

Boston Business Journal

Vol. 23 No. 52

January 30-February 5, 2004

Eikos' nanotube product attracting military interest

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FRANKLIN — Eikos Inc. is a minor player in the defense industry, but its friends in high places added \$1 million to the U.S. Department of Defense appropriations bill for the company.

With the help of U.S. Rep. Jim McGovern, a Democrat from Worcester, the funding was inked into the defense budget for the Franklin-based Eikos to develop a conductive coating to be used on jet fighter canopies — the clear bubbles that cover planes' cockpits — for the U.S. Air Force. The coating will improve electromagnetic shielding and electrostatic discharge to prevent electronic disruption.

The deal marks the first time Eikos has sought a congressional set-aside for a specific application, said founder and CEO Joe Piché. But while doing other work at Wright-Patterson Air Force Base in Ohio, Eikos realized that the Air Force lacked funding for the canopy project.

"We hired lobbying firms that helped us work our way through Congress," Piché said.

Eikos' products are derived from conductive carbon nanotube coatings. Carbon nanotubes are a collection of carbon atoms that can be produced with various degrees of strength and conductivity.

Besides the revenue, the stringent military requirements will help advance Eikos' commercial products, said Paul Glatkowski, vice president of engineering. When a company creates a technology the military wants, Congress will sometimes increase funds in a particular technology account if all the existing money has been allocated, said Eikos lobbyist Daniel Ritter, a partner in the Washington, D.C., law office of Preston Gates Ellis & Rouvelas Meeds LLP.

Nanotechnology is currently something of a hot commodity in Congress since other countries are sinking tremendous sums into developing the field, said Ritter.

"When there are technologies that employ nanotech, Congress is more likely to look with favor on them," Ritter said.

The deal is just one of many that Eikos has landed with government agencies and private companies in the past couple of years. Although the 14-employee company declined to reveal revenue, Eikos officials said the company is



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Eikos Inc. is set to receive a \$1 million military contract for its carbon nanotube coating technology. Founder and CEO Joe Piché holds a transparent conductive coating Eikos is developing commercially.

profitable and revealed that the company landed at least \$3 million worth of contracts in 2003.

According to the New York-based NanoBusiness Alliance, the global market for raw nanotubes was about \$12 million in 2002 and is expected to grow to \$500 million to \$700 million in 2005 due to anticipated increases in adoption rates by various industries and production facilities planned in China, France, Japan and Korea.

Industries such as automobiles, aerospace, appliances, sporting goods and telecommunications already use nanotubes.

Aside from the military work, Eikos is developing carbon nanotube-based transparent conductive coatings for lighting devices and display screens, such as for laptops and ATM screens.

In another recent milestone, 8-year-old Eikos inked its first licensing deal last year with Japan-based Takiron Co. Ltd. Takiron will use Eikos' technology for optical films it sells to its electronics company customers, Piché said.

Piché bootstrapped the company and operated out of his basement until he landed seven commercial contracts worth a total of about \$1.1 million to \$1.2 million in one month near the end of 1997. Although Eikos' business model is still evolving, observers say it's somewhat unique among nanotechnology companies because it actually makes products — and money.

"Eikos has something useful now," said Preston Gates' Ritter. "That makes it quite unusual among companies. As far as startup (nanotechnology) companies, 99 percent have ideas and research behind them, and they're hoping to come up with a product."

NanoBusiness Alliance executive director Mark Modzelewski agreed that Eikos' focus on high-end applications to customers who can pay is unusual in the field.

"I've been very pleasantly surprised about their drive toward doing market applications," Modzelewski said.