets in the countries where it is operating. "The company expects to grow to about 100 people in the corporate office, says Pegg, "but the real employment will be in the field."

While experts were brought in to help choose the name of the new company, it is easy to understand what "Leap" represents. The countries where Leap will operate are leapfrogging technology and will never build or operate the expensive wire-based systems the mature markets operate.

FROM THE DIRECTOR

By William W. Otterson (botterson@ucsd.edu)

THE FOLLOWING COMMENTARY IS THE OPINION OF THE WRITER, AND DOES NOT NECESSARILY REFLECT THE OPINION OF UCSD CONNECT AND/OR OUR SPONSORS AND MEMBERS.

A Presentation to the President

We were delighted to be asked to give a presentation on UCSD CONNECT to UC President Richard Atkinson and his President's Board on Research and Economic Development last week. Dean Mary Walshok led off with an explanation of the interdisciplinary nature of CONNECT's activities and how they run across all boundaries in the university. Our role was to explain how effective the CONNECT model has become. From reports received after the meeting, we must have had some success, because the general comment was, "we had no idea how successful the UCSD CONNECT program had become."

The Board includes both university and industry people: Industry representatives included Sandy Robertson, Ed Penhoet, Chiron chair and now dean of the Public Health at UC Berkeley, Pam Marrone, president of AgraQuest, Inc. Jim Lemke, founder of Spin Physics, John Major, corporate executive vice president of Qualcomm. UC members included the President, C. Judson King, senior vice president, academic affairs; Wayne Kennedy, senior vice president, business & finance; Bruce Darling, vice president, university and external relations; Robert Shelton, vice provost for research; Susanne Huttner, director, The President's Cooperative Research and Economic Development Program, and others – the leadership of the University of California!

So, with this august group, what did we do? We assumed our new role of "official photographer" and took pictures, so you, dear readers, would know what all these good people look like. (But you have to access our UCSD CONNECT website to see them.)

The Q&A portion focussed on expansion of the UCSD CONNECT program (or as Dr. Atkinson calls it, the UC CONNECT program. It was recognized by all that San Diego is a "special situation", with abundant "civic pride" and a solid infrastructure to support a CONNECT. On the other hand, it wasn't always that way...

So, dear readers, what do you think?

The Bay Area, comprising nine counties, is home to seven million people, has a gross domestic product exceeding \$200 billion annually (San Diego county is \$80 billion), supports 4,000 high-tech companies employing more than 200,000 people, including 500 bioscience and medical device companies, and is home to UC Berkeley, UCSF, UC Santa Cruz, UC Davis, Stanford, U of Santa Clara and San Jose State University. Is there a need for a UC CONNECT there? (E-mail us your response- botterson@ucsd.edu)... Or, Orange, Los Angeles and Santa Barbara Counties. Is there a need for a UC CONNECT there? With the demise of UCI's Accelerate program, is a replacement needed? This area includes UCLA, UC Irvine, UC Santa Barbara, UC Riverside, CalTech, USC - all great research universities!

Potential SPAWAR Suppliers

Booz-Allen & Hamilton is hosting a breakfast on Friday, November 6, for UCSD CONNECT companies interested in partnering on future SPAWAR (Space & Naval Warfare Systems Command) program management and systems engineering/integration contracts. The breakfast meeting is scheduled from 7:30 - 9:30 a.m. at Booz-Allen's Mission Valley office, 1615 Murray Canyon Road, Suite 800. Please RSVP to Marsha Ark at 718-4105.

We Got the Engineering Recruiting Video Launched!

A project that got its inception two years ago made it to fruition Tuesday night at the inaugural showing! As Greg White, Software Industry Council chair and motivating force behind this video and CD-ROM said, "In 1997, a group of recruiters representing our high-tech community realized that we can't count on hiring from each other anymore. The San Diego Tech Force was founded to meet this recruiting challenge. Now 34 members strong, Tech Force companies recruit outside of the region and are putting the power of San Diego's technology community behind our recruiting efforts. The collaborative effort of the Tech Force companies shows the strength of San Diego. The group [has gone to Santa Clara, Dallas and Phoenix and will invade Las Vegas and Comdex next month."

