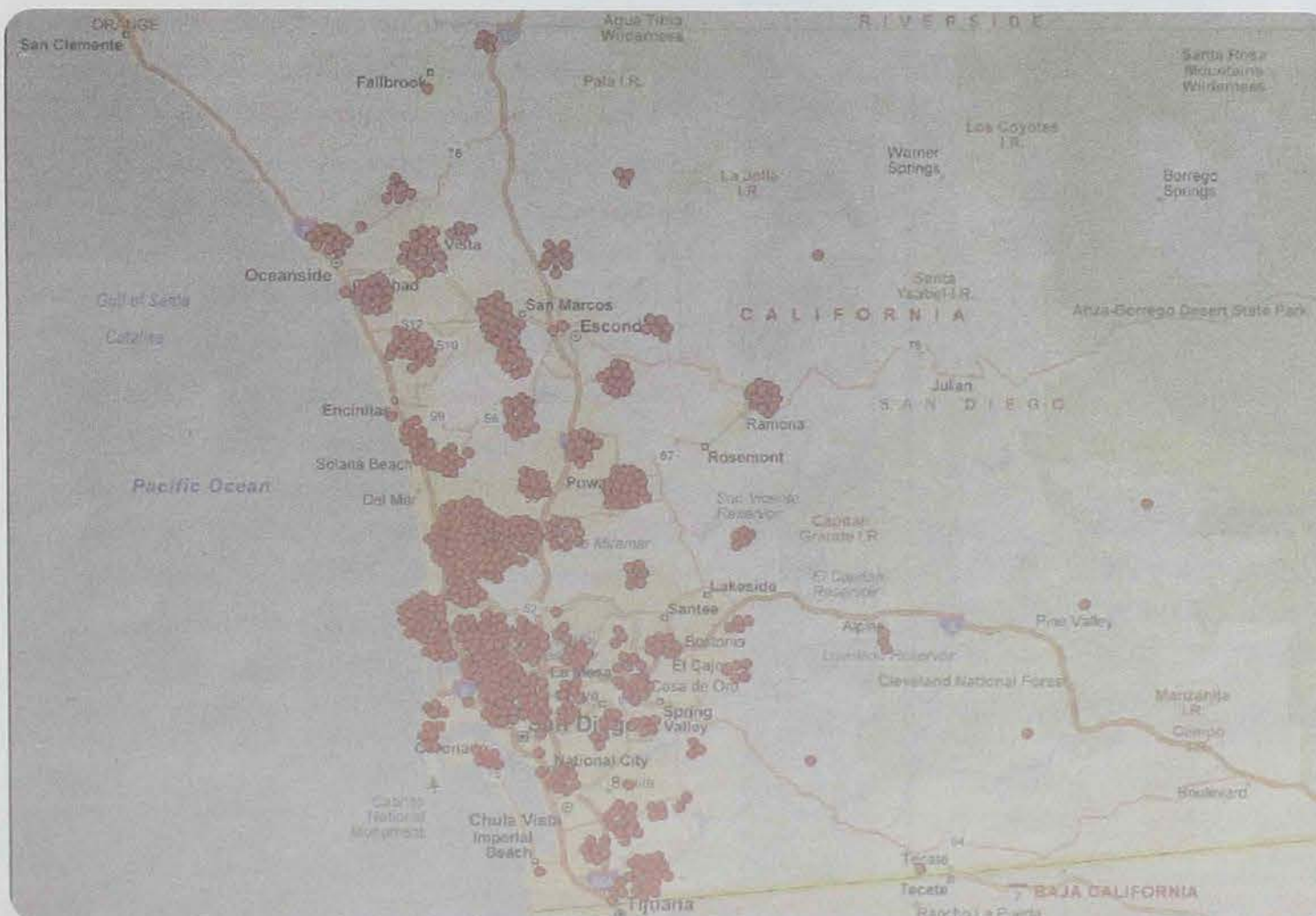


# CONNECT-dex

AN ADVERTISING SUPPLEMENT TO THE SAN DIEGO BUSINESS JOURNAL

Biomedical  
products  
2.3%  
Biotechnology  
Pharmaceutical  
14.5%

Communications  
45.2%



THE CITY OF SAN DIEGO  
CITY PLANNING &  
COMMUNITY INVESTMENT



San Diego  
Regional  
Economic  
Development  
Corporation



For more than two decades, CONNECT has fostered entrepreneurship in the San Diego region by assisting in the formation and acceleration of the most promising technology and life sciences businesses. San Diego's technology community has supported the work of CONNECT, recognizing that in today's global economy San Diego can only remain competitive through active efforts to link high-technology and life science entrepreneurs with the resources they need for success: technology, money, markets, management, partners and support services.

To quantify and continue to foster the economic health and growth of San Diego's high-technology and life sciences clusters, CONNECT, in partnership with the San Diego Institute for Policy Research and with the support of Roth Capital Partners, LLC, has created a new economic indicator called the CONNECT Index of Regional Innovation (CONNECT-dex).

The San Diego Institute for Policy Research is a non-partisan organization that formulates and promotes high-quality economic, policy and public-opinion research. The objective of this combined effort is to provide an accurate measure of the number of new start-ups created in San Diego County each quarter.

We are grateful for the support of Roth Capital Partners in underwriting this initiative. Roth shares our genuine commitment to coordinated action to quantify and support new startup activity. As a provider of the full spectrum of investment banking services for small- and micro-cap public companies for the past 23 years, Roth recognizes how crucial the innovation pipeline is to our region's economic health.

