

# **CTTC Startup Support and the Vanderbilt New Ventures Continuum**

# **STARTUPS AT VANDERBILT – A BRIEF HISTORY**

# Vanderbilt Start-up History

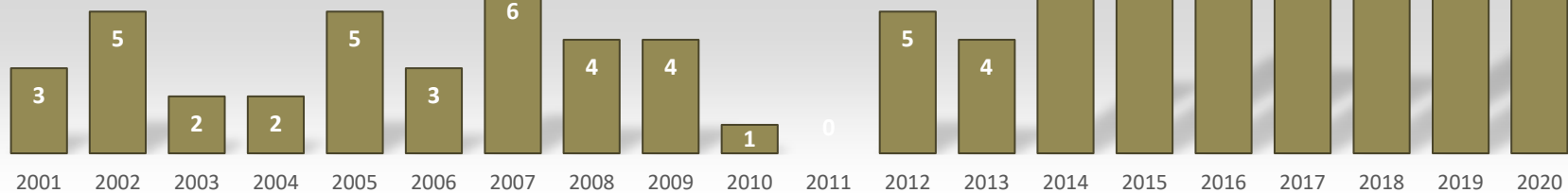
## Vanderbilt-Affiliated Startup Licenses 2001-2020

Current Period

### Vanderbilt Chancellor's Fund Era\*

*\* (startups formed sans VU  
technology not represented)*

### Transitional Period



# Vanderbilt: an Innovation Powerhouse



>300

61

>4000

46%

>\$35M



## Entrepreneurship Growth

*"Global Outstanding Emerging Entrepreneurship Center of the Year"* (Global Consortium of Entrepreneurship Centers)

Wond'ry NSF I-Corps Site recognized leader amongst peers

ideas supported by the Wond'ry annually

microgrants awarded totaling >\$120,000

attendees at Makerfaire

of teams are led by women

in external funding for Wond'ry-related startups

recently launched incubator services

**theWOND'RY**

Supported by:

VANDERBILT'S INNOVATION CENTER

## High Innovation Capacity

*Five-year summary:*

Startups w/ Vanderbilt IP and equity stake launched

~48

\$78.5M

in licensing revenue

\$83.2M

in industry funding for innovation research through CTTC-supported licenses

358

patents awarded

1,128

invention disclosures



Reuters Top 15 Most Innovative Universities in the U.S. 3 years running



Promising regional growth



**VANDERBILT  
UNIVERSITY**

Technology Transfer

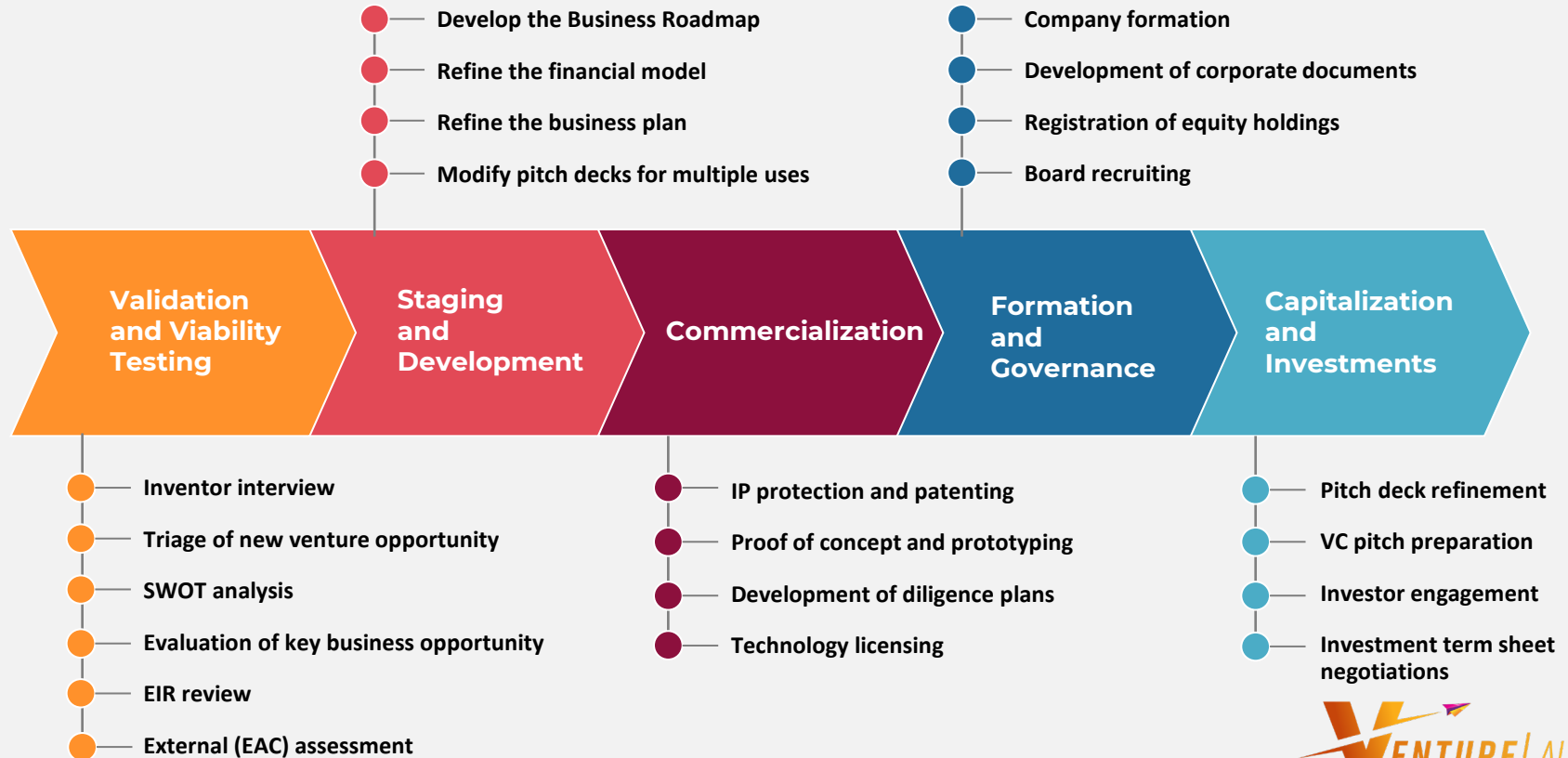
Supported by:



