



# WESTCHESTER COUNTY BUSINESS JOURNAL

ALL ABOUT BUSINESS IN NEW YORK'S GOLDEN APPLE

Vol. 42, No. 50 Dec. 16, 2002

[WestchesterCountyBusinessJournal.com](http://WestchesterCountyBusinessJournal.com)

[Print Subscription](#)

[Home](#)

[Search Archives](#)

[Advertising](#)

[On the Agenda](#)

[Awards](#)

[Biz Web Directory](#)

[Business Lists](#)

[Contact Us](#)

[Newsmakers](#)

[News Tips](#)

[Real Estate](#)

## Panel: Capitalize on your ideas by protecting them

By [ALEX PHILIPPIDIS](#)

The sooner and more forcefully businesses and institutions protect their patents, research and other intellectual property (IP), the more likely they are to capitalize on it and generate more of it, a panel of professionals from institutions and venture capital firms agreed.

“Protecting our intellectual property attracts industry-sponsored research,” said Dr. Stella Manne, director of technology development for New York Medical College in Valhalla. The medical college has seen its research portfolio quadruple over the past decade, to \$40 million this year.

“In an academic institution, you have to get in before the researcher publishes, or goes to a meeting, or an abstract comes out on the Web. Whether the idea pans out or not, you’ve got to get your hands on it immediately.”

One way that institutions can take care of IP business immediately, Manne said, is by filing provisional patents that protect claims for a year. Fees range from \$80 to \$160, with larger institutions paying more.

Manne was among four panelists who discussed IP protection during “Intellectual Property and the Fundraising Process,” a panel discussion presented Dec. 4 by the Westchester Venture Group and The Westchester County Association Inc. at the Hilton Rye Town hotel in Rye Brook. Moderator for the panel was James Shalek of the law firm Proskauer Rose L.L.P.

### ‘BULLETPROOF’ IP

“There’s nothing more important than having bulletproof intellectual property protection in all our scenarios,” said Brian Kelly, vice president for the Cornell Research Foundation Inc. and director of technology development for Cornell University’s Weill Medical College. “Patents are fundamental to my business. Without intellectual property, we’d be out of business.”

Kelly said institutions like his license their patents by seeking an equity stake in their licensees — between 5 percent and 40 percent, as well as by charging royalties of 4 percent to 10 percent.

Manne said her institution charges licensees minimum annual payments as well as a sliding royalty scale whose percentage increases over time.

As important as IP is, a venture capitalist said, it alone won't guarantee financing to an early stage company that can't convince investors it has mastered business basics like gaining market share and keeping clients.

## VALUING PATENTS

Ramana Jampala, principal at Silicon Alley Seed Investors, said patents account for more than half the value of biotech and pharmaceutical companies, but a smaller share of the value of other technology businesses like those driven by electronics. For those companies, the value of patents hinges more on a company's ability to license their IP to partners, he said.

Emanuel Martinez, general managing partner of GreenHills Ventures L.L.C., a New York City venture capital firm, said his firm values patents based on a company's ability to commercialize them — as well as create barriers of entry to would-be rivals.

“What we look at is: What's the ability of your company to apply your technology into three or four different scenarios? Can the patent draw investment capital? What's the extent and how long are you protected? How large can your company get?”

---

**Published weekly by Westfair Communications, Inc.**

3 Gannett Drive | White Plains | New York | 10604  
914-694-3600 | Fax 914-694-3699

**Publisher,** [Dee DelBello](#)  
**Associate Publisher/Sales,** [Barbara Stewart Hanlon](#)

**EDITORIAL**  
**Editor-In-Chief,** [Alex Philippidis](#)  
**Managing Editor,** [B.Z. Khasru](#)  
**Fairfield County Editor,** [Dan Stempel](#)  
**Reporter,** [Elizabeth Hlotyak](#)  
**Records Reporter,** Andrew Scott  
**Research Coordinator,** [Mary Whiting](#)

**Writers,** Bob Chuvala, Elizabeth Hlotyak, Andy Hutchinson, Ed Klein, Dominic Mariani, Jeanine Prezioso

**ADVERTISING SALES**  
**Account Managers,** [Sarah Kurtzman](#), [Melanie Bliss](#), [Anne Jordan](#), [Nyna Weiss](#)

**Sales Coordinator,** [Linda Lux](#)  
**Graphic Designer,** [Liz Battista](#)

**PRODUCTION**  
**Design and Art Production,** [James Krombholz](#), [Betsy Wilkowski](#)  
**Web Production,** [Ross Weale](#)

**READER SERVICES**  
**Manager,** [Jeanette Cohen](#)  
**Sales Representative,** Marcia Rudy

---

--> the Westchester County Business Journal is a [GoWestchester.com](http://GoWestchester.com) online news affiliate <--