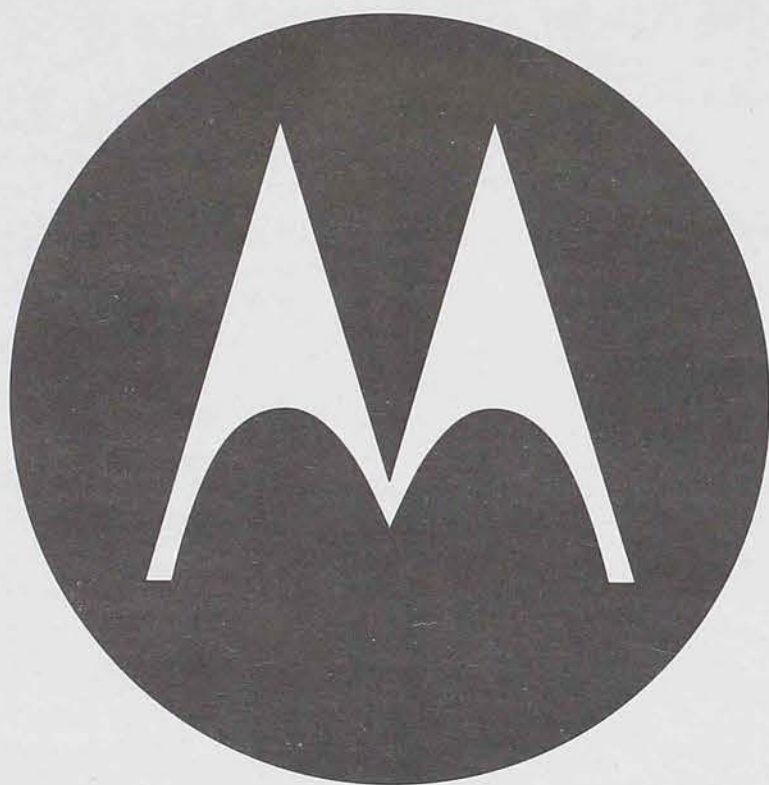
CONNECT-dex will be a valuable indicator of the vitality of San Diego's knowledge economy – a sector that promises to improve the quality of life for people around the world. It will enable CONNECT and our partner organizations to better represent the interests of startups and strengthen their role in the region's economic health. Most importantly, it will better equip the San Diego region to address the challenges faced by nascent ventures in doing business in the region.

Sincerely,



Steven Francis  
Chairman and Founder  
San Diego Institute for Policy Research

Duane J. Roth  
Chief Executive Officer  
CONNECT



### **MOTOROLA VENTURES**

MotorolaVentures@motorola.com  
809 11th Ave, Sunnyvale, CA 94089  
408-541-6546

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## **The Importance of CONNECT-dex**

CONNECT-dex is the first comprehensive look at one of the most important measures of economic strength in the San Diego technology-based innovation sector – new business creation. San Diego's economy has become increasingly more dependent on the high-value, high-wage jobs created by technology and life science firms, which allow the region to compete in the global economy. This unique index will provide the key measurement of the vitality of future economic output in terms of high-wage jobs and overall economic growth, and should help the community gain a better appreciation of the impact of its emerging businesses. The index also provides quantitative validation nationally that San Diego is one of the leading tech centers in the country.





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# About CONNECT

CONNECT is a nonprofit organization dedicated to creating and sustaining the growth of innovative technology and life science businesses in San Diego. Serving as a proven neutral broker, CONNECT directly addresses the critical business needs of companies ranging from startups to large public corporations as well as university and research entrepreneurs.

Originally founded by the University of California San Diego at the urging of the business community, CONNECT is widely regarded as the nation's most successful regional program linking high-technology and life science entrepreneurs with the resources they need for success: technology, money, markets, management, partners and support services.

CONNECT's services are tailored to meet the varying needs of San Diego entrepreneurs at all stages of their business life cycles and growth. Since its inception, CONNECT has assisted more than 1,200 technology companies. Its programs serve as a catalyst for the development and exchange of ideas, a forum to explore new business avenues and partnerships and an opportunity to network with peers.

CONNECT's success is directly attributable to the generous, unfailing support of its friends and supporters. Its multifaceted network of business and university resources form the platform for its award-winning programs and events. The active, hands-on participation by its premier partners, vendors and providers from the areas of high-technology, life sciences, law, accounting, investment banking, marketing and communications brings invaluable expertise. The business professionals and capital providers who serve as CONNECT management fellows and form its various committees round out CONNECT's circle of resources. The result is an energetic, resource-rich environment for honing ideas, pursuing personal growth and professional development and exploring innovative business opportunities.

CONNECT is entirely self-supporting. It is supported through membership dues, course fees, and corporate underwriting for specific programs.

For more information on CONNECT or its programs, please call (858) 964-1300 or visit [www.connect.org](http://www.connect.org).

## Bank Lends to Technology and Life Science Companies to Help Industry Achieve Goals

By Steven J. Stuckey

Comerica Bank's Technology and Life Sciences division is dedicated to helping San Diego's entrepreneurial and investment communities achieve their goals. Comerica Bank is one of the largest commercial banks in the country with more than \$55 billion in assets.

The Technology and Life Sciences division (TLS) is a specialty lending practice focused on technology and life science companies in every stage of the life cycle; from venture-backed startups to their large publicly-traded counterparts. The TLS division has more than a dozen offices throughout the country, conveniently located in all of the major centers of entrepreneurial activity.

