

FOCUS: LIFE SCIENCES

MCC INTERVIEW: Josef B. Volman & Joseph M. Maraia / Burns & Levinson

Collaborating on Patents and Deals

Two law firm partners build a powerful niche working with startups

Josef B. Volman and Joseph M. Maraia are partners at Burns & Levinson in Boston. Volman is co-chair of the firm's business law group, while Maraia is a partner in the intellectual property and business litigation groups. They have an interesting working relationship that has provided the firm's life sciences clients with some valuable benefits. The interview has been edited for style and length.

MCC: You have very different, yet interesting backgrounds. Tell me about your backgrounds, your practices and how you work together to help life sciences clients.

Maraia: I worked as a master electrician for 10 years – and still maintain my license – before deciding to go back to college for an electrical engineering degree in the early 1990s. While in college I became interested in intellectual property and decided to go to law school at night while I worked as an engineer during the day at NYNEX [which later became part of Verizon]. I have been practicing law now for 17 years and counsel clients in all aspect of intellectual property, and utilize Joe and his team to help with corporate issues as they arise. Many of my clients are developing cutting-edge technologies in the engineering and biotechnology sectors, so they often need my patent and business expertise as well as Joe's private equity, venture capital and corporate deal-making skills.

Volman: I started my career at a law firm in New York, and one of my first deals as a young lawyer involved representing a medical device company doing an IPO. I got hooked on the idea of helping life sciences companies raise money and bring groundbreaking technology, some of which could save lives, to the market. I enjoy representing early-stage companies in their formation and fundraising efforts, and then working with venture-backed or other growing companies as they grow their product or move through the clinic and in planning their exit strategies. We work collaboratively



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and hand-in-glove with our colleagues in the intellectual property group. Joe often joins me in meetings with new potential clients and participates in brainstorming sessions with the scientists and executives that we are working with in the corporate group.

MCC: Burns & Levinson's life sciences practice has been expanding by leaps and bounds. What are your largest growth areas, and how are you keeping up with demand?

Maraia: On the IP side, we have seen significant growth in the medical device space and continue to hire qualified patent attorneys to meet the needs of our clients. In fact, we just recently brought on three life sciences partners who joined us from an Am Law 100 firm. They add a significant biotechnology practice to our group.

Volman: On the corporate side, we are adding early-stage companies, angel and venture investors and their portfolio companies, small cap public companies and underwriters who are raising money for those companies. We have been fortunate to hire lateral associates from larger firms who have added to our depth and bench strength. We have added four new corporate associates focused on public and private life sciences companies in the last 12 to 18 months.

MCC: Can you share some examples of recent successes that you've had for your clients in the life sciences, biotechnology and medical device sectors? Companies you've worked on separately and together?

Maraia: I have been able to obtain vital patents for Smith & Nephew's sports medicine division, which provides them an advantage in a very crowded marketplace. I have also secured critical patents for EyeGate Pharmaceuticals' drug delivery device, which uses ions and electrical current to deliver drugs to the eye. I spent nine years developing EyeGate's innovative patent portfolio before taking the company public in 2015 with the help of Joe and his team. In addition to the IPO, our joint team has helped them with a company acquisition and licensing deals with Big Pharma, and we are now the only law firm that EyeGate works with.

Volman: Eyegate is a great example of how a company with whom Joe had very strong ties on the IP side grew into a great public company corporate client. Another great example is one of our small cap public companies, Biostage, that is developing novel regenerative medicine technologies. Joe and his team, including our FDA partner, are helping them with regulatory issues as they enter human clinical trials.

MCC: Investing in life sciences companies is red-hot. What are the biggest issues driving investors right now?

Volman: Investors are looking at companies that require less capital and can get to market quickly. This has led to a bit of a departure from drug companies and more money going into

health care companies that are utilizing technology to improve the delivery of health care services or other related crossover of software and life sciences.

