

UCSD CONNECT NEWSLETTER
TUESDAY, NOVEMBER 6, 2001
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1. Weekly News Bulletins
 - a. Homeland Security and SPAWAR Business Opportunities in San Diego

By Brian Blazevic

Since September 11, companies large and small are considering ways to get involved in national defense and homeland security. With SPAWAR headquarters and numerous military R&D and testing centers, San Diego is an ideal place to take advantage of defense and crisis and consequence management needs. While companies like SAIC and Titan are proficient with

Department of Defense contracts, many of San Diego's smaller high-tech and biotech firms are not.

SPAWAR, the military's information technology center, is committed to streamlining and modernizing the contracting process, which was highlighted at the "SPAWAR & Industry" conference from October 31 to November 2. The annual event was a collaboration between the National Defense Industrial Association (NDIA) and SPAWAR. Military and industry representatives from across the country learned about national defense opportunities and SPAWAR's future needs. The demand for communications technology was emphasized. Tom Ridge, as director of the Office of Homeland Security, will need to manage effective communications for the 43 agencies under him.

As part of SPAWAR's initiatives, the contracting process is now electronic end-to-end. Companies can submit proposals and monitor their status, review current RFPs, view bidder's lists, and learn about the evolving needs of SPAWAR -- all online. For a comprehensive list of business opportunities at SPAWAR San Diego and Charleston, South Carolina, visit <http://e-commerce.spawar.navy.mil>. The NDIA is another good source for learning about national defense needs (<http://www.ndia-sd.org>).

There are many opportunities for small businesses, too. Julie Krnc, director of SPAWAR's Small Business Office, said \$636 million worth of prime small business contracts were awarded in fiscal year 2001. Barb Welch, Director of Business Development for the San Diego office of AU-SYSTEM, and about 50 other small business representatives, came to learn about opportunities for their companies. Information about SPAWAR small business programs can be found at <http://enterprise.spawar.navy.mil/spawarpublicsite/programs/index.htm>, then click on SPAWAR Small Business Office.

There are other ways San Diego small businesses can take advantage of Department of Defense needs aside from direct military contracts. The Center for the Commercialization of Advanced Technology (CCAT) is a collaborative organization between industry, academia and the military to fast-track technology development for national defense. Companies can apply for a range of services, including commercial feasibility studies, market analysis, prototyping, testing and evaluation. CCAT is a joint effort between UCSD CONNECT, UCSD Jacobs School, SDSU Foundation and Entrepreneurial Management Center, and ORINCON Corporation International, with support from SPAWAR San Diego. Visit <http://www.ccatsandiego.org> for more information.

b. Filing Foreign Patent Applications Under the Patent Cooperation Treaty

By Richard C. Kim, Morrison & Foerster

With the globalization of commerce, U.S. companies, now more than ever, are seeking international patent protection for their proprietary technologies. Obtaining foreign patent rights, however, can be a lengthy and expensive endeavor. An applicant may spend \$30,000 or more in each desired country with no guarantee that a patent will ever be granted. But, with careful strategic planning, foreign patent protection can be obtained, enabling their holders to reap international rewards.

A common vehicle used to obtain international patent rights is the Patent Cooperation Treaty (PCT). The PCT is a worldwide international treaty that enables citizens of member countries to file one application, "an international PCT application," in their home patent offices and have the effective filing date of that application acknowledged as a filing date in as many member

countries that the applicant designates. By allowing the applicant to file a single international application, the applicant can defer national filing costs for multiple foreign applications while obtaining an early filing date in multiple countries. Another benefit of filing a PCT application is an international patentability search.

Since an "international patent" does not issue from a PCT application, a national application based on the PCT application must be filed with the patent office of each desired country within 20 months of the effective filing date of the PCT application. After such national applications are filed, whether any national patent rights are ultimately granted will depend on the laws and procedures of each country.

Obtaining an early filing date is extremely important and is often determinative of whether patent rights are ultimately granted. In many foreign countries, if the invention is commercialized or publicly disclosed, anywhere in the world, before an application for patent is filed, patent rights for that invention are forever precluded in those countries. In the United States, there is a one-year grace period beginning from either the date of first commercialization or public disclosure of an invention, whichever occurs first, during which time a patent application must be filed.

Filing a PCT application provides many advantages: an early filing date in multiple countries without actually submitting formal documents in each national patent office; an international search – to judge the level of the relevant prior art – before having to expend resources in each desired country; a delay in the expenditure of fees; an optional preliminary examination report as to patentability; and additional time to raise funds and evaluate financial, commercial and other considerations.