For the past decade, the TLS division and its predecessors have been providing unique and creative financing solutions for San Diego's growing companies. This financing has taken many shapes, from more traditional working capital and equipment financing, to more creative and aggressive "venture debt" financing. Each loan is structured in consultation with the company's management and investors to be consistent with its strategic business plan and to be flexible enough to allow for the variances in that plan that young and rapidly growing companies inevitably experience.

Comerica's TLS division is first and foremost a good partner. Fundamentally, being a good partner requires the ability to recognize intangibles such as the experience, achievements and integrity of a company's management and investors, rather than a strict focus on traditional lending metrics. The use of debt in situations that have traditionally called for equity capital requires a close working relationship amongst TLS, a company's management and its investors. By working closely and cooperatively with a company, TLS is able to free up precious equity capital and allow the company to deploy that equity capital to more advantageous use, from completing a software product to moving a drug compound through FDA clinical trials. In each case, it is to the benefit of both the company's management and its investors, to accomplish more with less. Use of venture debt may allow a company's management to avoid dilution of its ownership interest, and allow its investors to achieve a higher

return on their invested capital.

San Diego is rich with extraordinary research and development resources and expertise, both in technology and in the life sciences. This relatively rare characteristic requires that a financial partner understand both the similarities and, more importantly, the fundamental differences in these industries. Comerica's TLS division has this expertise, with experienced lenders in both technology and life sciences. This expertise allows TLS the ability to recognize the unique challenges that each industry faces and to better customize the financing solutions that will be most advantageous for companies in each.

The TLS division is unique in the venture lending industry in several other ways as well. As TLS is part of one of the largest commercial banks in the country, TLS clients are able to tap into an extraordinarily wide range of products and services. These could range from routine functions such as setting up convenient and flexible cash management and online banking systems, to more arcane functions, such as setting up operating accounts overseas, issuing or accepting international letters of credit, or designing complex foreign exchange hedging strategies. All of these functions are handled in-house, avoiding the added cost and inconvenience often faced by customers in this industry. In addition, as a large commercial bank, Comerica Bank has the ability to scale up with young companies as they grow and begin to require larger and more traditional financing and products and services.

While TLS clients benefit from the resources of Comerica Bank, they also benefit from an entrepreneurial culture that mirrors that of its customers. The TLS division is staffed with seasoned professionals, ones that have weathered the same ups and downs that are faced by entrepreneurs and investors. Recognizing the rapidly changing environment that its clients compete in, the TLS division is able to be responsive and nimble in meeting their needs.

*Steven J. Stuckey is the senior vice president, regional managing director of technology and life sciences of Comerica Bank. For more information, please call (858) 509-2360.*



## Communications Provider Helps Businesses Succeed

*Submitted by Cox  
Business Services*

Serving customers around the country seems more and more like just around the bend. For Cox Business Services, the phrase, "A world of communications solutions for your local business," has fast become an everyday, in everyway reality for this facilities-based provider of advanced voice, data and video products and services.

Furthermore, Cox reaches out to more than 100,000 business customers from coast to coast (including those in the San Diego area) in fields ranging from health care and government to life sciences and a plethora of technology-related fields. Due to the continuing rise and overall diversity in Cox's customer base, the ability to provide a multitude of reliable communications products and corresponding services virtually anywhere and have the aptitude to support each of them while responding on the fly with a high degree of confidence has never been more crucial.

### Businesses Need Backbone If They Are to Make It in this Business

At its core of capability – the backbone – as a communications provider of significance in this ever-growing industry, is a self-owned and self-maintained IP network, comprised of thousands of miles of fiber-optic cable that is designed with self-healing, fault-tolerant SONET architecture. It is a necessary safeguard that only further underscores the continuing effort to keep communications running effectively and seamlessly, regardless of what unforeseen event might strike, down-pour or shake, rattle and roll through. So while a company can't control an act of God, the carelessness of others or even an entire office relocation that ultimately interrupts the flow of day-to-day business operations and revenue, it's reassuring to know that Cox's self-healing the company through the proverbial storm.

### Cox is Nationwide, Yet Nearby

Backing up every advanced service is Cox's local market presence here throughout the San Diego area, with customer care centers offering prompt, consistent and knowledgeable technical support staff who are there when a company needs them the most – 24/7/365. It's a partnership focused entirely on the business, the customer and the need to continually evolve a business, maintain its effectiveness and adapt to an ever-changing business climate.

### Adding Life And Breadth to Biomedical Research, Engineering and Beyond...

The success of biomedical research and engineering depends greatly on a seemingly innate ability to communicate effectively at all times to all colleagues in all places; sharing ideas and experiences with those hundreds or even thousands of miles away has to remain a constant.

Cox Business Services can provide voice, data and video solutions

within these fields, further narrowing the gap between borders or seas with such services as business-grade e-mail, Web hosting, WAN and VPN connectivity, transparent LAN, video-conferencing and much more.

### Cox Business Services: Doing The Business Community A Great Service

Whether a business is a Fortune 500 corporation with locations across the nation or a startup business looking for increasingly scalable options, businesses can count on Cox to pro-

vide a customized communications solution that is reliable, flexible and backed by customer service intent on making businesses the center focus – anytime and virtually anywhere.

