

## Sepaton boosted by Data Domain bids

**JVC is among the investors in Sepaton, which is developing deduplication technology.**

Shmulik Shelah [June 4, 2009 19:31](#)

Two weeks ago, NetApp submitted a bid to acquire Data Domain for \$1.5 billion. With 46% of this sum in cash and the balance in shares, this bid represented a 40% premium on the company's share price. While the data storage world digested the development, it turned out that matters were far more complicated, as NetApp's competitor EMC submitted a cash bid for Data Domain for \$1.8 billion in cash.

EMC's higher bid could simply be a ploy to make NetApp's life difficult, since NetApp is sitting on \$2.5 billion in cash. But if EMC is planning to increase its data deduplication capabilities, then that could be good news for Massachusetts-based start-up [Sepaton Inc.](#), which develops data deduplication systems. Sepaton has raised \$105 million since it was founded in 2000 in Israel by an expatriate Israeli, Dr. Alex Winokur, and two American partners. Among Sepaton's investors are [Jerusalem Venture Partners](#), which invested in Sepaton's seed round in 2000, and has invested in every subsequent funding round.

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In fact, the interest shown in data deduplication by NetApp and EMC also means that other hardware producers might be interested in the technology including HP, Dell and Hitachi, not to mention communications infrastructure operators like F5 and Riverbed, and perhaps even Cisco Systems.

Data Domain develops a technology that reduces duplication in backing up data called data deduplication (dedupe) and this is a hot topic in the data storage world. Technological progress in recent years, mainly in virtualization, has created technologies that NetApp, EMC and Symantec do not yet have, and this will also draw attention to Sepaton.

The difference between Data Domain and Sepaton is that Data Domain is geared for small to medium businesses and organizations, while Sepaton's technology targets large organizations and provides grid technology that can back up 20 terabytes a night.

Sepaton, formerly known as SANgate, has been experiencing difficulties in recent years and has been led by a succession of CEOs.

The recent name change seems to have given the company a new lease of life and with a competitor likely to be acquired for a large sum, Sepaton is enjoying good times.