

UCLA | 2019

INNOVATION FUND

FAQ

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GENERAL

What is the goal of the UCLA Innovation Fund?

The UCLA Innovation Fund's goal is to more quickly move technologies from idea to the market, bridging the gap between academia and industry / investor interest. Successful outcomes include, but are not limited to, a 1) license to an existing company; 2) license to a newly created company; 3) finding that a project no longer has technical or commercial potential.

Importantly, this is not a traditional research award. The following is a summary of key UCLA Innovation Fund components, all of which are focused on further developing your technology and increasing the overall probability of commercial success.

How does the UCLA Innovation Fund aim to achieve its goal?

The UCLA Innovation Fund seeks to support you as an inventor in several ways, not just financially.

EXTERNAL FEEDBACK: Those projects that are selected to present to the UCLA Innovation Fund Advisory Panel will receive feedback from experienced individuals in the investment and industry sectors.

FLEXIBLE CAPITAL: Funding will be made available to advance select projects to reach key project-specific milestones, further enabling these technologies to be licensed to an existing company or a startup.

- Importantly, these funds are to support commercialization activities that would not be supported by basic research grants, such as hiring consultants or engaging manufacturing and product development vendors; strategic use of funds will be decided between inventors and the UCLA Innovation Fund

PROJECT MANAGEMENT: Each selected project will receive a UCLA Innovation Fund point of contact that provides Project and Alliance Management services, including, but not limited to: consultant / vendor searches and vetting; project milestone design and tracking; dispersal of funds.

From where does the UCLA Innovation Fund draw its support?

California State Assembly Bill 2664 made possible the creation of the *Proof Of Concept* award in 2016, a predecessor to the UCLA Innovation Fund.

Starting in 2017, UCLA schools and departments began collaborating with TDG to create a campus-wide UCLA Innovation Fund. Projects were funded from the CSA Bill 2664, along with financial support from several on-campus contributors: UCLA TDG, DGSOM, UCLA Henry Samueli School of Engineering & Applied Science, the College's Divisions of Life Sciences and Physical Sciences, and the UCLA School of Dentistry.

What if I have questions not addressed on the website or in this document?

If you have any additional questions, you can reach out to any of the following individuals:

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ELIGIBILITY

Who is eligible to apply for UCLA Innovation Fund support?

- The lead PI must be a UCLA faculty member in the Regular Professor, In-Residence Professor, Clinical X Professor, or Health Sciences Clinical Professor series in the DGSOM, HSSEAS, Life Sciences, etc.; applications from highly independent and accomplished faculty in the Adjunct Professor and Researcher series may also be considered
- The lead PI on each application must hold a primary appointment on the UCLA campus, in that their extramural grant applications must typically be submitted through the UCLA Office of Contract and Grant Administration
- Project teams may include non-faculty positions (e.g., graduate students, postdocs, staff, nurses, etc.) that sign the UC Patent Policy
- The underlying IP should vest with UCLA (the Regents) only; all members of the team need to have signed the [UC Patent Acknowledgement](#)
- Technologies that have been licensed out to a third party (e.g., startup, existing company, etc.) or are in active licensing negotiations are **NOT** eligible for UCLA Innovation Fund support, as the UCLA Innovation Fund aims to support technologies that have not yet successfully reached a value inflection point

PLEASE NOTE:

The PI(s) **MUST** be present for the Pitch Day, which is the final round of the competition. PI(s) will give a 15 minute slide presentation that identifies the problem being addressed, how the technology works, why the technology is superior to alternatives, and what the development path forward looks like. There will be an additional 15 minutes available for Q&A. This will be in a closed-door session attended by the UCLA Innovation Fund and the UCLA Innovation Fund Advisory Panel. Other applicants will not be present. See below for additional information on Pitch Day preparation.

What is the role of intellectual property (IP) in developing technology?

IP is a broad term that can encompass a wide variety of rights, including by way of example patents, copyrights, trademarks, trade secrets, know-how, and potentially other types of proprietary rights. A key component of any business plan, when developing an early stage invention / technology into a product, is outlining the company's strategy for the pursuit of IP protection for the product. The company's IP strategy is often an integral part of its business and will often determine the company's likelihood of success.

For example, most UCLA inventions will require additional resources, typically in the form of time and money, to further develop the technology. Because predicting whether a technology will ultimately make it to the commercial market — and be financially successful — is complex and often unpredictable, investors face a calculated risk they will not see a return on their investment. Pursuing and obtaining a deep and diverse set of IP assets is one way a company can bring additional certainty to an investor that, if and when the company's technology enters the marketplace, the technology will have an increased chance that it will be able to protect its space in the market.

What is the role of IP in the UCLA Innovation Fund?

