



RFID Co. Intelleflex Raises \$16M Series B Funding

By VentureWire Staff Reporters

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San Jose -- Intelleflex Corp., a developer of radio frequency identification tags and readers, has raised a \$15.5 million Series B round of funding led by new investor Morgenthaler Ventures. Existing investors Alloy Ventures, Selby Venture Partners, Woodside Fund and Quan Management also participated. San Jose-based Intelleflex, founded in 2003, has now raised roughly \$27 million in funding. Bob Pavey, Morgenthaler Ventures' managing partner and an Intelleflex board member as a result of the new funding, said the round closed last Friday. Pavey said that he had met Intelleflex Chief Executive Richard Bravman before Bravman, a former CEO of logistics technology developer Symbol Technologies Inc., had decided to join the company. Pavey said he was so impressed with Bravman that he told him, "if you decide to get into this, let me know if you're going to need any more money – and he did." Pavey said the new funding is intended to support Intelleflex's product development. The company has a handful of customers committed to purchasing the Intelleflex RFID platform, though they are as yet undisclosed, Pavey said. "These are tags that are going on valuable products for asset tracking," he said. As companies have begun committing to tracking their assets with RFID rather than bar code technology, the RFID market has heated up. RFID technology developer Alien Technology Corp., a company backed by some \$243 million from investors including New Enterprise Associates and Sevin Rosen Funds, filed to go public in April. But Pavey said that many investors and entrepreneurs are holding back on RFID, until Wal-Mart Stores, the world's largest retailer, makes a total commitment to the technology, thereby likely lowering overall industry costs and creating more demand. Pavey said, "Most people are waiting until Wal-Mart finally blesses a solution that costs a penny and has about a zero error rate," adding, "That's like waiting for Godot." Wal-Mart has begun requiring that its largest suppliers begin shipping goods equipped with RFID technology at some point this year.

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