According to Jean Center, head of Tech force, "the video that was premiered will help in the recruiting effort. It meets the goal of showing that the San Diego region has a lot more to offer young engineers than just the beaches, and it answers the unasked question as to what happens if the recruit's first job doesn't work out."

Greg continues, "In producing a world-class video, we were challenged with recruiting a world-class filmmaker and production company. We were fortunate to find Intelliscope films (who)...caught our vision and excitement."

The presentation was greeted with a standing ovation. To get copies of this video, send us an e-mail. We'll forward it to our sales agent. (botterson@ucsd.edu)

CONNECT's Corporate Partner Seminar

Two articles in the Union-Trib Saturday bode well for UCSD CONNECT's Biomedical Corporate Partnership forum, November 17, 18 & 19. The first, "Biotech stung by fund-raising slump", suggests that our local companies are having difficulty in this crazy equity market. The second, buried on page two, "Drug industry due to report strong quarter," is the best news for corporate partnership, because it says that BigPharma will have discretionary money to invest in promising technologies. If you are a biomedical company, we just might have one or two slots available. If you're a BigPharma, you'll want to get in on the "feeding frenzy". Call 619-534-8449.

Novartis to give \$50 million

According to the *San Francisco Chronicle*, 10/09/98, a \$50 million research alliance is nearing the final stage of negotiation between the University of California Berkeley and a unit of Swiss biotechnology giant Novartis.

The five-year deal promises to bring \$5 million a year in research grants to the Berkeley campus, mostly to faculty in the College of Natural Resources who specialize in unlocking the genetic secrets of agricultural products. Talks also envision expanded new laboratories on the Berkeley campus worth an additional \$25 million, that would provide laboratory space for three Novartis-affiliated researchers, who also would be adjunct members of the Berkeley faculty.

Most of the \$25 million in research grants would be funneled to plant and microbial gene researchers through a faculty-controlled committee that would evaluate proposals. In return, Novartis would get certain negotiating rights to develop the most promising scientific discoveries.

Steven Briggs, president of the Novartis agricultural-research institute, said talks "from the beginning" have focused on finding ways to collaborate without violating campus traditions. "What we're really doing is simply adding resources, more funding and more technology, so the faculty can do more work," he said. "We're in no way trying to change the mission of the university."

Our view is that, although we agree publicly-supported universities must conduct their affairs in an open and above-board fashion, there can be many advantages to the university to be able to affiliate with world-class scientists from outside the university. And there can be great value to graduate students who can learn what the commercial world expects from its employees. According to Gordon Rausser, dean of the College of Natural Resources, "It takes big teams – and corporate-size budgets – to decipher and compile the key genomic information. Without it, faculty members cannot keep pace at the frontiers of cutting-edge research." And as regards the adjunct professors, of course they would have to meet all the standard university requirements to gain faculty status.

A deal that can be a 'win-win' all around.

The Latest on H-1B Visas

Senator Tom Harkin, D-IA, put a hold on the H-1B bill late Friday. Apparently he believes there is no labor shortage (at least in Iowa), there are insufficient labor protections, he just saw the bill, and the Republicans wouldn't let him attach a campaign finance amendment to the bill. It doesn't look good.

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UPCOMING EVENTS...

UCSD CONNECT After-Work Mixer will be held at the Kiva Grill on **October 14** from 5:00 to 7:00 p.m. Discussions will take place informally about Athena program direction for next year and new opportunities for member participation. You are encouraged to bring a potential member with you. RSVP to Tanya Hincapie at 619-534-8410 or email: thincapie@ucsd.edu.

The SDRTA Brown Bag Lunch Seminar Series will be presenting "Small Business Financing Through Creative Supplier Relationships" on **Wednesday, October 14**. The speaker will be Jean Keyes of J.Keyes & Associates. For information call 619-615-1050.

