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## **Harris: San Mateo online security company gets second round of VC funding**

So will David Watkins, the new chief executive of a Silicon Valley identity-theft prevention start-up, be publicizing his Social Security number?

I forgot to ask. But now Watkins is competing, in an oblique way, with that guy who does. LifeLock Chief Executive Todd Davis flaunts his Social Security number — 457-55-5462— to demonstrate his confidence in the ID protection company he heads.

A nice marketing gimmick, even if Davis' number was used in a little check-cashing scam in Texas. And even though Davis is being sued by customers who say LifeLock didn't live up to his promises, the publicity is a vivid reminder to solid citizens everywhere that there are all sorts of no-goodniks eager to impersonate you and rip you off.

All that bad behavior is an opportunity for Watkins' San Mateo-based Guard ID Systems, which today announces an \$11 million second round of funding for its service that specializes in providing online identity security for consumers. Prism VentureWorks led the round, which also included participation from original investor Trinity Ventures.

Watkins, who joined Guard ID as CEO two months ago, says his company is eager to ramp up sales. One target, he said, is the millions of consumers who now use LifeLock and its rivals such as Experian, Intersections, and Trusted ID.

While others focus on "offline" fraud, Watkins said, Guard ID's signature product, called ID Vault, provides added security to online transactions. Intersections, based in Virginia, is a strategic investor in Guard ID because of the complementary nature of the products, Watkins said.

ID Vault is a subscription service that retails at \$50 for the first year and \$40 for renewals. It provides customers with a small, secured USB memory stick that contains their online credentials — including account numbers and passwords — that must be plugged in the USB port to enable online transactions, sort of like an ATM card.

Whenever a customer's online credentials are requested, the service can backtrack digital trails to help determine if that e-mail really came from your bank, say, or some mysterious origin that happens to look like your bank's site. Alerts are sent to customers to try to warn them there might be something phishy going on.

Digital gifts that keep giving. . . : Last week's column spotlighted the report that Facebook may be raking in about \$35 million a year by selling digital gifts at \$1 each, such as cupcakes that taste exactly like your computer monitor.

For that matter, they taste just like the digital monkeys, too.

A reader wrote to complain that digital gifts are "lame," so why write about them? Then came e-mail from the nonprofit ImportantGifts, touting its new service on Facebook called ChangingThePresent. For every \$10 you spend on these digital gifts, the nonprofit says, \$9.40 will be funneled to a charity of your choice — not Mark Zuckerberg.

So you can send virtual cupcakes to Facebook friends and help feed a hungry child. Or send a lipstick smooch and help fund cleft-palate reconstruction surgery.

And suddenly it doesn't seem so lame.

Molecular money: Pathwork Diagnostics, a molecular diagnostics company based in Sunnyvale that focuses on cancer, recently announced \$20 million in new financing led by Abingworth. The funding follows federal approval for the Pathwork Tissue of Origin Test "for diagnosis of tumors of uncertain origin." Pathwork CEO Deborah J. Neff said the company is now "well positioned to fund important commercialization programs" and pursue potential "breakthrough diagnostic capabilities."

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