Advanced support services for new ventures licensing  
Vanderbilt IP and/or securing Vanderbilt investment

- Evaluation assistance
- Business modeling
- Startup-friendly licensing
- Formation services
- Governance assistance
- Assistance with access to capital

# REIMAGINED CTTC STARTUP SUPPORT MODEL



Service on university and regional  
boards and committees

Strengthen regional networks

Contribute to community events

**Regional  
Outreach &  
Engagement**



Partnerships with internal stakeholders  
and continuum participants

Collaborative programs and initiative

Contributions to innovation and  
entrepreneurship education

**Ecosystem  
Development**



## Institutional Services

New Ventures newsletter and Driving  
Innovations Forward publication

Tech Connect newsletter

Coordination of communications  
articles and press releases

Master innovator and entrepreneur  
recognition programs

**Communications  
& Recognition**



Equity management assistance

Startup metrics tracking

COI management assistance

IP Policy revisions

Assistance with funding applications



**Administrative  
Services**



# Example Process Docs

The image shows a digital form titled "New Ventures Questionnaire" from Vanderbilt University. The form is divided into several sections: "Team", "Market", "Technology", "Background Information", and "Technology". Each section contains specific questions for the user to answer. For example, the "Team" section asks "Determine immediate needs for management team, consultants, and advisors." and "Has a company already been formed?". The "Market" section asks "Understand the industry dynamics, market trends, and competitive landscape." and "Identify the market and any potential follow-on markets?". The "Technology" section asks "Analyze the IP status and technology readiness level (TRL) of prototypes." and "Describe the technology, its current state of development and the funding sources used to support the research." The "Background Information" section asks "Please list the inventor(s).", "Please list the technology.", and "Please confirm that the technology has been disclosed to CTC conversations with any tech transfer professionals to date." The form includes a "Preview" button and a "Collect responses" button.