The Graduate School of International Relations and Pacific Studies presents a town meeting featuring Mexico Senator Adolfo Aguilar Zinser, leader of democratic change and an outspoken critic of government corruption in Mexico, on **Thursday, October 15** from 7 to 9 p.m. at The Gardner Room, Robinson Complex.

The International Forum for Corporate Directors presents David A. Purcell, Chairman of the Board and CEO of ENCAD, speaking on "How to Successfully Retain Directors and Other War Stories," on **Thursday, October 15** starting at 5:30 p.m. at the La Jolla Marriott. For information or to register call 619-597-4718.

Inspired Arts is hosting an open house on **Thursday, October 15** from 3 p.m. to 9 p.m. in celebration of its renaissance and to witness the latest in Web site development and speak with industry experts. To be held at their office at 4225 Executive Square, Suite 1160 in La Jolla. For information call Liz Deakin of The Gable Group at 234-1300.

Association for Corporate Growth is hosting an informative panel discussion focusing on "The Millennium Meltdown: Is it real or a lot of Hype?" on **Tuesday, October 20** at the La Jolla Marriott from 7:30 to 9:00 a.m. The cost is \$35 per person or free to ACG member. Call Karen Gerry at 619-794-4915.

Sunrise at the Shores, coffee and conversation with leading entrepreneurs, will take place **Tuesday, October 20** from 7:30-9:30 a.m. at the Sea Lodge on La Jolla Shores Beach. Sponsored by the Foundation for Enterprise Development, Ernst & Young LLP and the Entrepreneur of the Year Institute. Cost is \$55 (\$45 for Foundation contributors/\$60 at the door) RSVP to 619-459-4662.

MIT Enterprise Forum presents "Building Technology Enterprises in the New Millennium", **Wednesday, October 21** from 5:30 to 8:00 p.m. at the La Jolla Marriott Hotel. For more information call 619-236-9400 or see their website at www.sddt.com/mitforum.

Baker & McKenzie and UCSD CONNECT will present a seminar on "Proprietary Information and the Limits of Employee Privacy in Today's Workplace" on **Thursday, October 22** from 7:30 a.m. - 9:00 a.m. at the UCSD Faculty Club. For more information call Rajka Hayden at 619-235-7799.

CalBioSummit '98 is scheduled for **Thursday, October 29**, at the San Diego Convention Center. The program theme is "Mapping the New Millennium." Keynote speaker will be futurist John Naisbitt, author of "Megatrends" and the forthcoming HIGH TECH/high touch. For more information call 888-454-3556.

Booz-Allen & Hamilton is hosts a breakfast on **Friday, November 6**, for San Diego's small high-tech companies interested in partnering on future SPAWAR program management and systems engineering/integration contracts. (SPAWAR, Navy's Space & Naval Warfare Systems Command.) The breakfast meeting is scheduled from 7:30 - 9:30 a.m. at Booz-Allen's Mission Valley office, 1615 Murray Canyon Road, Suite 800. Please RSVP to Marsha Ark at 718-4105.

IEA Annual Conference and Biotech Environmental and Safety Panel will be held at the Westin Hotel at Horton Plaza on **November 10**. Keynote speaker for the panel will be IDEC CEO Bill Rastetter.

California Healthcare Institute and KPMG Peat Marwick LLP present a luncheon: "California: The Biomedical Frontier - A Report on California's Biomedical Industry" on **Thursday, November 12** from 11:30 am to 1:30 pm at Beckman Coulter, Inc., Building A - Training Rooms 2-5, 4300 N. Harbor Blvd., Fullerton, CA. For information call 619-551-6677.

The World Trade Center San Diego hosts an Annual Awards Dinner "Global Access to the Americas" on **Thursday, November 19** at the House of Hospitality in Balboa Park at 5:30 p.m.

