

Success with Licensing out: Hydronalix

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Licensing Out For Business

- This presentation will high-light several licensing success that the presenter has performed over the last several years.
- Successes with licenses sold to others
- Successes with licenses purchased from others
- Patented and non-Patented technologies

How did we learn to license?

- Mentors
- Lawyers, Patent Experts, and Legal workshops
- The \$19.95 “Do It Yourself Patents” hand book from Barnes and Noble

Mentor Guidance

- Multiple mentors met at conferences and public forums. We searched them out and “stalked” them to meet and see where it would go.
- Retired Major Telecommunications Company and Satellite Company Founder.
- Top entrepreneur for Metallographic Equipment , and of Soil Testing Equipment.

Lawyers, Patent Experts, Legal workshops

- We started with enlisting one of the country's best Patent Law Firms from Park Avenue, NYC.
- They were insanely expensive, but with that cost commitment came expertise beyond getting patent issued to getting patent that could hold up in court making it far more valuable to license and sell.
- We were exposed to several Patent Attorneys who had extensive experience in licensing, instead of just “here is your patent for you office wall”.
- This firm and 2 subsequent Firms also offered numerous work shops on licensing for clients.

The \$19.95 “Do It Yourself Licensing” hand book from Barnes and Noble

- This worked out terrible.
- Only advantage was we painfully learned many things not to do, instead of what and how you should approach. Was just as harmful as the \$19.95 “Do It Yourself Incorporation” hand book.
- In our defense we were only out of school for less than five years.

Successful Licenses Sold

- Advanced Cellular Cutting Tool surface technology to Kyocera Corporation, Japan. Very large upfront payment, with payments to teach capability, yet no actual patent coverage in Japan. Revenue was instrumental in allowing company to eliminate all debt and invest in new business areas.
- Ceramic Air Bag Detonators to Kyocera Corporation, USA. Large revenues and we had no ability to ramp up to very high volume production.
- Water Soluble Polymer Support Technology for 3D Printing to Stratasys Corporation, Minnisota. The revenue was instrumental for funding core company initiatives.
- Oil Drill Bit Tooth Coating Technology, Smith Bits, Texas. Large upfront payment and long revenue royalty stream supported much company growth for years.

Successful Licenses Purchased

- Fibrous Monolith Technology purchased from the University of Michigan. Provided business stream for over 5 years.
- Fabricating Process for High Precision High Tolerance Carbon Fiber Sheets from single inventor. Allowed for us to fabricate and sell tens of thousands of magnetic hard drive head lapping carriers to IBM's hard drive manufacturing line.
- My current company uses many various software licenses for many of our products. Licensing was far faster and cheaper to enhance our products performance.

Summary

- Selling Licenses for Spinoff Technologies can provide significant funding capital for projects that would otherwise require dilutive equity funding or would take many years to fund organically within company's normal operating cash flow. Our positives greatly outweighed any negatives.
- Purchasing Technology Licenses was far quicker and cheaper than developing critical capabilities for our customer base than organically within the company.

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