

LAW WEEK

COLORADO

INNOVATION, INVENTION

and the

PATENT LAW PARALLEL

IP grows as innovators ignite Colorado's tech, creative markets

BY SARAH GREEN
LAW WEEK COLORADO

Against the backdrop of a modern economy and a healthy creative culture, Colorado's innovative business scene is thriving.

For decades, inventors and entrepreneurs have flocked to Colorado cities such as Boulder and Denver — many coming from California — to join the innovation movement that is cultivating invention within the fields of technology, e-commerce and passion-driven consumer products.

According to the New Tech City Index from Home.com, Colorado is one of the most desirable states for tech and creative professionals to live and work, due in part to a highly educated workforce and a unique business culture that is centered around innovation and creativity.

Gene Bernard, Kilpatrick Townsend & Stockton Denver office managing partner, said the past few decades have shaped a growing entrepreneurial market in Colorado — one that requires innovators to move quickly to protect their ideas.

"Colorado has an entrepreneurial culture, and that has come in part of big tech industries and the University of Colorado system which has spun out a lot of entrepreneurs, some of whom have created some really impressive companies," Bernard said.

Boulder, which is home to the University of Colorado and CU Law School's Silicon Flatirons Center for Law, Technology and Entrepreneurship, is also home to three major research laboratories in the country: The National Center for Atmospheric Research, The National Institute of Standards and Technology and The National Oceanic and Atmospheric Administration, giving the town one of the highest per capita rates of software developers in the country.

As a result, megacompanies such as Google and IBM operate there while others have started in the community, adding to the sea of tech companies that call Boulder home.

CALIFORNIA DREAMIN' ON THE DECLINE

Colorado's favorable climate for business, lower cost of living and opportunities for an educated workforce make it an attractive place for companies to expand or to be founded. And people from all over the country are moving to

the centennial state — some are even coming from California's startup nucleus of Silicon Valley.

George Lewis, a partner and patent attorney with Merchant & Gould, said Denver is rich with opportunity for newcomers in technological fields.

"There's a lot of innovation going on in the technology space right now, and because Denver is such an oil-tech area, a lot of that innovation is being done by Colorado firms," Lewis said.

However, he added, Californians are moving here for the quality of life in addition to the business opportunities.

"I think they're coming here because it's a wonderful place to live," Lewis said of the educated population moving to Colorado.

"Just go up into the mountains on the week-

end someday where the average price of a home is around \$2.8 million — and that's not for a big house," he said. "So people worry that this will happen to our high-tech, innovative cities here in Colorado?"

Lewis agreed, adding that the cost of living is simply more affordable in Colorado, compared to quintessential tech-dense cities in California, New York and Washington.

"Certainly a dollar goes so much further here — even as much as we complain about how expensive it is to live here," he said. "Why not come to Colorado, the second largest software market and have a house with a view of the mountains on a great bike trail, as opposed to being in Palo Alto in an above-garage, one-room apartment that costs twice as much as a house in Colorado?"

federal government which still treats marijuana as a controlled substance," said Bernard.

THE PATENT LAW PARALLEL

With the growing culture of innovation and technology, comes the growth within the legal profession — specifically in patent law.

"Competition to try to convert ideas into viable products has never been fiercer and easier," Bernard said. "Whereas in the past there has been perhaps some natural barriers to entry — to getting an idea from the abstract idea stage to a prototype to a marketing stage. It used to take years, if not decades."

But for many entrepreneurs today, that process occurs within a matter of months.

"Information technology makes it easier to get a patent now, which is critical," Bernard said. "It's easier to file them electronically with the PTO and you get faster responses today that you have in the past."

Greg Leibold, a patent attorney and Chair of Merchant & Gould's Electrical & Software Group said innovators' ideas shape the country's modern economy.

"The things that drive Microsoft and Google and others is their ownership of these great ideas. They're not making (products) in the United States but rather tapping into the tremendous intellect that is available to them for economic purposes," Leibold said. "And Colorado is uniquely situated to do that right now."

Additionally, the cost of going into business now is as low as it's ever been, Lewis said.

"You can fax your design over to China and have prototypes on your door in a week," he said. "You don't need your own

manufacturing facility or your own shipping and receiving departments or accounting. It can all be handled by independent contractors that exist on the Internet."

So as innovation markets and hubs around the country begin to slowly plateau, Colorado's steady stream of innovation and entrepreneurship continues, feeding the movement of original business.