Baker & McKenzie and UCSD CONNECT present a seminar on "Proprietary Information and the Limits of Employee Privacy in Today's Workplace" on **Thursday, October 22** from 7:30 a.m. - 9:00 a.m. at the UCSD Faculty Club. For more information call Rajka Hayden at 619-235-7799.

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Negotiating Strategies and Tactics: Influencing Others for Successful Outcomes

Sheraton Grande Torrey Pines - 7:30pm to 9:30pm

Hear from leading executives and professionals who have negotiated hundreds of millions of dollars of partnerships, joint ventures and other kinds of business deals. Find out how to raise money, form strategic partnerships, enter into joint ventures, participate in mergers and acquisitions, hire new employees, work on a team, and ask your boss for a pay raise and promotion.

RSVP to Tanya Hincapie at 619-534-8410 or email: thincapie@ucsd.edu.

November 17 - 19, 1998

UCSD CONNECT Biotechnology/Biomedical Corporate Partnership Forum

See only the very latest cutting edge technology coming out of the leading emerging biomedical and biotechnology companies as well as some of California's distinguished research institutions. By focusing on only the newest and most exciting technological developments, UCSD CONNECT, provides an ideal opportunity for bringing together: leading edge biotechnology and biomedical companies, corporate representatives, venture capitalists and investment bankers, for the purpose of establishing new business partnerships. For more information phone: 619-534-6114 or E-mail: cquaranta@ucsd.edu or see our website: <http://www.connect.org>.

HEALTHCARE NEWS...

Agouron Pharmaceuticals, Inc. reported, at the 38th Interscience Conference on Antimicrobial Agents and Chemotherapy in San Diego, favorable results from preclinical studies of its compound AG7088 targeting human rhinovirus, the most frequent cause of the common cold. In addition they announced the initiation of a phase II clinical trial to evaluate the safety and efficacy of its anti-angiogenesis drug AG3340 in patients with age-related macular degeneration.

Creative BioMolecules, Inc. and The Miami Project to Cure Paralysis have established a two year collaboration to conduct research into new treatments for brain trauma, spinal cord injury and stroke. The research will focus on Creative BioMolecules' proprietary morphogenic proteins as potential therapies to enhance recovery following injury or damage to the brain or spinal cord.

Genetronics Biomedical Ltd. Announced a comprehensive Licensing and Supply Agreement involving Genetronics' proprietary drug delivery system for Electroporation Therapy treatment of cancer with Ethicon, Inc., a Johnson & Johnson Company.

La Jolla Pharmaceutical Co. announced discovering a novel chemistry for making peptides, for the treatment of antibody-mediated diseases, that may be more biologically active and stable than their conventional counterparts.

Ligand Pharmaceuticals announced the filing of a New Drug Submission with the Health Protection Branch of Canada for Panretin® gel 0.1% for the treatment of cutaneous lesions of patients with AIDS-related Kaposi's sarcoma (KS). If approved, the gel will be the first topical therapy in Canada for KS.

Quidel Corp. announced the availability of the CARDS® O.S.® Mono Test, a rapid qualitative detection test for infectious mononucleosis, for use in waived physician office labs. The test is simple and provides results in 5 minutes.

SIBIA Neurosciences, Inc. announced the recent issuance by the U.S. Patent and Trademark Office of four patents. One for possible future therapy for Alzheimer's disease and the other three for methods for screening compounds to identify drug candidates with potential for treating pain, dementia, anxiety, schizophrenia, depression and stroke.

HIGHTECH NEWS...

DIGIRAD Corp. has been awarded a patent for a Semiconductor Gamma-Ray Camera and Medical Imaging System. The technology covered by the patent includes semiconductor gamma ray detector modules that can be butted on all sides to form an essentially seamless imaging array of any size.

Overland Data has elected Peter Preuss, a veteran Southern California technology executive, to the company's Board of Directors replacing Joseph D. Rizzi who is retiring after serving since 1989. In addition, Overland announced being awarded its second Editor's Choice for the LoadXpress™ DLT autoloader from Imaging Magazine in their October issue. In the August issue, Overland won Editors' Choice for four of their other products.

