

Bleak outlook for QPC

As this issue of *Technology Focus* was going to press, the future of the Californian semiconductor laser manufacturer QPC Lasers was uncertain.

The company, which was founded eight years ago and specializes in manufacturing visible and near-infrared semiconductor lasers for display, healthcare and military applications, suspended its operations at the beginning of October and made most of its employees redundant. A week later it resumed manufacturing, engineering and sales operations on a limited basis. According to publicly available information from the US Securities and Exchange Commission, the company was unsuccessful in its previously announced efforts to raise the additional funds necessary to continue operations and was considering filing for protection under Chapter 7 of the US federal bankruptcy laws.

QPC's latest quarterly financial results reported a net loss of \$4.7 million for the period April–June 2008. They also indicate that at the end of June 2008 the firm has less than \$0.5 million in cash reserves, down

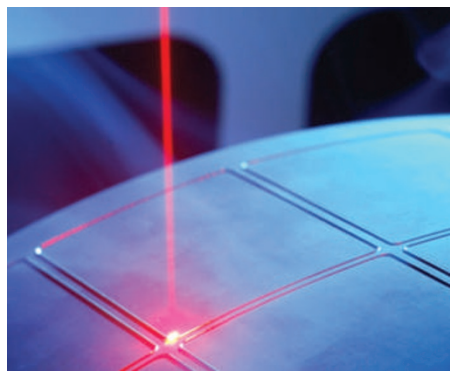
from \$6.4 million in December 2007. Over the past few months the firm's share price has crashed from a high of \$0.60 (31 June) to a low of \$0.01 (19 November).

In November, one of QPC's major investors, Finisar, planned to repossess some of QPC's key assets to cover outstanding interest payments totalling \$44,000 on a \$5.4 million loan. According to documentation from QPC, a letter from Finisar demanded "that [QPC] assemble all the collateral securing [QPC's] obligations under the Finisar note at its [QPC's] Sylmar, California address by 9am on November 7, 2008, and permit Finisar to enter those premises to take possession and remove the collateral to a location of Finisar's choosing for later sale".

As *Technology Focus* went to press, it was unclear whether these assets had been removed or not. Finisar declined to comment. Whatever happens, it seems the outlook for QPC's shareholders is bleak, as any sale of QPC's assets is unlikely to cover the \$5.4 million owed to Finisar, most likely leaving nothing left over for shareholders.

The recent problems for QPC represent a sudden change in fortunes for the firm. In August, the firm announced that it had signed a \$3.5 million contract for red–green–blue lasers for three-dimensional display projectors used in video games. In September, QPC Lasers successfully completed a US Department of Defense contract to develop and deliver high-power eye-safe surface-emitting diode pumps for directed-energy weapons applications. At the time, QPC claimed to be the first company in the world to demonstrate this new laser technology. However, the troubles at QPC have meant other companies have been able to enter the market. Ulla Haapanen, product manager at Finnish company Modulight said, "We are seeing a nice surge in the demand for our eye-safe high-power lasers at 1,470 nm and 1,550 nm since the RangerLase product releases earlier this year. The sales of this type of product have been boosted also by the recent supply issues faced by QPC Lasers, which has seemed to increase our market share for eye-safe high-power lasers."

DILAS Diodenlaser forms new business unit



DILAS

DILAS Diodenlaser of Germany has formed a new business unit, DILAS Industrial Laser Systems, which will focus on developing and manufacturing turnkey diode laser systems. The new unit plans to build on the success of DILAS's COMPACT Series product line, which features fibre-coupled, turnkey diode laser systems with output powers of up to 500 W. The new unit will focus on driving innovation in providing advanced solutions for industrial customers, and will offer a large selection of accessories for process control, including pyrometers and galvo scanners.

"The business unit was formed to emphasize our dedication and commitment to the industrial customer base, as well as to strengthen DILAS's overall diode laser portfolio", said Jörg Neukum, director of sales and marketing of DILAS Diodenlaser. "The newly formed Industrial Laser Systems business unit will allow the company to further capitalize and address its advanced technologies in providing customers high-power diode laser systems that offer high reliability and compact packaging."

Japanese sign patent deal

Two large Japanese firms active in semiconductor optoelectronics, Sharp and Nichia, have signed a patent cross-licensing agreement covering LED and laser diode technology. Nichia is well known for bringing short-wavelength (blue and ultraviolet) emitters based on the GaN material system to the market and these devices now have an important role in data storage and lighting applications. Sharp has a long history in optoelectronics and started mass production of LEDs in 1970 and infrared laser diodes in 1982. The deal grants each party the rights to use the other's patented inventions owned in both Japan and other major countries in the

area. It is expected to help both companies respond to the growing demand for LEDs and laser diodes in areas such as Blu-Ray disc recorders and LED lighting.

OSRAM acquires LED rights from Philips

LED light manufacturers can now use key components from OSRAM without having to pay licence fees to Philips, after OSRAM's acquisition of special rights from Philips. According to OSRAM, the deal means that luminaire manufacturers will be released from payouts related to Philips' recently announced LED luminaire licence programme. The special rights relate not only to patents held by Philips but also to those filed by Color Kinetics and TIR Systems, which were acquired by Philips last year. OSRAM says that the cost of securing the deal will be partly offset by OSRAM selling rights to its own patents.

"Thanks to this agreement, OSRAM key components provide our customers with unique opportunities. It stimulates new possibilities for the lighting market and, like Philips, we will accelerate the development of this market," said Martin Goetzler, CEO of OSRAM.