"I don't see any slowing down at all. If anything, I see the growth of business continuing to accelerate," Bernard said. "Because right now, Colorado's just a really great place to live. •"

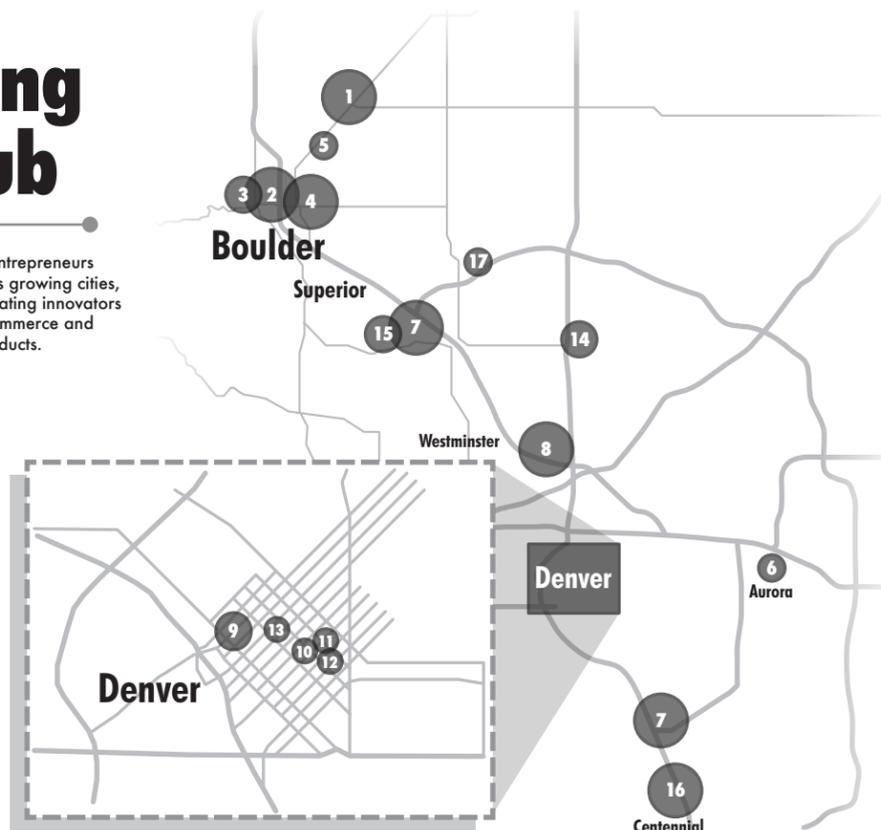
— Sarah Green, SGreen@circuitsmedia.com

A Growing Tech Hub

Startup businesses and individual entrepreneurs continue to break ground in Colorado's growing cities, building upon a movement that is cultivating innovators within the fields of technology, e-commerce and passion-driven consumer products.

- 1.) IBM
- 2.) Google*
- 3.) TechStars
- 4.) Ball Aerospace
- 5.) Celestial Seasonings
- 6.) Green Chef
- 7.) Oracle
- 8.) Lockheed Martin
- 9.) Map quest
- 10.) Healthgrades
- 11.) Craftsy
- 12.) Ibotta
- 13.) Quark
- 14.) Avaya
- 15.) Level 3
- 16.) Arrow Electronics
- 17.) Door-to-Door Organics

*Google is in the first phases of a two-phase project to build an extension campus in Boulder. The Internet software company's Phase One is estimated to be completed in 2017.



end and hang out on a hiking trail or a mountain biking trail, and the people that are there are probably running their own tech company," Lewis said. "Educated people move to Colorado for quality of life and (instead) of working in a factory, they start up a company and set the world on fire."

Cities such as Boulder and Denver are also becoming more attractive to business-starters because it's cheaper than places where other innovative markets have originally thrived. Bernard, who lives in Boulder said he is curious to see how Colorado's growth will impact the economy.

"People look at cities (in California) and wonder if Boulder is going to turn into a Palo

Additionally, the presence of the Rocky Mountain Patent and Trademark office satellite office in "is a great magnet," Bernard said, as it is filled with patent-savvy professionals such as patent examiners and appeal board judges, making Denver even more of a notable innovation hub.

Although many startup businesses and innovative companies revolve around biotechnology, computer science, pharmaceuticals and e-commerce, perhaps the latest innovative businesses to come to the scene are products and technologies within the marijuana industry, Bernard said.

"It's still a growing business in Colorado. Even more sophisticated players in that field are actually doing a lot to protect IP, which come from the