

October 2003

Volume 10,
Issue 03

The SBTDC is partially funded
by the
US Small Business Administration.

SBIR/STTR Newsletter

North Carolina SBTDC
NC's Information Resource for Small Business R&D Funding

Fall SBIR/STTR Events

Location	Date	Registration
Cullowhee Western Carolina University (one-on-one's only)	October 7	Contact: Jim DeCristo
Winston-Salem PTRP	November 4	http://www.sbtcd.org/sbir/ workshop/ No fee, but pre-registration is strongly suggested
Greensboro UNC-G	November 12	
Boone Appalachian State University	November 18	

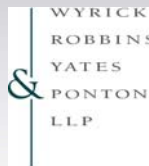
Third Annual

Southeastern SBIR/STTR Biotech Conference & Cost Accounting/Grants Management Session

December 3, 2003
NC Biotech Center - RTP, NC

Registration

Gold Sponsors



Silver Sponsors

First Citizens Bank
RBC Centura
Marci Whittaker Group

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SBIR/STTR Submission Deadlines

Agency / Program	Release	Closing
NIH Contracts	August 1, 2003	November 14, 2003
NIH Grants - SBIR/STTR	January 16, 2003	December 1, 2003
DOE - SBIR	October 7, 2003	January 6, 2004
DOC (NOAA) - SBIR	October 15, 2003	January 15, 2004
DoD - SBIR	October 1, 2003	January 15, 2004
DOC (NIST) - SBIR	October 31, 2003	January 15, 2004
NSF - SBIR/STTR	October 1, 2003	January 20, 2004
DoD - STTR	January 2, 2004	April 15, 2004
EPA - SBIR	March 24, 2004	May 28, 2004

DOE Announces SBIR Release Date

The DOE has announced that their SBIR and STTR solicitations will be released on Oct 7, 2003 with a due date of January 6, 2004. **NOTE:** New for FY2004 is a requirement by DOE that all grant applicants must provide a Dun and Bradstreet Data Universal Numbering System (DUNS) number when applying for a Federal grant or cooperative agreement on or after October 1, 2003. You can obtain a DUNS number free of charge by calling D&B toll free at 866.705.5711. Individuals who would personally receive a grant award apart from any business are exempt from this requirement.

The budget for DOE STTR doubles in FY 2004 to \$10 Million. DOE suggests the chances of winning are higher in STTR since the competition is less. DOE plans to make about 28 Phase I Awards this year in STTR and approximately 230 in SBIR. DOE strongly encourages you to apply in the next competition, which opens October 7, 2003. In STTR, you must collaborate with a non-profit research institution. DOE has also released information concerning their upcoming topic areas.

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Power Tip

"Investor's Don't Invest in Business Plans"

Check out this month's [featured link](#) to learn more about what investors look for.



Intellectual Property Issues

A Proposal Writing Tip

Gail & Jim Greenwood, Greenwood Consulting Group, Inc.

Let us start by stating that neither of us is a patent attorney. Never have been, never will be, never wanted to be. Therefore, our comments should not be misconstrued as legal advice.

We also will refer you to a previous article on how sensitive, confidential, or proprietary information in your SBIR/STTR proposal should be labeled — each agency has its requirements. That article is archived on our website at <http://g-jgreenwood.home.att.net>.

With that said, let's get down to business on "IP Issues" in SBIR/STTR proposals.

First, we want to make sure that you are not thrown off by the erroneous advice of some individuals/agencies who might tell you that patented technology cannot be the basis of an SBIR/STTR project. This blanket statement is wrong. In fact, technology being transferred from a federal lab or university may very well be patented by the discovering entity before it is transferred to you. We also know companies that like to patent the status of their technology and ideas before signing an SBIR/STTR contract or grant to help document the enhancements to the technology made during the SBIR/STTR project. Why? Because the Federal government has rights to a royalty-free license on only what they funded through SBIR/STTR and not to what existed before the SBIR/STTR project started.