About the Author

Richard Kim is an associate in the San Diego office of Morrison & Foerster, specializing in patent and trademark prosecution, licensing and litigation.

2. High-Tech News

a. Palomar Technologies Offers New Services to Help Component Manufacturers

Palomar Technologies, a manufacturer of high-precision assembly systems for broadband communications, announced a new Process Support and Metrology Services package that offers expert assistance to emerging and established photonics and high frequency wireless manufacturers for process development, prototyping and pilot production. Palomar's optoelectronic component assembly facilities serve companies that need assistance with assembly process development and precision metrology. It enables skilled applications engineers using advanced automatic assembly equipment to rapidly prototype new designs and perform precision measurements on photonic and high-frequency wireless devices.

Instruments include a scanning electron microscope for precision measurements and elemental and chemical analysis. Wire pull testing for destructive and non-destructive testing, ball shear, and die shear testing are also available. Palomar's statistical analysis capabilities aid companies in research and development to help qualify a process and/or for pre-inspection and analysis of component variation. Metrology capabilities include precision measurement systems, topographical analysis of component surfaces (SEM analysis), and automatic height and bond deformation measurements. As part of the service, Palomar delivers a report detailing the process along with results and recommendations.

b. MarketSpring and TecBrand Form Cross-Atlantic High-Technology Marketing Alliance

MarketSpring of San Diego and Sunnyvale, Calif., and TecBrand of Dublin, Ireland, announced an alliance to provide integrated marketing services to high-technology companies entering international markets. Under the agreement, MarketSpring and TecBrand will integrate their respective high-technology marketing services, providing in-depth market entry capabilities to the U.S. and European technology sector. The alliance is particularly targeted at technology companies looking to outsource their international marketing programs and activities. For more information, visit <http://www.marketspring.com>.

c. BayLogics to Acquire WiseConnect

BayLogics Inc. of San Diego, a provider of application software for enterprise-level corporate real estate (CRE) management, has signed an agreement to acquire WiseConnect Inc., a provider of Web-based software for the design, construction and maintenance of distributed corporate locations. WiseConnect brings to BayLogics best practices for retail store construction and maintenance, key technologies, talented management, and strong customer partners including Jiffy Lube International, Ontario Store Fixtures and Lowe's Home Improvement. The corporate headquarters for the combined companies will be in San Diego, effective November 5, 2001.

3. Health Care Business

a. Advanced Tissue Sciences Awarded \$1.4 Million NIH Grant

Advanced Tissue Sciences Inc. has been awarded a \$1.4 million Small Business Innovation Research grant from the National Institutes of Health (NIH), National Institute of Arthritis and Musculoskeletal and Skin Diseases. The three-year grant is to develop tissue-engineered articular cartilage designed to better withstand the extreme forces experienced in the human body (in vivo). As part of the grant, Advanced Tissue Sciences intends to further develop its patented bioreactor technology to grow cartilage using stresses, including compression and fluid flow, that mimic the forces cartilage is naturally exposed to in the body.

b. GeneFormatics Raises \$22 Million

GeneFormatics, Inc., a company focused on structural proteomics, announced that it has raised \$22 million in its third round of financing. John Chiplin, Ph.D., Chief Executive Officer of GeneFormatics, said the financing supports the company's 'function first' approach to identifying and prioritizing protein targets against which pharmaceutical, agricultural, or industrial products can be developed.

In addition to its equity investment in this third financing round, Bruker AXS Inc., Bruker BioSpin Corporation, and Bruker Daltonics Inc. formed a strategic partnership with GeneFormatics in October to encompass the development of next-generation technologies for the experimental analysis of three-dimensional protein structures and the supply of various research infrastructure systems.

c. Cyternex Targets Alternative Form of DNA to Develop Cancer Therapeutics

San Diego-based Cyternex and its collaborators at the University of Arizona are targeting three-dimensional "knots" in DNA, called G-quadruplexes, to regulate the expression of c-myc, a well-known cancer gene. Recent study results were highlighted at a press briefing and will be presented at the American Association for Cancer Research (AACR), National Cancer Institute (NCI), European Organization for Research and Treatment of Cancer (EORTC) International Conference in Miami Beach, Fla.

Quadruplexes occur when DNA folds over upon itself, creating a four-stranded alternative form of DNA. Some of these structures have been linked to known cancer genes and cancer triggering processes and harbor active sites that could be the targets for new drugs. Cyternex's compounds appear to block tumor growth by stabilizing G-quadruplexes, thereby preventing expression of c-myc. Over-expression of the c-myc gene is seen in 60 percent of all cancers, including prostate, breast, melanoma, colorectal, pancreatic, Burkett's and non-Burkett's lymphoma, and myeloid leukemia.