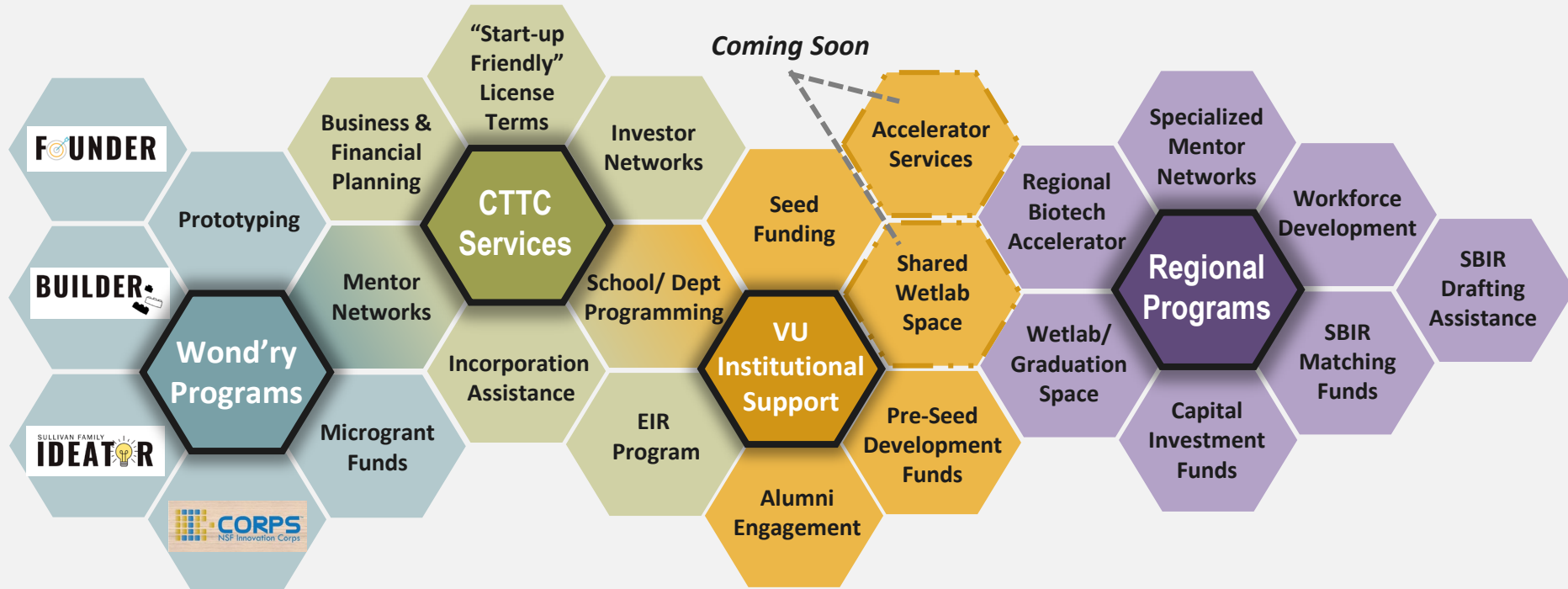
New Venture  
Questionnaire



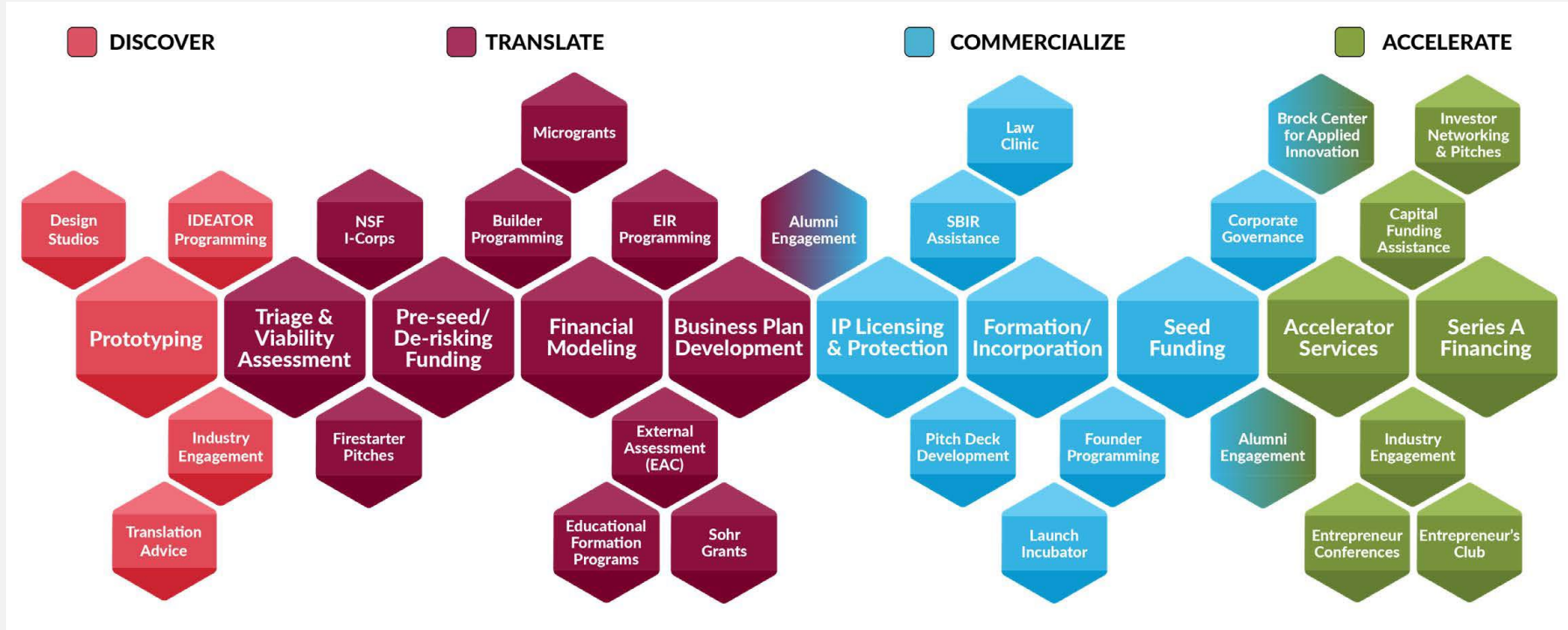
New Venture  
Brochure

# **BROADER ADVANCEMENTS AND NEW VENTURE CONTINUUM**

# Vanderbilt New Venture Support Systems



# New Ventures Continuum – Stages





# Faculty FAQs



- *Q – What is the likelihood that a startup will be founded based on technology that I have developed?*
- A – It depends, of course, on the result of the startup analysis. Most technologies developed and invented at Vanderbilt that have commercial potential are more suitable for licensing to an existing company as opposed to a startup. Startups are a hard process, risky, and generally take more time and resources. With startups, the objective is to create high-quality companies with some reasonable chance at being successful.



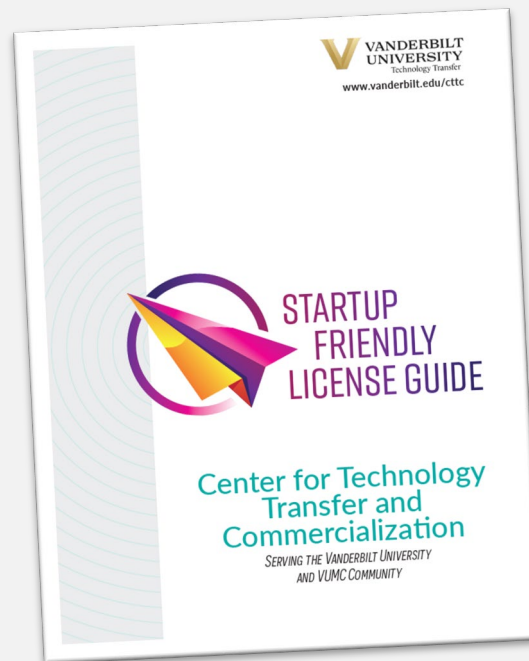
- *Q – Does the inventor play an important role in a potential startup company?*
- A – ABSOLUTELY. One of the single most important factors of success is engagement by inventors. Initially, we assemble resources to evaluate startup opportunities. As we are a research institution, those resources are limited. We need the knowledge and understanding of the inventor as well as their perspective on how the innovation could be used to create a product or service. This engagement is key and, without it, startups at Vanderbilt will not work.

- *Q – Can I be a co-founder of a company or undertake another role?*
- A – Generally, yes.
- Possible roles:
  - Company co-founder.
  - Science/technology role such as chief science officer. Role is typically interim and part-time. When the company has grown, a full-time person is generally hired for the role.
  - Shareholder.
- Other considerations:
  - Subject to Vanderbilt policies on time that can be spent.
  - Presumably, permission from Dept. Chair and/or Dean.
  - Perhaps most importantly, conflict of interest disclosure. Talk to the COI office very early in the process.



- **Transparent negotiations**

- All expectations fully explained in licensing pre-meeting
- Access to startup term sheet, startup licensing template and Startup Friendly License Guide (full explanation of all licensing issues)
- Access to the national “Investor/Tech Transfer Roundtable” terms and conditions for academic startups for independent validation of reasonableness of licensing expectations



- **Cashless up-front payments - No up-front payment is required unless at company's election**
  - Equity provided in lieu of cash
  - Flexible on type of equity (stock, warrants, convertible notes, change of control payments, etc)
- **No IP reimbursement payments due for one year, to allow company to raise capital without payment obligations**
  - Payment plan for IP implemented thereafter for outstanding expenses
- **Royalty abatements for local presence**
  - 1% reduction in royalty rates so long as startup is principally located in Nashville region