Second, the cost of patenting or otherwise protecting your intellectual property is an unallowable cost for purposes of your SBIR/STTR budget and your company's indirect cost rate (or F&A cost rate, as some agencies call it), or its underlying G&A and/or overhead rates. There are a few exceptions to this rule: one is if the agency asks you to patent the IP, if you negotiate its inclusion before you sign the SBIR/STTR grant or contract, or if you are proposing a Phase 2 project to the Dept. of Energy. DOE is the only agency that explicitly states it will allow the cost of patenting the SBIR/STTR technology you are working on, up to \$10k, as a direct cost in a Phase 2 project. Therefore, in most cases, your patent filings will have to be paid out of pocket — meaning your personal or corporate pocket. Note this is yet another good reason to always ask for fee/profit as part of your SBIR/STTR budget — you can do whatever you want to with the fee/profit funds, including filing patents.

Third, the agencies want you to report any IP discovered during the course of your SBIR/STTR project. National Institutes of Health, for example, instructs SBIR/STTR companies to report the discovery to the granting NIH entity "promptly" and then report it to NIH's Extramural Invention Reporting and Technology Resources Branch of the Office of Policy for Extramural Research within another two months. One way to report is via the Interagency Edison Invention Reporting System; see <http://www.iedison.gov> for more information.

Fourth, do not confuse patents with commercialization. This is a common mistake that we see in proposals: the agency asks you to demonstrate your commitment to commercialization, and you respond by telling them how many patents you have. Many patents have no corresponding commercial product and service, and some products and services are not based on patented technology, so there is no one-to-one correspondence between patents and products/services. Sure, go ahead and mention any patents as part of your commercialization discussion, but you must go beyond that and convince the reviewer you have a plan reflecting intent, desire, commitment, and ability to commercialize the results of the SBIR/STTR project.

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North Carolina SBIR/STTR Success



Mi-Co wins Small Business Innovation Research award to determine best alternatives for clinical trial data collection

Mi-Co, the mobile data capture company, has been awarded a Small Business Innovation Research contract by the National Institute of Health's National Cancer Institute. Under the terms of the contract, Mi-Co will study alternative pen based methods for recording clinical trial data through digital writing processes. Alternatives will include Personal Digital Assistants, Tablet PCs and Anoto Functionality Digital Pens all powered by Mi-Co's Mi-Forms software platform. Radiologists from UNC's School of Medicine will evaluate the pen-based alternatives. Mi-Co expects to show that the best of the alternatives is more efficient, yields a smaller number of errors, gives better user satisfaction, and yields fewer help attempts than an existing web based Electronic Data Capture system.

***The SBTDC has
consistently provided
Mi-Co with a wide variety
of support....***

This project is important to the clinical trials field because most investigators enter data into paper patient files with a pen before filling a paper or electronic Case Report Form (CRF). Many investigators desire to realize the benefits of electronic data capture at the point of participant contact rather than having to record the data twice at the trial site. The goal is to identify which data collection methods will let the user stay mobile and not be confined to a PC, while increasing the accuracy of the data collected and reducing costs by eliminating having to rekey information into a computer system. In addition, some of the pen-based methods allow validations at the point of capture, reducing the number of time consuming and expensive queries.

As the mobile data capture company for digital writing solutions, Mi-Co has conducted extensive research and development efforts for electronic data capture, storage and communication—while focusing on the intuitive use of the “pen on paper” process. Mi-Co was formed in March 2000 when a software engineering business emphasizing handwriting capture, compression and forms capture combined with hardware expertise. Jim Clary and Greg Clary joined efforts to provide a software solution that combines digital processing with the convenience of a “pen on paper” interface.

As part of this process, the Small Business Technology Development Center has consistently provided Mi-Co with a wide variety of support including one-on-one counseling, SBIR workshops and conferences, and facilitating the opportunity for interns to work at Mi-Co and provide additional support. Mi-Co has also taken advantage of the SBTDC's proposal review program and SBIR workshops and conferences to become familiar with the SBIR process and to secure Mi-Co's SBIR contract with NCI/NIH.

Phase II plans are already in the works to implement better and faster ways to enable clinicians to collect, record, communicate and store data that is vital to clinical trials. Pen based software and hardware systems are the key to allowing researchers easier ways of collecting data, and Mi-Co's Mi-Forms technology provides an accurate, simple and intuitive way to integrate computers and humans. For many applications, the best interface is one that people have been using for centuries—pen on paper.