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## Knobbe Martens Olson & Bear LLP

The Last Word in Intellectual Property



# CONNECT-dex

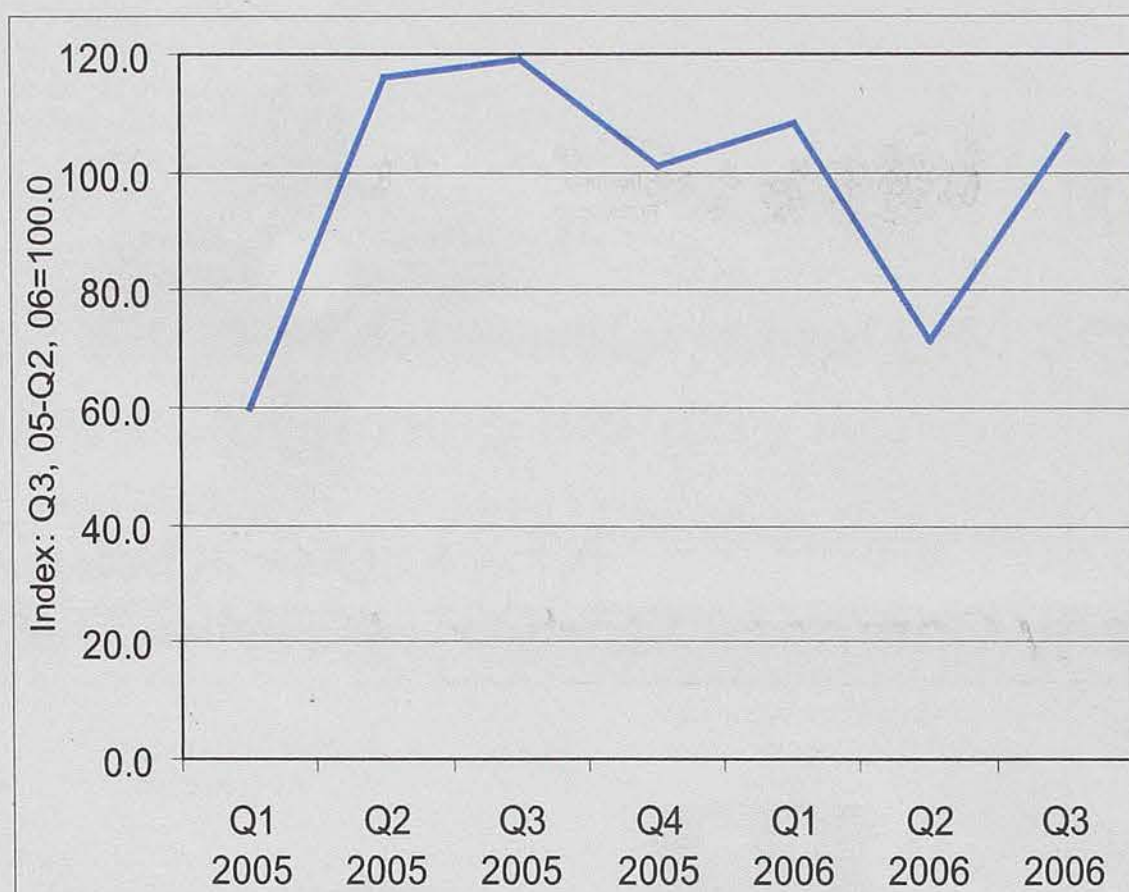
CONNECT-dex is the first comprehensive look at one of the most important measures of economic strength in the San Diego technology-based innovation sector - new business creation.

This unique index will provide the key measurement of the vitality of future economic output in terms of high-wage jobs and overall economic growth, and should help the community gain a better appreciation of the impact of its emerging businesses.

As such, CONNECT-dex will provide a useful research and reference tool. The index will be issued quarterly and presented as a line graph, as in the illustration below. The *San Diego Business Journal* will publish the index each quarter.

The graph is based on an index which is derived from the analysis of four quarters of data (Q3 2005 – Q2 2006) to establish a baseline or average of 100. The line indicates startups relative to the baseline. For example, in quarter 1 of 2005 the number of startups was approximately 60% of the baseline index. In quarter 3 of 2005 the number of startups was approximately 119% of the baseline index.

## The Index



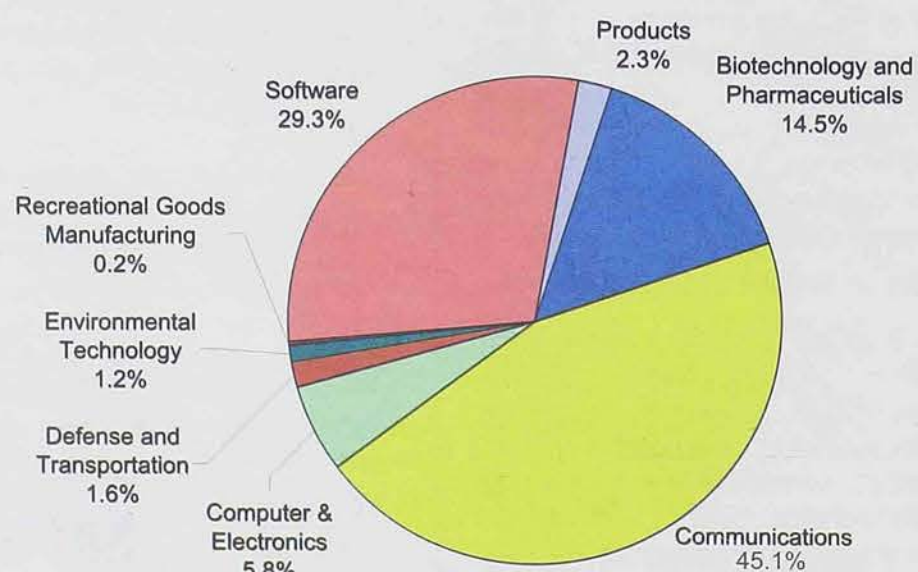
### CONNECT-dex Baseline Calculations

Qtr Year	Number of Firms	Index
Q1 2005	67	60.0
Q2 2005	130	116.3
Q3 2005	133	119.0
Q4 2005	113	101.1
Q1 2006	121	108.3
Q2 2006	80	71.6
Q3 2006	119	106.5
Base	112	100.0
(Index: Q3'05-Q2'06=100.0)		

