

A



Secret Weapon



Members of the
Entrepreneurship
& Innovation Clinic
in January 2020.

Since 2018, Yale Law School's Entrepreneurship & Innovation Clinic has become a critical tool for success for some of the country's most innovative companies

By Alden Ferro
Photos by Harold Shapiro

As the coronavirus pandemic began to spread across the globe last spring, Howard Miller found his company in a crisis. As the CEO of Kyra Medical, a maker of surgical positioning products, Miller faced postponed orders for the company's medical devices and delayed payments for orders that had already been fulfilled. These dual problems arrived just as the company was preparing for a preferred stock offering to finance the development of a new line of products.

A client of the Law School's Entrepreneurship & Innovation Clinic (EIC), Kyra Medical had already been working with Clinic students on preparations for the stock offering. But the cash crunch created by the pandemic threatened the jobs of Kyra Medical employees and the overall survival of the Massachusetts company, which had been successful since its founding in 2016. Working intensely over the course of two weeks, a student team from the Clinic advised their client and its board and drafted all of the necessary documents to ready the offering.

"With the incredible support of the EIC," Miller said, Kyra Medical was able to secure 98.5 percent of its targeted funding for the round in fewer than six days. "[It] helped us get through the COVID-19 downturn and put us about two months ahead on a new product development project that launched in December 2020."

Kyra Medical is representative of the clients the EIC works with. Its mission is to create easy-to-use surgical patient positioning products that reduce the risk of injury and infection. According to Miller, improper positioning of patients while in

surgery can lead to permanent and disabling injuries. Additionally, these surgical patients are at high risk of infection (another leading cause of morbidity) from improperly cleaned equipment.

Origins of a New Clinic

Founded in August 2018 and supervised by inaugural director Clinical Associate Professor Sven Riethmueller, the mission of the EIC is to teach Law School students the practice of transactional law through counselling clients, negotiating deals, and drafting transactional and corporate documents.

“A critical focus of the Clinic is to teach students to become skilled legal advisors,” Riethmueller said. Applying what they learn in the classroom, Clinic students counsel clients on matters entrepreneurs typically encounter as they start, manage, finance, and grow their ventures.

The need for a corporate legal clinic at the Law School was first identified by Sterling Professor of Law Roberta Romano ’80 and Nancy Liao ’05 of the Yale Law School Center for the Study of Corporate Law. After being approached by student teams from Yale’s Tsai Center for Innovative Thinking seeking assistance with corporate legal formalities, Romano and Liao conducted research that showed that the larger Yale entrepreneurial community would be well served by such a clinic.

Romano thought a potential entrepreneurship clinic should satisfy two criteria: provide high quality work, and have a director who was both an experienced attorney and could engage well with students.

“What Sven has done with the entrepreneurship clinic is simply amazing,” Romano said. “He has spectacularly exceeded our expectations about what was possible on both dimensions.”

Now in its third year, the Clinic has had 44 student members since its inception.

Like other Law School clinics, the EIC consists of classroom and experiential components. In the clinic seminar, students learn skills relevant to a transactional practice focused on entrepreneurs, including contract drafting, client communications, and legal and business ethics. In order to enroll in the Clinic, students must have already taken Contracts and have either taken Business Organizations or be taking it in parallel.

Outside the classroom, students put their skills from the seminar and other courses into action. Working in small teams, EIC members correspond and meet with clients, draft and negotiate legal documents, and manage and close transactions. EIC corporate paralegal Katie Sadowski assists Clinic students with maintaining company records, making corporate and security filings, and managing the filing of other documents and regulatory reports.

Working with clients also exposes Clinic students to the role of business, financial, human capital, public policy, and other nonlegal factors that arise when advising entrepreneurs.

Mik Bushinski ’21 joined the Clinic in the spring of his 1L year and has furthered his interest at the intersection of law and business through work with a variety of clients.

“I’ve gained experience including company formations, founder and employment matters, financing and capital raising, customer



Sven Riethmueller

contracts, and others,” he said. “It’s immensely satisfying to have played a role in our clients’ success and the impact they will go on to make.”

Careful Client Selection Benefits All Parties

A prerequisite for companies wishing to work with the Clinic is the understanding that they will further the legal education of their student attorneys throughout the relationship. The Clinic won’t take on clients for sporadic or isolated projects, and clients need to invest time explaining their business to their student teams. “Potential Clinic clients must be willing to work — and fully engage — with Clinic students in order to create an immersive experience for them,” Riethmueller said.

To help create that experience, Kyra Medical hosts its EIC student team at least twice per year at its facility (now virtually) in Massachusetts for half-day sessions to review and discuss all aspects of the business. Creating that close working relationship can result in benefits to all involved.