4. The "Bits" *Space*

a. San Diego Ventureplex Announces Business Plan Contest

San Diego Ventureplex, a specialized resource provider for emerging enterprises, announced it will give away a six-month incubation program and a six-month capital advisory service program as prizes for its "Re-Invent Yourself" celebration. The two prizes include a furnished office for six months, a T1 line, telephone, conference room, access to workshops, and six months of free Capital Advisory Services.

The winners will be selected by a panel of local angels and venture capitalists, and will be announced on December 13. The contest is being held in association with Ventureplex's community partners, including the San Diego Regional Technology Alliance (SDRTA), The Townsend Agency and The T-Sector Magazine.

Entries must be received by November 30, and can be submitted to ken@ventureplex.com or via the Ventureplex Web site at <http://www.ventureplex.com>. Winners will be announced on December 13, 6:00 p.m., at the Ventureplex facility. Visit the Web site for additional information.

b. WDPnet Changes Name to ZeroPresence

WDPnet, Inc, a San Diego-based Internet media development firm, announced that it has changed its corporate name to ZeroPresence and launched a new web site <http://www.zeropresence.com>. The company also announced that it has entered into a partnership agreement with Verio, Inc., a provider of Internet bandwidth related services. The partnership will allow the ZeroPresence Network direct access to Verio's global Tier-1 network, according to Shea McQuestion, founder, president and chief executive officer of ZeroPresence.

5. Angel Angles

Angel Company of the Month: ChatSpace

Carlsbad is home to ChatSpace, a profitable, growing business that provides Internet chat products and services to the small and mid-sized business market. The company's software tools allow businesses and organizations to connect their people into virtual knowledge bases, with a

focus on financial services and education. The company serves over 1500 midsize and fortune 1000 customers worldwide.

Central to ChatSpace's operation are three product families: WebBoard Conferencing Server, a Web based forums/e-mail/chat tool designed for corporate workgroups and distance learning collaboration; ChatSpace Community Server, a real-time community engine that provides chat, instant messaging and threaded discussion services for public Internet and corporate portals; and the iInteract Support Server, a live customer support product that uses the Web via chat, Web tours and knowledge bases to provide online customer care at reduced costs compared with traditional phone or e-mail support.

Founded in 1998, the company is off to an excellent start, but Eric Olinger, President and CEO, wants more. He made a connection to angel investing while attending "How to Start and Finance Technology Companies," a class run collaboratively between UCSD CONNECT and the business department of UCSD Extension. Ken Olson, a member of the San Diego Tech Coast Angels (SD TCA), has taught the course for six years, and developed an interest in both ChatSpace and Olinger. "I made an investment in his company as a result of my getting to know him through the class," said Olson. In addition to being an early investor, he is the chairman of the board.

To date, ChatSpace has raised \$610,000 in angel funding, and the money will be used to take the company to the next level. Already known as a provider of quality Internet chat tools, the company is moving to become dominant in a contested market. In addition to money, "TCA has made introductions to potential vendors, customers and employees," said Olinger. "TCA provides information on related firms that may be of interest to us as partners or acquisitions." He said the process was very valuable, and it's equally important to have a champion within the TCA.

Editor's note: More information about ChatSpace is available at <http://www.chatspace.com>. Information about angel investing and the application process of the San Diego Tech Coast Angels is at <http://www.techcoastangels.com>.

6. Connections

a. Morrison & Foerster Adds Six Associates to San Diego Office

Morrison & Foerster announced that it has added six new associates to its San Diego office, bringing the total number of attorneys in the San Diego office to 39. Jose Patino and Davel Zaveri join as associates in the Litigation Department, David Radel in the Labor and Employment Law Department, Paul Konopka in the Business Department, David Devernoe in the Intellectual Property Practice Group, and Corey Salsberg in the Litigation Department. Morrison & Foerster has more than 1000 lawyers in 18 offices worldwide.

7. Who's Doing What

AT CONNECT

**** "UCSD CONNECT Entrepreneurs' Roundtable." Capital Providers, CEOs, Presidents, Founders and Members of the Board of high-tech companies are invited. Dan Plashkes, CEO of eAssist Global Solutions will present "Batten Down Your Business Model & Shift Your Course to Weather the Storm," discussing the challenges and opportunities facing young high-tech companies in today's shifting environment. Rob Hayes, managing partner of the law firm of

Hayes Simpson Greene will lead a panel discussion on "Managing Employment Issues in Turbulent Times." Entrepreneurs' Roundtable lead sponsor is Andersen. Thursday, Nov. 15, 12:00 to 2:00 p.m.; UCSD Faculty Club; Cost: \$35/CONNECT members, \$45/non-members; must register by Nov. 12; Register & Info: 858-534-8449 or jrausch@ucsd.edu.