### CONNECT-dex Sectors

- Research a Development in Physical, Engineering and Life Sciences
- Biomedical Products
- Biotechnology and Pharmaceuticals
- Communications (Telecommunications)
- Computers and Electronics
- Defense
- Environmental Technology
- Recreational Goods
- Software

### CONNECT-dex Sector Distribution



Percentage of technology company startups by industry sector for the CONNECT-dex baseline period, quarter 3, 2005 through quarter 2, 2006.



# Technology Company Startups: Baseline



# Technology Company Startups: Quarter 3, 2006





## Off Shore Patent Legal Services: Disadvantages and Difficulties Outweigh Cost Benefits

By Scott Harris

Legal costs for patent work have seen astronomical increases, leading many companies to seek lower-cost providers of patent work. A myriad of Indian patent outsourcing companies have been founded with a billing rate at one-tenth of the rates of a top tier U.S. firm.

There are, however, significant disadvantages and difficulties with Indian outsourcing.

Most companies do not realize that many technologies are actually "controlled technology" under Export Administration Regulations (EAR) set forth by the Department of Commerce's Industry and Security Branch, and other regulations administered by the State Department.

The EAR prohibits communicating information about controlled technology to virtually every country outside the United States, including

India, without an export license. The broad definition of controlled technology surprisingly covers almost all technology.

A controlled technology cannot be released for export in any form. Therefore, sending information about an electronic technology to India is likely a violation of the EAR. Even discussing it by phone with an Indian national may be an EAR violation. Intentional violations can include fines of up to \$10,000 and imprisonment of up to 10 years.

Also concerning is the effect on the remedies available from the final patent. A patent can be used to exclude others from making, using, selling or offering for sale the subject matter of the invention. Such an equitable remedy requires that the patentee has done everything legally. The failure to properly obtain an ex-

port license could be considered as being "unclean hands" on the part of the patentee, thereby limiting the remedies that one could obtain from the patent.

India has far fewer laws than the U.S. for protecting against theft of invention and has absolutely no laws governing data protection and data exclusivity. India's penal code does prohibit misappropriation and hacking, but the scope of protection is extremely narrow.

Under U.S. law, everyone in the chain of preparation of the patent application must satisfy their duty of disclosure to the U.S. patent office. Adding an Indian practitioner to this chain requires that an individual educates yet another person about materiality of prior art, and make sure that person satisfies their disclosure obligations.

What will a person actually

get if he or she overcomes these hurdles and finally gets a patent drafted in India? It is almost inevitable that the quality of the patent application would be less than the quality from a properly educated U.S. practitioner. U.S. practitioners are most familiar with the nuances of U.S. patent law and the American version of the English language.

By most estimates, however, preparation of patents in India can be done at a 90 percent discount. But individuals should watch out for the many problems that come along with this bargain price.

*Scott Harris is a principal in the San Diego office of Fish & Richardson P.C. His practice emphasizes patent prosecution and counseling, and he has extensive experience in patent strategy. For more information, please visit [www.fr.com](http://www.fr.com).*

## Tips To Protect Individuals from Counterfeiters: The Anti-Counterfeiting Toolkit

By Lynda Zadra-Symes,  
Nicholas Zovko and  
Michael Gray

Since counterfeiting is still one of the leading problems for most trademark owners, it is critical for every business owner to take a quick review of the tools available to ensure their trademarks and copyrights are protected appropriately.

One of the most important steps that companies can take is to educate consumers. Web sites, advertising campaigns and training seminars may serve to educate the public as to the problems of counterfeiting, such as poor-quality products, public health and safety concerns and links to terrorism and organized crime.

### Registration

The first step toward protecting intellectual property (IP) rights from counterfeiters' knock-off products is to register all protectable trademarks and copyrights. Trademarks are registered with the U.S. Patent and Trademark Office (PTO), while copyrights are registered with the U.S. Copyright Office.

Federally registering a trademark with the PTO confers the ability to record the mark with the U.S. Customs and Border Protection, a bureau of the Department of Homeland Security, in order to prevent the importation of infringing and coun-

terfeit goods. It is also important to register copyrights. In addition to conferring the ability to record one's copyright with U.S. Customs, registration is a prerequisite to filing a copyright infringement suit based on works of U.S. origin and can serve as *prima facie* evidence of the validity of the copyright.

### Recordation with Customs

U.S. Customs provides border security and monitors goods being imported to and exported from the United States, including devoting substantial resources to protecting owners of IP rights by targeting, detaining, seizing and forfeiting shipments of infringing goods. Recording registered intellectual property with U.S. Customs provides Customs with greater authority to detain and/or seize infringing imported goods.

