



UIC Technology Corner

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Economic Development and Start-Up Issue

So you want to do a start-up at UIC?

Since 1998, UIC has generated 10 [start-up companies](#) that were based on UIC technology. Six of these start-ups were completed in FY2002. In some cases, university technology can best be commercialized through a start-up company. When the commercialization plan involves a start-up, OTM will work with the university inventors and proceed through the steps to successful company launch. There are three major areas of activity:

Stage 1: Opportunity Launch

OTM will assist the university inventors with the following services:

- understanding basic guidelines for a university start-up
- formation of an initial launch team to guide the process
- patent prosecution and patent strategies
- referral legal, accounting, or management resource providers

Stage 2: Capitalization

Once the start-up is incorporated as a company, OTM will:

- negotiate an Option to the start-up for a specified period of time, usually 6 to 12 months.

During this period the start-up should complete its business plan, technology development plan, and/or commercialization plan; identify funding sources and secure commitments; establish the company's valuation; and complete all corporate documents. Faculty should complete their conflict management plan and any other agreements needed that involve university resources, personnel, or programs. OTM will assist faculty and the start-up with:

- referrals to or assistance with organized start-ups services programs such as [IllinoisVENTURES](#),
- [ITEC](#),
- [I3\(Illinois Innovation Initiative\)](#)
- referrals to a network of university partner

Web Resources

[ibio Network](#)

[Calendar of Midwest Technology-related Events](#)

[AUTM](#)

[AURRP](#)

[Licensing Executive Society](#)

[Chicago Technology Park](#)

[The Illinois Coalition](#)

[Illinois Medical District](#)

[IL Dept. of Commerce & Community Affairs](#)

[OVCR](#)

[UIC- Office of Technology Management](#)

[UIUC- Office of Technology Management](#)

[United States Patent and Trademark Office](#)

[European Patent Office](#)

Download copies of:
[Confidential Disclosure Agreement](#)

[Invention Disclosure Form](#)

- organizations or resource providers
- referrals to venture capital or other funding sources
- university [conflict management plan](#) other university agreements such as [sponsored projects or contracts](#)

Stage 3: Business Launch

Once the start-up is capitalized and the required documents are complete, OTM will:

- negotiate a license for the intellectual property (patents, copyrights, trademarks, tangible property) or other agreement that allows the start-up to use and develop the technology.

In most cases, the university's license will include both equity and royalty terms. The royalty rate will reflect industry standards. The equity position will reflect the value of the university's intellectual property as well as a waiver, decrease, or delay of such typical items as initial license fees, royalty or milestone payments, reimbursement of patent costs, patent prosecution, and other support such as faculty sabbaticals, leaves of absence, or conflict management. The university is customarily a common stockholder in the start-up and will have a variety of stockholder rights that will allow for monitoring progress.

The university provides assistance with marketing or showcasing promising technologies or start-ups through offering participation in:

- university events such as UIC's TechDay and I-Emerging
- regional events such as the Chicago Technology Forum

- national and international technology trade shows



UIC in the News

ITEC-Chicago



EXECUTIVE SUMMARY

ITEC-Chicago (the Center) is proposed as a strategic asset for technology-oriented entrepreneurs in the State of Illinois and City of Chicago. The applicant partners have structured their program as a Technology Enterprise Center (New Venture Services) to be housed at the not-for-profit Chicago Technology Park (CTP). The Center's directors and board will include private sector leaders with biotechnology expertise as well as leaders at key academic

research institutions.

The partners include the Illinois Medical District Commission (IMDC), which engages in several activities including the direct operation of the CTP; the Illinois Institute of Technology (IIT), which has leading technology-based research and a commitment to technology commercialization; the University of Illinois (UI), the flagship public research university of the State of Illinois through its Start-Up Services Company of IllinoisVENTURES; and University of Illinois at Chicago (UIC), a national leader in medical and pharmaceutical research with heavy investments in research and technology commercialization. These partners will leverage their ability to access and identify technology entrepreneurs; utilize and expand their existing programs, knowledge and private sector relationships; and provide talent and resources to ensure success. The result will be a highly visible and energized environment for a technology-based firm's creation and retention. The emphasis of the Center will be on life science and bioscience start-ups or emerging companies who are, or intend to, locate within the City of Chicago.

Since technology often crosses sectors, other technologies with a strong research orientation, such as microelectronics, nanotechnologies, optics or advanced engineering, will also be served.