QUALCOMM announced Eudora Email by Phone™, a new service that allows users to access their email via any touch-tone telephone by calling a toll-free number and through digital voice technology hear their email messages.

DIRECTOR... (CONTINUED)

Sidney Kimmel Cancer Center - Glitterati Assemble

The Glitterati were out in force on a cloudless Saturday night at the spectacular Del Mar estate of **Lucille and Ron Neeley**, to honor award winners for the **Sidney Kimmel Cancer Center**.

Larry Lucchino had just come from the Padre's third win to accept his Community Leadership Award. A non-Hodgkin's Lymphoma survivor himself for 14 years, he established a \$250,000 annual award for pediatric oncology.

Dr. Ivor Royston, president of the Center, presented the National Leadership Award to **Ellen Sigal**, for "great passion, commitment, hard work, resiliency and a sheer sense of purpose and vision. (She) has been this country's most powerful voice in our attempt to quadruple the public support of cancer research in the United States."

The third award, for excellence in research went to **Dr. Sidney Salmon**, director, **Arizona Cancer Center**. Dr. Salmon was unable to travel from Tucson for the event. As an almost 20-year patient of his, we were asked to accept on his behalf. Salmon is widely acknowledged as the world's authority on multiple myeloma, our disease. He has been recognized by **MD Anderson, Memorial Sloan Kettering** and his own board of directors, who recently named an important new wing in his honor. He has kept us alive for almost twenty years, and we have always known that we had the latest in technology, whether it be specific courses in chemotherapy or Interferon or Interferon with Prednisone (our current treatment). For us, he is the embodiment of the argument for getting treatment at a research-oriented facility.

Bill's Bits

Regent Peter Preuss was an invited lecturer at an UNESCO seminar on Higher Education in Paris, last week. Regarding faculty-industry relationship, he suggested that individual faculty should have their say. He said some faculty is comfortable with industry contacts and some are not. Those who are should be encouraged.

Craig Andrews, lawyer, Brobeck, Harrison, has been Honorary Danish Counsel for San Diego. As such, he can be the main point of contact with that Nordic country. Congrats, Craig.

Have you contacted **Carole Ekstrom** yet about the UCSD CONNECT Millenium directory? Advertising space is just about all spoken for, so, if you want to have a special page in it, call Teri Junker immediately (534-0596).

Nice story about you, **Joe Raguso**, in the October 5 issue of the *San Diego Business Journal*. Although only recently installed as the head of the **San Diego Regional Technology Alliance**, Joe has already "made waves" and is enhancing the region's capability of starting new businesses.

Don't miss the **American Electronics Association (AEA) Annual Awards** presentation luncheon Monday, Oct 19. Call (452-9288) for reservations.

Citing a study by the San Diego Air Pollution Control District that the 7,000 commuter vehicles registered in Mexico that cross into the U.S. daily account for up to 13% of the region's total vehicle air pollution, **Rep. Brian Bilbray** announced that the House unanimously passed his HR 8 The border Smog Reduction Act.

We note that based on additional tests, **DepoTech** resubmitted its lead compound, DepoCyt to the FDA for marketing approval.

It would seem that **CONNECT/Athena** women may have won more than their fair share of awards at the **San Diego Business Journal's** "Women Who Mean Business Awards" on Wednesday Oct 7:

ENVIRONMENT: **Mery Robinson, Executive VP**, U.S. Microbics

HIGH TECHNOLOGY: **Karen Klause**, CEO & President, **Digirad**

HUMAN RESOURCES: **Tamar Elkeles, Ph.D.**, Director, Learning Center, QUALCOMM

LAW: **Janice P. Brown**, Attorney, Seltzer Caplan Wilkins & McMahon

MARKETING: **Patti Lazard**, Business Develop. Manager, KPMG Peat Marwick

BIOTECHNOLOGY: **Gail K. Naughton, Ph.D.**, COO & President, Advanced Tissue Sciences