

Spinoff firm aims to launch two startups in 2010

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A new firm focused on bringing technologies to the marketplace plans to develop a database of toners and inks that could help the Department of Homeland Security track counterfeit documents. It also is working on a way to extend the efficiency and life span of fuel cells.

Xactiv Inc. is aiming to launch two startups this year, its leaders say.

A spinoff of Torrey Pines Research Inc., Xactiv started operations Oct. 1, largely through work done with universities, including the University of Rochester, Cornell University and Syracuse University. Areas of research include energy and health care.

It is housed in the same space in Fairport as Torrey Pines, and the staff is made up of Torrey Pines workers.

Torrey Pines is based in California but has had a local office for the past 12 years. The firm has nine local employees and some 24 fellows, who are professional consultants with various areas of expertise.

Xactiv's goal is to move a technology from early-stage development to commercialization, making prototypes and spinning out new companies based in the region, said Steven Beyer, executive vice president and chief operating officer. That can be achieved by marrying the firm's capabilities with the universities' needs, he said.

The recession was a driving force in Torrey Pines' decision to create Xactiv. Beyer declined to disclose revenues but said Torrey Pines' business has been steady.

Printing technology, a key area for Torrey Pines, has not been evolving at the rate it had in the past, Beyer said.

"No one has come up with a new way to print that has taken the market by storm," he said. "We could have continued to cling to the old model, but we weren't going anywhere."

Xactiv has been seeking grants to develop fuel-cell technologies, lithium-ion batteries and diagnostic medical devices. In addition to the universities Xactiv is already working with, the firm is looking to partner with other academic institutions and businesses in new product development, Beyer said.

Xactiv has received some funding, including a \$500,000 grant from New York State Energy Research and Development Authority, on a fuel-cell development project it is working on with researchers at Cornell's department of materials science engineering.

The group is looking at the membrane electrode assembly that is the core of a fuel cell, which often fails or degrades. The researchers' goal is to create a process to eliminate or dramatically reduce such failures.

Another \$2,500 came from a Phase Zero grant awarded by High Technology of Rochester Inc. with funding from the Finger Lakes Wired initiative. That grant helps defray costs associated with a Small Business Innovation Research grant application to the Department of Defense for a new high-performance, rechargeable battery design.

Mark Senall, HTR president, said funding for area startups is necessary. He noted that while the Phase Zero grant program ended in late November, the agency offers other SBIR and grant-writing assistance. Over the past three years, HTR has helped clients raise some \$11 million in grants.

"We are looking at how we can do even more in this space, since it's such a big need," Senall said.

Xactiv is seeking additional federal and state grants, including funding to develop the database of toners and inks to help track counterfeit documents by matching properties such as ink-toner consistency, Beyer said.

Xactiv's work with UR is in areas such as fuel-cell research and medical devices.

Corine Farewell, director of UR's Office of Technology Transfer, said the university is working with Xactiv to market technologies. Xactiv works with her office and the inventors to bring development resources through grants, partnerships and hard work, she said.

She added that Xactiv brings a wealth of business knowledge and experience.

"They are straightforward, hard-working and willing to investigate a variety of strategies to bring a discovery forward--an excellent partner for a university with a diverse technology portfolio," Farewell said.

Torrey Pines provides product development and engineering consulting to printer and digital imaging manufacturers worldwide, including Xerox Corp. and Eastman Kodak Co. It also completes industry research.

Because the inkjet technology the firm studies can be applied in an extremely precise manner, Torrey Pines also works with customers who use the technology for purposes other than printing. Torrey Pines' clients include some in pharmaceuticals, flat-panel display manufacturing and 3-D imaging.

For example, the Torrey Pines staff could assist companies looking to "print" flavoring or messages on food, place a layer of platinum on a fuel cell or coat the exterior of a stent that keeps a heart valve functional.

In noting that some of Xactiv's research is from work that has come out of Torrey Pines, Beyer pointed out that the creation of Xactiv is a natural progression for the firm.

"It's kind of a baby step, but to us it feels like a huge leap," Beyer said.

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