In addition to recording their rights, companies should work closely with U.S. Customs to provide all information available regarding the suspected importation of counterfeit goods. If an IP owner obtains advance notice of a suspect counterfeit shipment, this information should immediately be given to Customs, as it can then issue a trade alert to all ports around the country in order to locate the suspect shipment upon its arrival

to a U.S. port.

### Verified Rights Owner Programs

Companies seeking to protect their intellectual property from the sale of counterfeit goods on online auction sites should participate in Verified Rights Owner (VeRO) programs—a quick and easy method to report infringing or potentially infringing auction listings. eBay was the first to develop a comprehensive VeRO program to assist businesses in protecting their IP rights.

### Report Internet Counterfeiting and Piracy

The Internet Crime Complaint Center (IC3) receives complaints regarding crimes that involve the Internet. IC3 is a partnership between the National White Collar Crime Center and the FBI.

In order to file a complaint with IC3, an individual or company that is the victim of Internet fraud, or a third-party representative such as an attorney, can fill out a Complaint Referral Form online. IC3 then reviews the complaint and refers the matter to the appropriate federal, state, local or international law enforcement or regulatory agency.

### Training Governmental Agencies

Companies may also work proac-

tively with and train law enforcement and governmental agencies, such as local law enforcement, the FBI, U.S. Customs and even the U.S. Postal Service and the Internal Revenue Service. Training can include educating the governmental agency about the IP owner's products and providing any known information regarding counterfeit products. To reduce the amount of counterfeit goods from entering U.S. ports, companies can also aggressively train law enforcement agencies at the major international shipping hubs to distinguish their genuine products from counterfeit products.

Beyond these practical preventative measures, trademark owners may choose to pursue civil or criminal actions to help bring counterfeiters to justice.

### Civil Actions

Under the Lanham Act, a plaintiff may bring a federal trademark infringement cause of action and/or a federal counterfeiting cause of action. A defendant will be liable for trademark infringement when it uses a counterfeit or copy of a registered mark in commerce and such use is likely to cause confusion or to deceive the public. In addition, a defendant may be held liable for trademark infringement when it counterfeits or copies a registered mark and

*Please turn to COUNTERFEIT on Page 9*



## Q&A with Harshul Sanghi, Managing Director of Motorola Ventures

*Submitted By Motorola*

### How has Motorola Ventures evolved since its founding in 1999?

Motorola Ventures maintains a legacy of focus on investment in innovative ideas, technologies and people. Today, Motorola Ventures is even more focused on investing in companies that have potential to help advance Motorola's vision of Seamless Mobility. Motorola Ventures had a highly active 2006 and has strong momentum in investment activity early in 2007.

### What is Motorola Ventures' strategic focus?

As the global, strategic investment arm of Motorola, its investment focus centers on three business units, Mobile Devices, Connected Home Solutions and Networks &

Enterprise. Its investments span the entire value chain to include chips and components, software and applications and hardware solutions. Motorola Ventures seeks companies with technologies and solutions that will enhance its offerings to customers, creating new dynamic end user experiences.

### How do West Coast startups figure in with Motorola Ventures plans?

West Coast startups are critical to Motorola Ventures. Approximately one-third of its current portfolio companies are located on the West Coast. San Diego, particularly, is a rising innovation hub. Motorola Ventures already has investments with innovative firms such as Entropic and Sequoia Communications and

continue to seek new opportunities in the area.

### Describe Motorola's San Diego presence.

Motorola's three business units all have offices in the San Diego area. In addition, Motorola Ventures' West Coast office, based in Silicon Valley, has expanded, helping increase pres-

ence in San Diego. It also is active in supporting the broader venture capital community through involvement in events such as the annual Mission Ventures conference.

*For more information, please call Juli Burda at (847) 538-5625 or visit [www.motorola.com/ventures](http://www.motorola.com/ventures).*

## COUNTERFEIT

*Continued from Page 8*

applies such counterfeits or copies to labels or packages to be used in commerce.

To establish federal trademark counterfeiting, a plaintiff must prove the elements necessary to find federal trademark infringement as well as the additional element that the defendant intentionally used the mark knowing that it was counterfeit or that defendant was willfully blind to such use.

If a defendant is shown to have committed federal trademark infringement and/or federal trademark counterfeiting, a variety of remedies are available to a plaintiff, including an injunction ordering the defendant to stop selling counterfeit goods and ordering the impounding of all goods that contain the defendant's infringing and counterfeit marks. In practice, a plaintiff would usually file an *ex parte* application for a temporary restraining order and an order to search and seize the counterfeit goods.

In addition to injunctive relief, a trademark owner is typically entitled to recover the following actual damages:

- The infringer's profits from the sale of the counterfeit goods.
- Any damages sustained by the mark owner.
- The costs of bringing the lawsuit.

In addition to the remedies available in trademark infringement actions, a plaintiff successfully asserting a trademark counterfeiting action can choose to collect statutory damages.

The statutory damages provision is a strong tool for trademark own-

ers since, in many cases, it is very difficult to prove a defendant's sales and profits in counterfeiting actions because counterfeiters often fail to keep accurate records of their illegitimate sales. In addition, alleged counterfeiters often fail to respond to lawsuit complaints entirely, resulting in default judgments and making proving actual damages exceedingly difficult.

### Criminal Actions

Some IP owners pursue criminal charges against counterfeiters. In many cases, criminal charges can deter counterfeiters more effectively than civil charges because the penalties for criminal infringement can be quite severe.