**** "CONNECT Most Innovative New Product (MIP) Awards Luncheon." Finalists were announced October 17 in the annual competition that honors the vision, hard work, and perseverance that transform ideas and technologies into products. Winners will be announced at the MIP Awards Luncheon on Wednesday, December 5, from 10:00 a.m. – 2:00 p.m. at the Sheraton Harbor Island, and receive a letter of commendation from Governor Gray Davis. Between 700-1000 people are expected to attend one of the most prestigious business events in San Diego. Register & Info: <https://www.connect.org/programs/mip>.

At UCSD

**** "Bioterrorism: Responding to the Health Concerns of Our Community" is presented by UCSD Healthcare and The Helen Edison Lecture Series. Experts will discuss the emotional and physical health issues surrounding current bioterrorism events. Moderator: Suzanne Rico, Reporter/Anchor, NBC 7/39; panelists include Jim Dunford, M.D., Emergency Medicine and Medical Director, City of San Diego; Jake Jacoby, M.D., Emergency Medicine and UCSD Disaster Preparedness Officer, Commander, San Diego Disaster Medical Assistance Team (DMAT San Diego CA-4); and many more. Wednesday, Nov. 7, 6 to 7:30 p.m., The Institute of the Americas (UCSD La Jolla campus) Copley Auditorium; Reservations: 858-822-0510 or cmunk@ucsd.edu.

**** "Leading An Innovative Business" is presented by the UC Extension Leadership and Management Institute for Technology Professionals. Five prominent San Diego executives will cover diverse views on how to lead innovative businesses – Johan Brundell of Ericsson Business Innovation, John Dobak of INNERCOL, David Grooms of ShellCase, Stacy Lindsey of Triton Network Systems, and moderator Craig Wright of PDG Hightower. November 12, 6:00 to 9:00 p.m.; La Jolla Radisson Hotel; Cost: \$45 EPSE/LAMP Alumni, \$65/public; Register & Info: use section #033598, 858-882-8000, 858-882-8030 or esarker@ucsd.edu.

**** "Advanced .NET Technology Seminar" is presented by UCSD Extension Information Technologies and Engineering. Software Developers, Information Architects and IT Managers have an opportunity to get first-hand insights from recognized industry experts on developing applications and solutions with Microsoft's .NET technology. December 1, 8:30 a.m. to 5:30 p.m.; Sorrento Mesa Center, 6925 Lusk Blvd; Register: <http://www.extension.ucsd.edu/registration/enrollment.cfm> or 858-882-8028. Info: <http://www.webtech.extern.ucsd.edu/net>.

**** UCSD Extension offers courses and certificate programs in the biotech, clinical research/clinical trial, engineering and high-tech areas. The list below is only a small sample of available courses. Visit the listed Web sites for complete information.

UCSD Extension Upcoming Biotech Courses:

---- From Gene to Biological Function: An Overview: Nov. 8 & 15

---- Regulatory Compliance for Biologics and Drugs: Nov. 14-16

---- PharmacoGenomics: Nov 28

Info: <http://bioscience.ucsd.edu>, 858-451-7696 or ehickman@ucsd.edu. Enroll: 858-534-3400.

UCSD Extension Upcoming Clinical Research/Clinical Trial Course:

---- Pharmacoeconomics and Effectiveness Trials: Nov. 10 & 17

Info: <http://www.extension.ucsd.edu/healthcare> or dmstern@home.com. Enroll: 858-534-3400.

**** "UCSD Neurosciences Graduate Seminar Series 2001-2002" upcoming schedule:

---- The evolution of feeding behavior in nematodes: Nov. 20

---- Computations in the owl's auditory system: Nov. 27

Info & Locations: 858-534-7875. Open to general public.

AROUND TOWN

**** "The Killer Product: Building Barriers to Competition" is presented by the San Diego Regional Technology Alliance (RTA). RTA's signature TechNetEd Series is back by popular demand. The event features Roy Cosan of Johnson & Johnson Ventures, Killu Sanborn of Inglewood Ventures, Mich Hein of Epicyte, Brian Sagi of IdeaEdge Ventures, Cliff Numark of O'Melvcny Consulting, and more. November 14, 8:00 a.m. to 12:00 p.m.; San Diego Mission Valley Marriott, 8757 Rio San Diego Drive; Cost: \$35/pre-registered, \$45/at the door; Register & Info: <http://www.cstorcmanger.com/sdrta-166/Products.asp?ParentID=39674>.