The collective experiences of the partners have shown that start-up and emerging companies need assistance with new venture and growth services, such as market research, business strategy, corporate and legal advice, recruitment of talent, resource and financial network development, and architectural design. ITEC-Chicago would extend the

support of the State of Illinois and the Illinois Department of Commerce and Community Affairs technology investments directly to Chicago's emerging technology firms.

The Center's operating model will be to leverage resources, deliver value-added services, and plan for future sustainability of the Center. ITEC-Chicago will provide service, where possible, on a pro bono basis, but will also provide certain services on a fee for service basis. As appropriate, the Center will leverage the capabilities of its professional graduate students. The Center will also offer *Tech Target Investment Grants*, which will be an instrument for economic assistance to companies with a supportable request to address strategic needs and a viable means for repayment.

ITEC-Chicago seeks first year funding of \$500,000 to implement an effective business plan to commercialize technology-based innovations. It will leverage the strong talent and resources in the region while responsibly providing accountability to DCCA and taxpayers regarding their investment.



ORGANIZATION

ITEC-Chicago will be fueled by major organizations that are currently in partnership with DCCA to support economic development efforts: the Chicago Technology Park (CTP), which is managed by the

Illinois Medical District Commission (IMDC); Illinois Institute of Technology (IIT), the University of Illinois (UI) and its Start-Up Services Company of IllinoisVENTURES, and the University of Illinois at Chicago (UIC). Should this first year plan be funded, the partners are prepared to develop a multi-year plan, expand their network of partners, and work collaboratively with DCCA to refine the approach.



i-street Magazine's September edition spotlighted VipoGen, a UIC startup company based upon the technology developed by Drs. Hayat Onyuksel and Dr. Israel Rubinstein. According to i-street, "...VipoGen has purchased a license from the UIC for the use of vasoactive intestinal peptide (VIP) and related peptides associated with sterically stabilized liposomes and micelles-hopeful drug delivery systems for acute esophageal food impaction and autism..."

To read more about "VipoGen: a new biotech business with its foot on the accelerator"

Please link to [i-street magazine](#)



◆◆◆◆◆◆◆◆◆◆ Technology Events

The article which appears below, was translated into English from Spanish and recently appeared in the web pages of [FUNGLODE](#).

The Global Foundation for Democracy and Development (Funglode) offered a seminar about "Intellectual Property and Economic Development: Strategies applicable in Chicago and Dominican Republic".

The event, in coordination with the University of Illinois at Chicago, was held at the Hotel Embajador in Santo Domingo from 9am until 1pm.

The seminar was translated in Spanish.

Two prestigious professionals from the North American university were David Gulley and Jill Tarzian Sorensen.

Gulley is the Director of Economic Development in the Office of Technology Management in University of Illinois (UIC); and Tarzian Sorensen is an attorney, Assistant Vice Chancellor for Research and Director of the Office of Technology Management.

They work jointly to synthesize commercial and legal aspects of the development of the intellectual property in the University of Illinois, in cooperation with foreign governments, corporations and foundations, as well as with the local government and associations of business, depending on the requisite individuals of them interested.

The seminar was directed towards professionals and specialists in intellectual property, executives of companies and businesses, academic and research organizations in general.

The identification, protection and successful commercialization of intellectual property are a necessary component of national economic development in a global economy in these times said Gulley and Tarzian Sorensen.

They add that an economic strategy in which the intellectual property occupies a central place, seems to be feasible in the case of the Dominican Republic.

The seminar about Intellectual Property had a discussion based upon legal systems and organizational structures for the identification and protection of intellectual property accompanied by a practical presentation of cases related to the successful commercialization in the market.

The University of Illinois at Chicago, as one of the main American research universities and situated in one of the most important international centers of business of the United States, is dedicated actively to the development and patenting of its own intellectual property

UIC also works with private enterprises in the region and the world to commercialize its intellectual property.

UIC has structured departments to administer these licenses.

The program included: the identification and protection of the intellectual property, the role of the license in the commercialization of the

intellectual property, and the characteristics of the successful businesses and the process of incubation of business.

Also included was the management of technology for a competitive economic position, the best practices in the incubation of businesses and services needed such as physical facilities, financial and strategic planning, legal management and regulation, as well as marketing of the products and services.



For further information on the technology transfer process at University of Illinois, contact the Office of Technology Management (312) 996-7018, or visit the [OTM website](#).

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