The penalties, for example, for criminal trademark infringement can include fines of up to \$2 million for an individual or up to \$5 million for a corporation. In addition, a defendant may be subject to imprisonment for up to 10 years.

### Conclusion

The sale of counterfeit goods has a detrimental effect on many companies. Accordingly, companies should strongly consider devoting the resources necessary to help protect their business against counterfeiters. Following the preventative steps outlined above and/or civil or criminal actions will help to protect their valuable intellectual property and, ultimately, their bottom line.

*Lynda Zadra-Symes and Nicholas Zovko is with Knobbe Martens Olson & Bear, and Michael Gray is formerly of Knobbe Martens Olson & Bear. For more information, please call (619) 235-8550 or visit [www.kmob.com](http://www.kmob.com)*

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## Companies in Technology and Life Science Industries Prosper in San Diego

Entrepreneurs looking to start a company in the technology and life science industries in San Diego are given the perfect recipe for success — CONNECT.

San Diego is home to thousands of technology and life science businesses, creating an ideal economic makeup in the region for fostering and

helping grow these types of companies.

In addition to a thriving local economy, CONNECT is also available to entrepreneurs to assist them at all stages of their business life cycles and growth.

Since the organization is dedicated to creating and sustaining the growth of innovative tech-

nology and life science businesses in San Diego, the CONNECT team knows first-hand what companies in these industries need to do to flourish.

Below are three profiles of local companies representative of San Diego's technology and life sciences sector, two of which have completed CONNECT's Springboard Program.

### RideGrid

By Mark Larson

Jeffrey Anderson, founder and president of RideGrid, got plenty of useful tips from CONNECT advisers over the past year.



Jeffrey Anderson

In November 2005, Anderson got the idea from a colleague needing a ride home that there should be a way for people to find commute rides with willing drivers going the same way. It was a twist on the vanpooling notion, and by July of last year Anderson formed his new company, RideGrid, to pro-

vide such a service.

He came to CONNECT last summer to learn how to sharpen his skills at pitching his business to attract investors or partners. He got coaching on how to take his idea, make it into a money making enterprise, and describe it convincingly as an investment worthy business.

He went through a dozen "one-on-ones" with CONNECT advisers and got panel reviews of his business plan and pitching.

"I bet I talked to 50 people directly through CONNECT," Anderson said. "I got a lot of conflicting information, which was interesting." But he was able to sort out all the advice and com-

ments, adding, "At the end of the day I had some clear answers."

And the networking that resulted from those 50 contacts multiplied to 200 others that helped him with his business.

He finished getting help from CONNECT in January. He spent more time there than he expected to, but it helped him get his business up and running.

Initially he pitched RideGrid as another green way to commute. But after getting advice, he changed course to focus on its business plan, which he realized needed a monetary incentive in order to match up riders and drivers.

He devised a system in which drivers and riders sign up in advance to participate. The company sells credits to riders, based on trip

mileage. Drivers are then paid for the amount of rider miles they have provided.

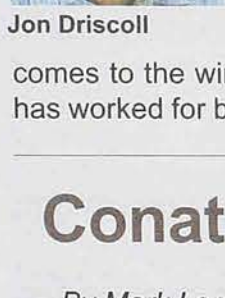
Anderson says the free help he got from CONNECT was a huge boost. "It's hard to say 'no' to free advice," he said. "Oddly enough, a lot of people don't use the service. In a complex business, you owe it to yourself to get as many points of view as possible. Then you can sort through the ideas."

He's starting the business in San Diego, his personal choice for a place to live, but is also targeting the traffic-challenged markets of Los Angeles, the San Francisco Bay Area, Seattle and Atlanta, to start. Now, Anderson is looking for corporate partners to use his services to better attract and retain employees faced with commuting.

### izenMobile

By Jaimy Lee

When Jon Driscoll and partners Steve Albers and Jeff Tange decided to launch a company called izenMobile, they looked to CONNECT first for guidance and support.



Jon Driscoll

Driscoll is no amateur when it comes to the wireless industry — he has worked for big names like Kyoc-

era, Motorola, Qualcomm and Nokia — but CONNECT's program for local life sciences or high-tech entrepreneurs "exceeded every expectation in terms of supplying knowledge," he said.

From providing talent to working with the company's designated Entrepreneur in Residence, CONNECT helped guide izenMobile through the somewhat murky process of starting a business. The company worked with Mike McKeever, a former chief executive officer for Qwest, during

the course of the Springboard program.

The company supplies custom Microsoft Windows mobile devices along with back office support to small- and medium-sized businesses, essentially providing total support.

"We're an alternative to standing in line at Verizon," Driscoll said. "Or a cost alternative to the Blackberry."

The goal of izenMobile is to provide a Zen-like wireless experience, hence the name, without the confusion and difficulty that often comes with using wireless technology, Driscoll added.

And what better city to start a company like izenMobile than the wireless capital?

In March, izenMobile launched to the San Diego market and is preparing to jump into the Phoenix, Las Vegas and Los Angeles markets in June. The partners eventually plan to take the business to a national level at the end of the year when they secure their funding.

The company's law firm initially encouraged izenMobile to work with CONNECT beginning this past October.

"We had a very warm reception," Driscoll said. "They guided us through the process. They prepared us for pitch presentations in order to build the business, even letting us use office space really helped us."