**** "Current Trends in Manufacturing Facilities Requirements from the FDA Perspective" is presented by BIOCOSAN/san diego. Gain insight into what the FDA is looking for on facility audits including common mistakes, timelines for the approval process, approval elements for both biologics and medical device companies and how R&D can assist in the approval process. Panelists include Brenda Holman of the FDA, Brent Jacobs of Burnham Real Estate Services and Ken Baldwin of McGraw/Baldwin Architects. Thursday, November 15, 7:30 to 9:00 a.m.; Marriott La Jolla, 4240 La Jolla Village Drive; Cost: \$35 BIOCOSAN/san diego members, \$55/non-members; Register & Info: <http://www.biocom.org>.

**** "The Next Big Thing" is presented by The San Diego MIT Enterprise Forum. Key San Diego players from the following industries will talk about "the next big thing": Biotech/Pharmaceutical, Medical Device, Wireless/Telecomm, Computer Hardware/Software, Internet, and Energy. Wednesday, November 28, 5:00 to 8:00 p.m.; La Jolla Marriott; Cost: \$35.00/pre-registered (by 11/26), \$40.00 at the door; Register & Info: 619-236-9400, 858-677-2949 (fax), or <http://www.sdmitforum.org/events>.

**** "Building a Board To Help Guide Your Company Through Good Times & Bad" is presented by the Corporate Directors Forum. Gene Ray, President and CEO of the Titan Corporation, will moderate for panelists, which include Dave Rickey of AMCC, Eric Wenaas of Jaycor, and Harvey White of Leap. These leaders will share their expertise in the fundamentals of building effective boards and look at how boards of successful companies manage the challenges that occur during times of swift growth, economic downturn and sweeping global change. Thursday, November 29, 5:30 to 8:00 p.m.; Hyatt Regency La Jolla, 3777 La Jolla Village Drive; Cost: \$50; RSVP: by 11/26, 858-455-7930 or cdf@directorsforum.com. Info: <http://www.directorsforum.com>.

**** "Re-Invent Yourself" business plan contest is presented by San Diego Ventureplex. Prizes include a furnished office for six months, a T1 line, access to workshops, and six months of free Capital Advisory Services. Entries must be received by November 30, and can be submitted to ken@ventureplex.com or via the Ventureplex Web site at <http://www.ventureplex.com>. Winners will be announced December 13, 6:00 p.m., at the Ventureplex facility. Visit the Web site for additional information.

**** "Trial By Fire" is the 4th Annual Klinedinst, Flichman & McKillop, P.C. Employment Law Symposium. Topics of discussion include Wage and Hour Law: Exempt/Non-Exempt Distinctions, Defense to Sexual Harassment Claims, Pre-Employment Issues, and Managing a Lawsuit. Thursday, December 6, 9:00 a.m. to 4:00 p.m.; The Koll Center, 21st Floor, 501 West Broadway; Cost: \$85.00; Register & Info: 619-239-8131, 619-238-8707 (fax), or rae@kfmlaw.com.

**** "Celebration of Software 2001" is presented by the San Diego Software Industry Council (SDSIC). The keynote speaker will be Michael Robertson, founder of MP3.com. Then, SDSIC Awards will be presented in the following categories: Company of the Year, Startup of the Year, Product/Service of the Year, Leading Edge Company of the Year, Partner of the Year, and Friend of the Council. Thursday, Dec. 6, 5:30 to 8:00 p.m.; Hilton La Jolla Torrey Pines; Cost: \$42/members, \$50/non-members; must register by Dec. 4.; Register & Info: <http://www.sdsic.org/celebrate2001.htm>.

For a comprehensive listing of current events in the technology industry, visit the Southern California Technology Calendar at <http://www.socaltechcalendar.com>.

8. Send Us Your News By Friday

Editor: Brian Blazevic
Editor-At-Large: T George Harris

The CONNECT Newsletter is published weekly on Tuesdays by UCSD CONNECT. The deadline for submissions is 5:00 p.m. on Friday prior to Tuesday publication. CONNECT welcomes company information and program announcements; however, all information is printed at the discretion of UCSD CONNECT and only on a space available basis. The Newsletter does not print company earnings reports or job listings. Event announcements must include date, time, sponsoring organization, a brief description and a contact phone number.

SEND COMPANY NEWS AND ANNOUNCEMENTS to connect5@ucsd.edu.

9. Subscribe & Unsubscribe

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REPORT YOUR SUBSCRIPTION PROBLEMS to connectnews@ucsd.edu.

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