

10-1-2020

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Recommended Citation

UB Law Forum (2020) "All Business: Entrepreneurship Law Center puts students at forefront of an economic boom," *UB Law Forum*: Vol. 33: No. 1, Article 6.

Available at: https://digitalcommons.law.buffalo.edu/ub_law_forum/vol33/iss1/6

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Matthew
Pelkey '10

ALL BUSINESS

ENTREPRENEURSHIP LAW CENTER PUTS STUDENTS AT THE FOREFRONT OF AN ECONOMIC BOOM

As anyone who has ever tried to start a business knows, it's no walk in the park. Whether it's a digital marketing firm or a coffee shop, new businesses pose challenges that only a lawyer can handle.

Add to that the cutting-edge technology on which many modern startups are built, as well as delicate negotiations with venture capitalists and other investors, and it's a wonder any business gets going at all.

To make it happen, says **Matthew Pelkey '10**, director of the law school's Entrepreneurship Law Center, it takes more than a great idea. It takes an ecosystem.

"You have all these different components," Pelkey says. "There are the founders, the entrepreneurs coming up with ideas and executing them, but there are also the professional services and vendors they need, as well as educators and

academics, and investors – the finance piece to help fund them for growth. All of these things have to work in tandem."

It's working in Western New York. Pelkey says the region has seen the exponential growth of capital investment in startups over the past 10 years or so, much of it new money coming in from outside investors.

UB has become a major player in that growth, particularly through a major initiative of the University, its new Innovation Hub. "The Innovation Hub supports students, faculty and researchers with innovative ideas moving them from the lab, clinic or classroom to the market, and assisting with startup formation," says **Christina Orsi**, UB associate vice president for economic development. "It also makes it easier and more efficient for business and technology leaders in the community to collaborate with student entrepreneurs and faculty researchers." The hub's leading research partners include



Left to right:
Brandon M. Lê '20,
Victor N. Burdukov '20,
Matthew Pelkey '10,
Zachary J. Dewey '19
and Ashley C. Burr '20

Roswell Park Comprehensive Cancer Center, the Jacobs Institute, Hauptmann-Woodward Medical Research Institute and Kaleida Health.

Supported by a \$32 million grant from New York State, the Innovation Hub initiative fuels proof of concept opportunities, new seed and pre-seed growth, plans for incubation space at UB, and services to support startups including the Entrepreneurship Law Center.

While the center serves as a go-to resource for startups as they address their legal needs, it also provides law students with invaluable exposure to the evolving entrepreneurial world. Law students working in the center's clinic are set up to serve entrepreneurs – typically other students or faculty – with special focus on the health and life sciences, biotechnology and medical fields. "Our students have been working with some pretty cutting-edge technologies," Pelkey says.

The ideas spawning these new startup businesses are as diverse as their inventors – and UB, as a major public research university, is a powerhouse in generating innovative ideas by faculty and students. "It may be as simple as an app on a phone," Pelkey says, or as complex as a new way to monitor the pressure on surgical incisions, or a better method of growing liver cells for transplant. No matter the idea, though, every startup needs a range of legal services to turn the idea into a viable business – and one that will prove attractive to investors. "It's all about helping them set up a company properly," he says. "There are often intellectual property questions, employment issues, contracts involving venture capital.

"When you're dealing with startups and transactional legal work, it's always going to include business dynamics. It's almost impossible to separate the two. Our job is to provide guidance with legal issues, but to do it effectively in the business context."

For the students, the clinic is a new way to acquire skills that can provide immediate impact for their clients. "We introduce them to tools like the Carta online evaluation and capital management system, equity funding platforms like Wefunder and other innovative tools in the finance transaction space," says Pelkey, who practices as a partner with the Buffalo law firm Colligan Law LLP. "And we're really integrating students into Panasci (UB's annual tech-based competition) and 43North (Buffalo's best-known startup competition). Everyone who participates says it is one of the most rewarding things they've done in law school."

The students' experiences reflect that excitement. **Brandon Lê '20** was part of the Entrepreneurship Law Clinic this spring and is continuing as a 3L this fall.

Among the clients he worked with through the clinic was one from UB who has developed a revolutionary accessory for musical instruments. Lê, working with Pelkey, was able to help provide counsel on the regulations that govern the new world of advertising, including marketing through social media platforms and employing "influencers" to raise interest. "They want to minimize their regulatory risk," he says, "but they also

want to build up goodwill with the public" by avoiding deceptive practices.

Another area was creating legal agreements governing the conduct of focus groups – specifically enjoining the participants from running to a competitor with information on the product improvement they're testing.

"We worked on non-disclosure agreements, basic contractual matters, employment agreements – squaring up that back-end stuff so when these businesses approach venture capitalists or angel investors, they are better prepared to meet with them," Lê says. "Making sure all their intellectual property is protected is really the most important aspect for a lot of young businesses, especially ones looking to work in the tech community. That's really the value of their business, because they haven't had the ability to grow their product yet."

Through its growing network, the Entrepreneurship Law Center is also able to identify interesting externship opportunities for students. **Ally Frainier '19**, for example, was the first legal intern to work at Launch NY, a regional venture development organization in downtown Buffalo.

"It's a venture development organization that invests in early-stage companies, and I was on the legal end of it," she says, "helping with corporate matters including due diligence, composing note purchase agreements, putting together the financial instruments they're using to invest."

Frainier says the position gave her an inside look at how startups progress from idea to functioning company. "Launch NY is a rewarding organization to work with because they're on the front line, directly fueling innovation and growth in our community," she says. "It's neat to be part of something that helps entrepreneurs get their legs beneath them, and to see what kind of ingenuity is happening in our city. It has been an amazing experience."

To learn more or to get involved, contact:

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INNOVATION IN THE LAW

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