### Conatus Pharmaceuticals Inc.

By Mark Larson

Steve Mento, CEO and co-founder of San Diego-based Conatus Pharmaceuticals Inc., also has high praise for CONNECT, which helped him earlier in his career, and where he has volunteered to repay the favor as a startup business adviser.



Steve Mento

"It's a meeting place for young entrepreneurs to test out ideas and

get some feedback in a non-critical atmosphere," Mento said.

About 10 years ago at CONNECT, Mento gave presentations in business development forums where he pitched experts in the field looking for partnerships.

Since then he has advised entrepreneurs on how to sharpen their company business plan presentations before they do so in front of venture capitalists and CEOs checking them out.

"It's kind of like boot camp so they can learn how to refine their

business plan pitch," Mento said.

After giving advice, he says, it's hard to know how many pitches — helped by the feedback at CONNECT — have succeeded.

But Mento said he's found young entrepreneurs often have common early flaws in presenting their business plans to investors.

The typical missing ingredient in a pitch, he says, is the one investors care about the most.

"Entrepreneurs need to be sure that they tell investors how they're going to make money," Mento said. "They're often so enthusiastic about the product, they don't think it through that investors are there

to get a return on their investment. They need to think through how you can take that investment dollar and use that to make money."

He adds, "They have to give confidence to the investor, which is not easy if the entrepreneur has a scientific background."

Mento knows all about being a bioscience entrepreneur. He was part of the executive management team of Idun Pharmaceuticals, which founded Conatus in July 2005, after the sale of Idun to Pfizer. Conatus, which has built its portfolio in the areas of inflammation, liver disease, infectious and metabolic diseases, is privately held.





# YELLOW + BLUE

# = GREEN

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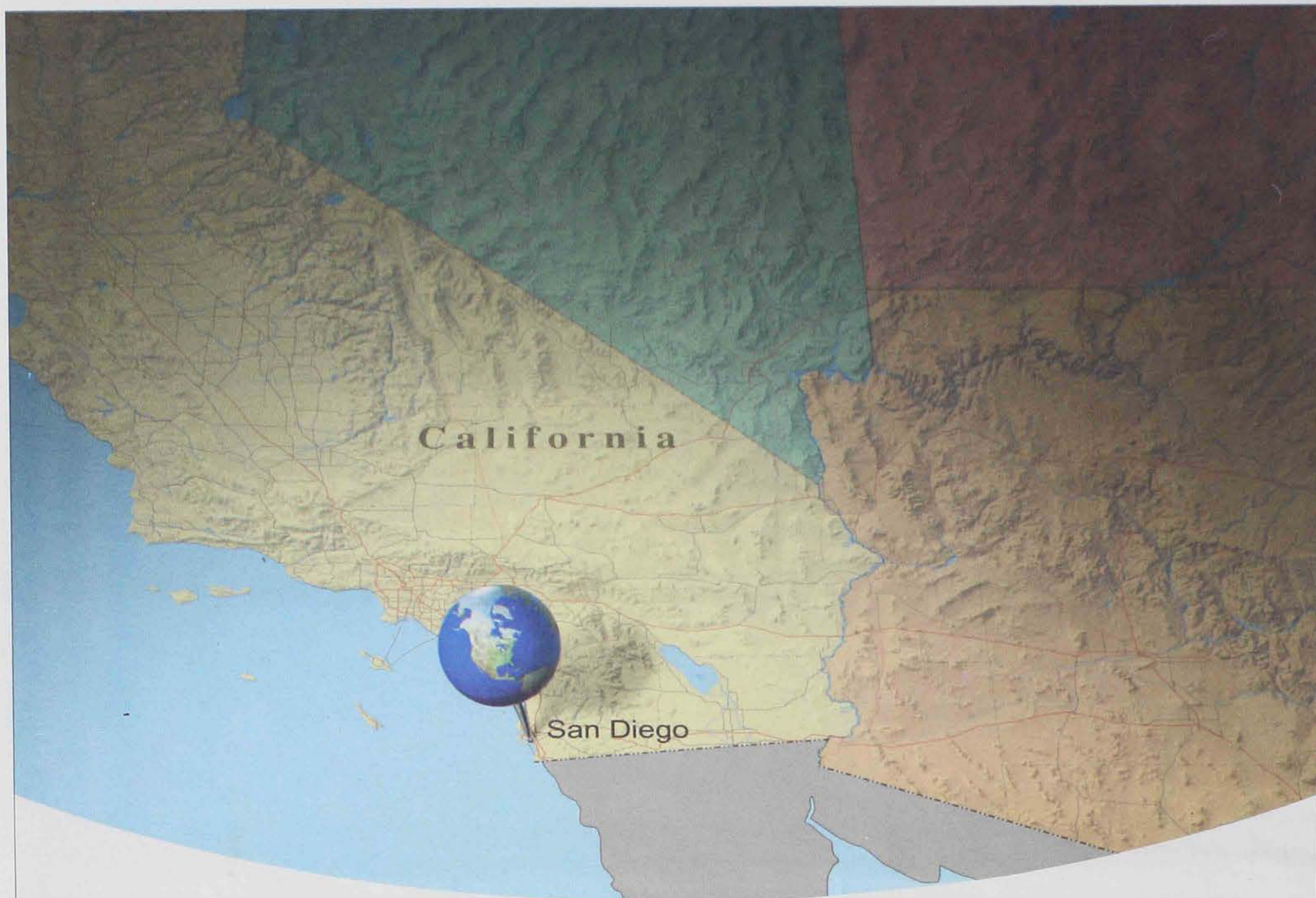
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