

February 26, 2002, Optical Networks Daily

Agile photonic networking systems co Innovance Networks gets Series B \$88m, for total of \$221m

February 25th 310 employees [Innovance Networks](#) of Ottawa, with a facility also in Piscataway New Jersey, a developer of what the company describes as "agile photonic networking systems" announced it had closed its Series B financing, raising over \$88 million in venture capital from several Series A investors and bringing total funding to date to around \$221 million.

The new round of funding was led by Advanced Technology Ventures, whose general partner, Jack Harrington, now joins Innovance Networks' Board of Directors, and other Series A investors such as Morgenthaler, Thomas Weisel Capital Partners, Azure Capital, Banc of America Securities, Kalkhoven, Pettit & Levin Ventures and Archery Capital, plus industry investors JDS Uniphase and Corning.

The Innovance announcement said that following the successful completion of testing and trials with several major North American service providers, the new funds would be used to support the commercial launch, in the second quarter of 2002, of Innovance Networks' photonic networking system, which would be manufactured in Ottawa under a "virtual manufacturing" regime (whereby Ottawa would focus on core competencies critical to its customer base, primarily optical integration and system-level testing, and would handle all other manufacturing activities via strategic optical suppliers and contract manufacturers).

Innovance says its systems are designed to

- a. Offer "Just- in-Time" capacity via automated core networks, based on an intelligent, dynamic architecture which delivers rapid, "touch-less" provisioning.
- b. Accelerate the deployment of services through the core.
- c. Simplify the network.
- d. Reduce the cost of operations.
- e. Address the network scalability challenges beyond providing raw capacity.

The company was started by Nortel Networks' and Lucent Technologies' managers in May 2000. It received early seedfunding of \$18 million and is backed by ex-JDS-Uniphase chief Kevin Kalkhoven. On December 5th 2000 it received \$115 million in Series A funding.