- **Favorable grant terms**
  - Direct access to improvement inventions consistent with COI policies and practices
  - Exclusive rights in all fields
  - Adjustable/flexible diligence obligations
  - Direct involvement in ongoing patent prosecution activities
- **Helpful templates available**
  - Vanderbilt offers templates for the Annual Report and Quarterly Royalty Reports to assist startup with reporting requirements





VANDERBILT UNIVERSITY  
Office of the General Counsel  
Conflicts of Interest and Commitment Management

# VANDERBILT INNOVATION AMBASSADORS PROGRAM:

Institutional Conflicts of Interest  
Arising from New Ventures and  
Licensing Agreements

November 15, 2022

**Spruell Driver**, *Director*  
**Alison Cooper**, *Associate Director*

Office of Conflicts of Interest  
and Commitment Management



# Institutional Conflict of Interest

**Institutional conflict of interest (“Institutional COI”)** refers to: Situations in which the financial interests of an institution or institutional official, acting within his or her authority on behalf of the institution, may affect or appear to affect the research, education, clinical care, business transactions, or other activities of the institution.



# Why is COI important?

## Public Trust & Confidence

- The policy helps protect the trust and confidence that the public has in Vanderbilt as an academic center and research institution.

## Individual & Institutional Reputations

- Without the policy, individual and institutional reputations could be harmed.

## Sponsored Research Requirements

- Many research sponsors require it in their contracts or grant terms and conditions.

## Protecting Individuals & Vanderbilt

- The policy serves to protect BOTH the University's interests and the interests of the faculty and staff who are disclosing.

# Creating a Conflict Disclosure

**Who?**

Everyone – All VU Faculty, Staff, and Postdocs

**When?**

Every year and ALSO when your circumstances change (within 30 days of a new significant financial interest)

**Where?**

Conflict Disclosure System

**How?**

Log-in with your VUNetID & password



# Institutional COI resulting from licensing agreements



**Material  
Consideration**



**Research Related to  
the Licensed  
Technology**



**Human  
Subjects**



## Institutional COI resulting from licensing agreements: **Material Consideration**



- Any equity in a privately-held company
- Equity in a publicly-held company of value in excess of \$100,000
- Licensing fee in excess of \$100,000
- Combination of licensing fees and publicly-traded equity with collective value in excess of \$100,000

**Institutional COI resulting from licensing agreements:**

# **Research Related to Licensed Technology**



- Any research at Vanderbilt related to the licensed technology
  - Example: New venture sponsors research aimed at achieving license milestones that obligate payment of material consideration

# Institutional COI resulting from licensing agreements: Human Subjects Research



Is human subjects research underway or planned at VU or VUMC?

- COI Policy presumes that conflicted individual or institution shall not conduct human subject research.
- Presumption is rebuttable.
- University Conflicts Committee (UCC) will conduct risk/benefit analysis to see if there exists “compelling circumstances” to justify participation of conflicted individual or institution.
- UCC may set forth specific conditions to mitigate potential for conflict.

# Management Plans

- Plans are put into place to limit the risks to the University and the faculty/staff member with the conflict. Some plans also protect the integrity of research.
- Having a “conflict” does **not** necessarily mean an activity is prohibited. In most cases, all that is needed is a management plan.
- Oversight of all management plans remains a duty of the Dean’s office.
- Questions about implementation of a management plan may be brought to the COI Office at any time.



# Typical Features of a Management Plan for a Start-up (Institutional COI)

## Management Plan Implementation – Dean’s office

## Annual External Review – party independent of Vanderbilt

- Expertise in science of the project
- Acceptable to the Dean or Dean’s designee
- Signs confidentiality agreement and attestation of no pre-existing financial relationships
- Reviews all materials deemed necessary to identify potential bias in the research
- Interviews faculty, staff, and students involved in the research
- Reviews publications and presentation descriptive of the research
- Reviews business arrangements between Vanderbilt and new company
- Report annually to the Dean and the COI Office

## Annual Internal Oversight

- Time and Effort
- Students, Postdocs, and Trainees
- Interested Parties
- Public Disclosure

# UCC and COI Office Responsibilities

## University Conflicts Committee (UCC)

- Reviews and manages complex COI matters:
  - Institutional COI
  - Human subjects research when Investigator has significant financial interest (SFI)
  - Unmanageable conflicts
- Advises the COI Office on questions or policy and practice
- Membership includes representatives from several departments throughout Vanderbilt
- General Counsel serves as Chair of the Committee

## Office of Conflict of Interest and Commitment Management (COI Office)

- Oversees implementation of the COI Policy
- Director reports to the General Counsel

# QUESTIONS?

## OFFICE OF CONFLICTS OF INTEREST AND COMMITMENT MANAGEMENT

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Director

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