“One thing I will note is how much *we* learn from the students during these review sessions,” Miller said. “On occasion this has led to operational changes or altered our business strategies.”

Other factors Riethmueller uses in selecting clients for the Clinic include the venture’s potential for making a positive impact on society and its level of innovation.

The Clinic seeks to provide guidance and resources to support first-time, academic, and women and minority founders and entrepreneurs. During the 2018–2019 academic year, more than half of the clinic’s clients included at least one female entrepreneur founder and 10 clients had at least one minority founder.

“Women and minority entrepreneurs remain underrepresented in entrepreneurship and often face greater challenges in securing such support in launching and sustaining their ventures, or in achieving equal treatment compared to their male and non-minority counterparts,” Riethmueller said.

As a result of careful client selection, the EIC has worked with 34 different clients to date from a variety of industries: life sciences, mobile apps, nanotechnology, virtual reality, medical devices, finance, and environmental engineering among them. This fall, Clinic students are working with 14 active clients — a mix of for-profit companies, public benefit corporations, and nonprofits. Most clients are from the East Coast, with several from within the greater New Haven innovation community.

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Shaping Student Career Paths

After graduating from Yale Law School, students entering the world of corporate and transactional law will have a sophisticated introduction to practice, according to Riethmueller. “Substantive, real-time clinical experience representing clients on sophisticated transactions will set them apart from most first-year associates,” he said. “In addition, they gain valuable insight into business, finances, corporate governance, negotiations, and human capital and resources.”

And as with other Law School clinics, work with the EIC can help shape a student’s career choices.

After working with companies including Kyra Medical and another client, Metalmark, Bushinski found he was well prepared for his work at his summer internship.

“My experiences in the Clinic put me a few steps ahead of those who were newer to the practice of transactional work,” he said. “I was working on assignments that, while they had their own nuances, were very familiar to me from my work in the Clinic.”

For Bushinski, working in the EIC has played a major role in shaping his career path. After graduation, he plans to join the emerging companies practice at Latham & Watkins. “I have learned that I really enjoy working with entrepreneurs and the startups they form to drive innovation and make an impact,” he said. “Throughout the interview process, the Clinic was the experience that I talked about most with prospective employers.”



Yun Ling '21 (left) and Andrew Brod '22 in January 2020.

Providing High Quality Legal Advice

The work of the EIC has a major impact on its clients. From helping launch new ventures to strategizing on critical business development plans, the clinic aims to set clients up for longterm success.

Since last year, the clinic has worked with the New Haven-based company Prepared, which makes a mobile app aiming to solve rapid communication challenges at schools, places of worship, and businesses during emergencies, in particular, school shootings. The Prepared system allows for a seemingly instantaneous alert to an entire campus when an emergency event is occurring, while also providing first responders with an efficient and complete view of the ongoing situation.

The EIC has worked with Prepared on organizational and governance matters, seed stage fundraising, and negotiating subscription agreements with its clients. Prepared is now onboarding nearly 150 schools for the current school year.

“The road to successfully launching a startup is treacherous,” said Michael Chime, a Yale College student and cofounder of Prepared. “However, the EIC equips founders with mentoring, coaching, and legal work that allows them to chase the change they envision in the world.”

The Clinic provides its legal services free of charge to its clients, although clients may be responsible for certain expenses, such as governmental filing fees. Nevertheless, the quality and sophistication of the student attorneys in the EIC often surpasses clients’ expectations.

Sissi Liu, the CEO of Boston-based startup Metalmark that was spun out from Harvard, knew that many law schools have clinics where student attorneys provide legal services, but was still slightly skeptical about what the EIC could offer. Her company uses its patented nanotechnology to create air purification systems for submicron-scale indoor air pollution, including pathogens like the coronavirus that can cause severe illness.

“What surprised me and sets the EIC uniquely apart is the depth and complexity of legal contracts the students work on and the quality of legal advice they provide,” Liu said.

Metalmark has worked with the EIC for two years now, relying on Clinic students for help with corporate documents, legal agreements with customers and partners, hiring, financing, and intellectual property issues.

“Companies [the EIC works with] are truly clients with whom they build a rapport...getting to know the teams, technologies, and the nature of the business,” Liu said.

When Kyra Medical first began working with the EIC, CEO Howard Miller was not sure what to expect. But the attention to detail and service the EIC student team provided Miller’s young company proved to be unique in his 30-year experience in the medical device market.

“[Sven Riethmueller] assured us we would get service and product equal to that of well-established law firms. But he was wrong,” Miller said. “We have actually received better service and attention from the EIC than I experienced with larger firms prior to cofounding the company...The Clinic is one of Kyra Medical’s secret weapons for success!” 🗨️