



SafeView lands \$16M

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Security screening innovator SafeView Inc. has added three new investors to its syndicate as it closed a \$16 million second round of venture funding intended to support the company's expansion as it begins to install its first products in airports.

Lead investor Paladin Capital Group of Washington led the round with an investment from its Homeland Security Fund. Also participating were first-time investors Novak Biddle Venture Partners of Bethesda, Md., and Battelle Ventures of Princeton, N.J., which made its first investment since its formation last year.

Joining the new investors in the Santa Clara, Calif.-based startup were first-round backers InVision Technologies Inc. of Newark, Calif., Stanford University of Palo Alto, Calif., and Draper Fisher Jurvetson of Menlo Park, Calif., as well as DFJ's affiliated DFJ ePlanet Ventures fund. All three participated in SafeView's \$6 million first round, completed in mid-2003.

Battelle Ventures partner Jim Millar said the startup "slightly exceeded" its original target amount for the new round. Although Millar could not provide a valuation for SafeView and said he did not know the specifics of the first round, he confirmed that the new funding was "not a down round."

Battelle Ventures, a \$150 million fund, was established last fall to invest in technologies developed by the Battelle Memorial Institute and parent company Battelle Science & Technology International of Columbus, Ohio. SafeView is the exclusive licensor of technology first developed at the Pacific Northwest National Laboratory, a facility in Richland, Wash., which the Battelle Memorial Institute manages in conjunction with the U.S. Department of Energy.

Battelle Ventures expects to invest in homeland security technologies, information technology, biotechnology, materials and energy startups. Millar said that eventually, about a fifth of its investments will be in companies not associated with Battelle Memorial Institute.

SafeView is commercializing a holographic imaging technology that uses ultra-high frequency waves known as millimeter waves, which are useful in detecting objects that evade the discovery of traditional metal detectors. Current airport security installations do not detect plastic explosives, ceramic knives and various other dangerous objects.

Although SafeView says its technology can be deployed in any personnel screening market, the company is first targeting airports. Strategic investor InVision Technologies, an aviation security specialist, owns exclusive airport distribution rights to SafeView's technology in North America and Europe.

Founded in 2002, SafeView was initially incubated within the laboratories of inventor Mir Imran in Palo Alto. Since its expansion following the first-round funding, the company has built several units for beta testing, and is currently installing them at airports.

In time, the devices could appear at government buildings, high schools and prisons, Millar said, either replacing metal detectors or providing an additional level of security. "This is a next-generation screening device," said Millar. "I see it as complementary to metal detectors, although one day I think we will incorporate a metal detector into it."

Millar would not directly address the company's specific financial goals, but said that SafeView "does not anticipate new financings in the near term." He said that the startup's fundamental technological development is essentially complete, and that SafeView expects to use much of the new money to expand its sales and marketing capabilities.