



## Infrared tech startup lands \$4.7M

by Carolyn Murphy

Parsippany, N.J.-based **Multispectral Imaging Inc.** is expected to announce Tuesday, Dec. 6, that it has secured a \$4.65 million Series B round of funding led by New York-based **Spencer Trask Ventures Inc.**

The round had an initial close of an undisclosed amount last spring from Spencer Trask, along with existing investors **SAS Investors** and **Rho Ventures** of New York. Participating in this second traunch are new investors **Battelle Ventures LP** of Princeton, N.J., and its affiliate, **Innovation Valley Partners LP** of Knoxville, Tenn.

MII develops infrared light detectors, widely used in defense and surveillance, which pick up beams with a longer wavelength than visible light but are invisible to the human eye. Infrared light penetrates smoke, fog and dust and is also emitted by anything warm like human beings, making them visible in the dark.

"If you think about the growing area of security, surveillance and search and rescue, being able to provide first responders with tools to address natural or other disasters can save lives," said Kef Kasdin, a general partner with Battelle Ventures and new board member with MII.

Defense contractors such as Morristown, N.J.-based **Honeywell International Inc.** have largely dominated the market for infrared detectors for use by the military and in homeland security operations, Kasdin said. Because the technology is developed in proprietary manufacturing environments, it has traditionally been too expensive for first responders, such as firefighters.

MII's approach is different, she said, in that it uses industry-standard semiconductor technology, licensed from Oak Ridge National Laboratory, a U.S. Department of Energy science laboratory based in Oak Ridge, Tenn., which can be produced in pre-existing fabless chip factories at a lower cost.

And according to MII chief executive Matt Miller, there is an untapped commercial market for this technology. He pointed to such potential customers as fire departments, security surveillance camera manufacturers and, down the road, the automotive industry through driver vision enhancement.

"The market for the components we actually sell [a piece of the camera], in 2004 was a \$170 million market." Within five years, he said, there could be a served, addressable market between \$500 million and \$1 billion.

Founded in October 2003, the development-stage, prerevenue company was self-funded until closing a \$1.4 million Series A round of financing from SAS and Rho Ventures in January 2004. The company anticipates raising another round but expects this one to last through prototypes and limited production, at least through 2006.

The company's executives would not reveal the startup's valuation or whether this was an up or down round.

**Wasserman Law Group LLC** of Montville, N.J., represented MII. Chicago-based **Sonnenschein Nath and Rosenthal LLP** provided counsel for Battelle. **Littman Krooks LLP** of New York advised Spencer Trask, and New York's **Reitler Brown & Rosenblatt LLC** was counsel for SAS Investors and Rho Ventures.