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Calendar of Events

Local & National

October 7, 2003

One-on-one sessions
Western Carolina University
Cullowhee, NC
Contact: [Jim DeCristo](#) to schedule
an appointment

October 27-30, 2003

National SBIR Fall Conference
Cleveland, Ohio
[Registration](#)

November 4, 2003

SBIR Workshop
Piedmont Triad Research Park
Winston-Salem, NC
[Registration](#)
Contact: [John Ujvari](#)

November 12, 2003

SBIR Workshop
UNC-Greensboro
Greensboro, NC
[Registration](#)
Contact: [John Ujvari](#)

November 18, 2003

SBIR Workshop
Appalachian State University
Boone, NC
[Registration](#)
Contact: [John Ujvari](#)

December 3, 2003

3rd Annual SBIR Biotechnology Conference
NC Biotechnology Center
RTP, NC
[Registration](#)
Contact: [John Ujvari](#)

April 26-29, 2004

National SBIR Spring Conference
Atlanta, GA
Contact: [Sharon DelaBarre](#)

Biotech Forums

NC Biotechnology Center



October 13th

Raising Venture Capital and Alternative Financing: Success Stories From Area CEOs

The Biotech Forum meets at the North Carolina Biotechnology Center during the months of September, October, December, February, March, and April.

[Contact](#)
[Registration](#)
[Directions](#)

[SBIR solicitation deadlines](#)

[SBIR sites of interest](#)

Continued from Page 3 **Intellectual Property Issues**

Fifth, we encourage you to consider that patents are only one way to protect your IP. Some SBIR/STTR applicants naively assume that filing a patent protects themselves from theft of their ideas. In fact, we see it more as a deal with the government where you agree to disclose your idea to anyone who wants to look it up in return for you having the right to go after anyone who attempts to rip off your ideas. Some companies have decided that trying to maintain their IP as “trade secrets” is a preferred way to go — as the term suggests, the strategy here is to keep anyone else from accessing the details of your IP. We also like the notion that the real advantage of a small firm is its ability to move rapidly — in other words, while an unscrupulous company is trying to steal your ideas, you continue to innovate so that what they are ripping off isn't the latest and greatest. The point here is that you may want to think through your IP protection strategy thoroughly rather than immediately deciding that pursuit of patents is the way to go.

Finally, recall that small companies competing in SBIR/STTR retain the legal rights to their IP that is funded by the Federal government, but that the Feds do retain some rights — notably to a “royalty-free license for Federal government use,” and to “encourage” you to pursue commercialization and to manufacture in the United States. There are limits on who gains access to your IP through that royalty-free license, but the impact of those limits can vary by project, whether you are talking hardware or software, and other factors. We encourage you to consider carefully the ramifications of the royalty-free license on your particular project and IP, and you should do so during (or even before) the Phase 1 project starts. It also is possible to lose IP rights if you fail to follow reporting requirements to which you agreed in the SBIR/STTR grant or contract. And take care in negotiating IP with any subcontractors/consultants so that you don't give away more rights than you are willing to give up.

So go forth, innovate under SBIR/STTR, but practice safe IP strategies.

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Continued from Page 4 **SBIR Success Story** **Mi-Co**

About Mi-Co

Mi-Co, the mobile data capture company, provides digital writing software to increase the efficiency and effectiveness of the entire process of capturing and using data. Mi-Co's end-to-end enterprise Mi-Forms Software System enables flexible forms design and the capture, handwriting verification and communication of forms based and free-form pen-on-paper data for enterprise users. Mi-Forms supports enterprise data capture using the Tablet PC, the Logitech io Digital Pen, Pocket PCs and signature capture devices. Mi-Co's vertical markets for Mi-Forms Software include healthcare and pharmaceuticals, public safety, and governmental services, and Mi-Co has a growing number of customers in these segments. Mi-Co is headquartered in Research Triangle Park, North Carolina. For more information on Mi-Co, visit www.mi-corporation.com.

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