MCC: *Are there certain patent goals that every company has – or should have – at different stages of their growth?*

Maraia: Yes, companies should build a strategic patent portfolio around their core technology from day one. Having a strong portfolio early will open the door to the investment community. Next, the company should continue to build around its portfolio, creating a barrier that prevents competitors from entering the space. Lastly, every company should regularly review its portfolio to determine if a patent or patent family is still important to the company. If not, the company should decide whether to continue to maintain the patent, sell the patent or abandon the patent and use the resources toward other company objectives.

MCC: *What are some of the biggest challenges in working with startups and emerging companies from both a patent and investing perspective?*

Volman: For the most part, it is making sure that the company raises enough money to have sufficient runway to develop their technology and gain market acceptance. Oftentimes, this takes longer than expected, so companies need to raise more money than anticipated to reach their business or clinical milestones. There are also founder and management dynamics that can come into play that can cause challenges in moving a company forward. For example, there are many instances where the scientific founder might not be the right person to be the CEO of the company once outside capital is raised, and that can be a tough conversation.

Maraia: It's expensive to obtain a patent, and startups and emerging companies struggle between the cost of developing the technology and the cost of obtaining a patent. To help combat this problem, I've had companies file a patent application on the core technology and accelerate prosecution through the U.S. Patent and Trademark Office to obtain a patent within one year or sooner. The issued patent opens doors to the investment community.



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MCC: *Burns works with many large life sciences, biotechnology and medical device companies around the globe. How has your work changed over the years? What matters most to these companies now?*

Volman: In addition to being a legal adviser, my role has become much more of a business adviser and a connector. I am introducing my clients to funding sources, business partners and strategic collaborators. Also, depth of industry expertise and knowing how to work with companies at different stages of growth and development are key.

Maraia: It depends on the size of the company, but it really comes down to being able to practice the company technology while preventing others from being able to do the same. Big companies, like Smith & Nephew and Raytheon, typically have in-house patent counsel who are looking for high-level patent work at a predictable cost, and Burns & Levinson provided me the perfect platform in developing an alternative fee arrangement for both these companies. Smaller companies have similar but very different needs, and I find myself acting not just as the company's in-house patent counsel but as the company's general counsel as well – all for a much better value than they would get from the larger firms.

MCC: *Are there any industry trends on the horizon that worry or excite you?*

Volman: Regenerative medicine is really fascinating. The idea that someday we can regenerate major organs like kidneys and lungs and no longer require transplants is amazing. I also think that personal medicine is intriguing. I just hope that all of it comes

around in time for when I get older and really need it. What I worry about most are the growing regulatory requirements, which add significant costs and can cause companies to run out of capital and jeopardize, or in some cases disincentivize, new scientific breakthroughs from coming to market. I also worry about the fact that many investors are looking for more business progress before investing in a life sciences company.

Maraia: Telemedicine is extremely exciting, especially with the rising costs of health care, but it is also worrisome from a patent standpoint, since we have to make sure that the claimed subject matter of the patents cannot be interpreted as a pure business method.

MCC: *What is the most interesting project you've worked on in your career? What are you most proud of?*

Volman: I have been fortunate to work on several very exciting and groundbreaking technologies that have been personally and professionally rewarding. I would say that my most interesting project is the public offering of a wireless IV connector company. The connector is still used in hospitals and has substantially decreased the incidence of needle sticks and the spread of hepatitis and HIV. What I am actually most proud of is mentoring associates during my 25-year career and now seeing many of them as successful partners at our firm.

Maraia: I am most proud of working with and taking EyeGate Pharmaceuticals public. They are among my longest client relationships, and seeing them succeed as a company makes me happy. My most interesting project was a trade secret litigation that involved an inventor who worked for my client's company, but also was consulting with a competitor during a furloughed period. It was hard enough to navigate all the intricacies of the case, but the case was complicated further when the inventor was accused, and later convicted, of murdering his wife. As you may imagine, the inventor was not very cooperative for either side.

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