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## Buffalo law firm adds Estes as it builds group

By WILL ASTOR

Montieth Estes has joined Jaeckle, Fleischmann & Mugel LLP as a partner and co-leader of a new emerging-company practice group.

Estes also plans to work in the firm's intellectual property and its corporate and business groups. He is working out of the Buffalo-based Jaeckle, Fleischmann's office at Linden Oaks.

A onetime Harris Beach PLLC partner, Estes has been a key figure in local efforts to boost high-technology business development. For the past four years, he has been of counsel with Boylan, Brown, Code, Vigdor & Wilson LLP.

He also has been a high-profile player in high-tech startups and remains managing partner of the Genesis Fund L.P., a two-year-old venture fund concentrating on seed capital investments in high-tech firms.

The emerging-company practice group idea is well-developed by law firms in established high-tech centers such as Boston, Houston and the Silicon Valley. Other than a still-forming practice group for which Syracuse-based Bond, Schoeneck & King PLLC is recruiting members, the new Jaeckle, Fleischmann emerging-company group is the first of its type in Upstate New York, Estes said.

Such groups cater to young, high-tech companies, providing a sort of virtual incubator for development-stage firms. Typically, Estes said, emerging-company groups provide more than legal services and advice.

In addition to corporate and intellectual property lawyers, the Jaeckle, Fleischmann emerging-business group has patent attorneys and patent agents and counts a microbiologist, chemist, physicist, and chemical, electrical and mechanical engineers as team members.

Many development-stage tech firms come out of university research, Estes said. Often firm founders have little practical business experience and might not know how to bring their products to market or even how to hire people who know how to do it. By focusing broadly on young, high-tech firms' needs, emerging-company practice groups can function as a set of training wheels as new entrepreneurs

move toward turning their ideas into products.

Estes moved to Jaeckle, Fleischmann in January partly because he had been going often to the Buffalo-based firm to seek services such as patent help for his high-tech, startup clients, he said.

Edward Schlueter, president of Med Graph Inc., had worked with Estes at Boylan, Brown and has followed Estes to Jaeckle, Fleischmann. Based in Greece, Med Graph is developing systems to collect information on home care patients and deliver it to a central server where it could be accessed by home care agencies, doctors and other providers.

"We're mostly research and development now," Schlueter said. "I met Monty at a University of Rochester Medical Center forum. He's had an excellent influence in Rochester to try and free up angel, seed-stage and venture money. He's been instrumental in bringing the area's needs to the attention of politicians and financial institutions."

The Jaeckle, Fleischmann group still is only one small part of a broader effort, however, Estes said.

A tireless networker, Estes has spent the past few years working with like-minded colleagues at organizations such as High Technology of Rochester Inc. and the High Tech Business Council to establish a high-tech infrastructure across much of Upstate New York. Strides have been made, Estes said. But there is still plenty of work.

"There's an awful lot of potential here," he said. "But it's an evolutionary process. We're a long way from realizing it."

Upstate New York has tremendous potential for high-tech development, Estes said. Researchers at UR, Rochester Institute of Technology, Cornell University in Ithaca and at SUNY laboratories in Albany and Buffalo have made scores of marketable developments and earned patents in areas including biotech, optics and telecommunications research.

Until recently, Estes said, UR and other upstate schools most often have capitalized on researchers' discoveries by licensing or selling intellectual property to corporate interests who would in turn develop products. Such deals put dollars in university coffers, he said, but they usually do little or nothing to create local jobs or

bring tax revenues. Any jobs created could go elsewhere in the United States or even abroad. And sometimes, companies buy technology only to suppress it.

Much of what he has been doing recently is working with university technology transfer officers to help them understand how best to spin off university research into functioning enterprises.

Bringing investors willing to sink money into new high-tech ventures is a critical piece, Estes said. Previously, local entrepreneurs had to look to investors in New York City and points farther away for backing. But out-of-town money was not willing to come here without some matching commitment from local partners.

There has been good progress on building local investment, he said. Two years ago there was \$200 million in investment capital under local management. Now, in "a seismic shift" there is close to \$1 billion.

Estes' Genesis Fund, aiming to amass \$50 million in seed-stage capital, is part of that effort. The fund has not reached its goal yet but is doing well, he said. Citing Securities and Exchange Commission restrictions, he declined to say how much money the fund has raised. Other private venture groups such as Trillium Group LLC have been raising local investment capital as well. On the public front some \$30 million in state money promised to UR for biotech development some three years ago now is starting to trickle in.

More money invested in local ventures would encourage outside venture capitalists to back startups and seed-stage companies here, Estes said. If the area can attain a critical mass of high-tech development, it could become a magnet for investment much as has happened in California's Silicon Valley.

"The piece that's missing is help for the (university) technology transfer offices," Estes said.

On that front, Estes said, he had in recent weeks helped run preseed workshops for tech transfer officers at UR and RIT and is planning to help field similar workshops at Cornell, Rensselaer Polytechnic Institute in Troy and the Roswell Park Cancer Institute in Buffalo.

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