The UCLA Innovation Fund is able to support solely those technologies for which UCLA is able to pursue IP, and wherein such IP is defensible and is owned by The Regents. The reason is two-fold:

- To support UCLA's mission of bettering society, UCLA Innovation Fund technologies ultimately need to reach the public; IP is frequently required for the private sector to take a financial risk in further developing UCLA technology, so that a technology can indeed become a product or service
- Part of the incentive for UCLA departments and schools to contribute funding to the UCLA Innovation Fund is the hope that the funded technologies will return at least as much (and ideally more) value back to the Fund than the amount invested. If the UCLA Innovation Fund is successful with the returns on its investments, the Fund will be able to continue to support the development of additional technologies arising from UCLA's campus

What is the role of material transfer agreements (MTAs) in developing technology and in the UCLA Innovation Fund?

MTAs are a set of terms and conditions between UCLA and an outside organization, whenever there is transfer of materials between the two entities. Similar to the IP considerations described above, MTAs can impact the ability of an inventor to protect their invention, depending on the details of the MTA. For example, in exchange for sending materials to a UCLA inventor, an organization may reserve the rights to sell any inventions related to that material. In this example, a potential investor is less likely to see returns on their investment, making development of the technology more challenging.

MTAs are permitted before, during and after involvement in the UCLA Innovation Fund. However, special care should be taken not to collaborate with external entities (including via MTA) without first discussing with the UCLA Innovation Fund, to ensure adequate protection of IP. If you have any previous MTAs that you would like to better understand, please reach out to the TDG office: <http://tdg.ucla.edu/ucla-community/research-support>

What is an invention disclosure or invention report?

An invention disclosure is the process by which UCLA is notified of a technology that you have invented. This is achieved by completing and submitting an Invention Report to TDG, which formally begins the technology transfer process. The Invention Report is a confidential document where you're asked to provide a full description of your invention, including how to make and use it, and any supporting experimental data that you have generated. The Invention Report is assigned to a licensing officer (TTO) within TDG and assigned a tracking number.

If you are applying to the UCLA Innovation Fund, but have never disclosed the invention to UCLA, please file an Invention Report prior to the LOI deadline:

<http://tdg.ucla.edu/ucla-community/invention-disclosure>

I've previously applied to the UCLA Innovation Fund. Can I apply again?

Teams are encouraged to reapply to the UCLA Innovation Fund. If your technology was previously declined, we strongly recommend addressing any limitations previously identified. If you currently receive UCLA Innovation Fund support, contact your project manager for further information.

UCLA INNOVATION FUND PROCESS

What are the different phases and timeline of the selection process?

There is a three-step application process, which requires a Letter of Intent (LOI), Full Application (by invitation), and a Pitch Presentation (by invitation).

Applicants are judged according to clinical need, technical strength, IP, development path, competitive landscape and team. The UCLA Innovation Fund reserves the right to modify criteria, as needed.

STEP 1: LOI SUBMISSION – LOIs are due March 31th for both the Therapeutics and MedTech tracks.

STEP 2: FULL APPLICATION INVITATION – Invitations to submit a Full Application will go out approximately May 1st for both the Therapeutics and MedTech tracks.

STEP 3: PITCH DAY INVITATION – Invitations to present to the UCLA Innovation Fund Advisory Panel will go out approximately July 1st (Therapeutics track) and August 1st (MedTech track). Teams that advance to the final stage of the competition will be assigned an alliance manager to assist with developing their pitch. This process will include addressing / incorporating feedback from the UCLA Innovation Fund organizers (and from the UCLA Innovation Fund Advisory Panel, as available), as well as presenting at two practice pitch sessions. Teams will receive significantly more constructive feedback on the official Pitch Day, by taking these steps to refine their pitch content.

I have an early stage technology that isn't intended to address a specific disease. Do the clinical questions apply?

While clinical questions are not required for early stage technologies, we encourage all applicants to attempt to answer the questions. It is frequently helpful to picture how a product will ultimately be used and by who, such that the developmental path is appropriately crafted.

If you have difficulty providing informed answers to clinical questions, it may be worth identifying a clinical advisor or collaborator to join your team.

Why aren't you asking about the details of my technology in the LOI phase?

The technological details are a key part of the evaluation process, and will ultimately enable success. That said, there are additional important factors to be considered.

In an effort to limit the time it takes PI(s) to craft a UCLA Innovation Fund application, we will only ask for details surrounding your technology if you are invited to the Full Application stage.

What is the Pitch Day at the end of the competition?

The final round of the competition involves PIs giving a 15 minute slide presentation that identifies the problem being addressed, how the technology works, why the technology is superior to alternatives, and what the development path forward looks like. There will be an additional 15 minutes available for Q&A. This will be in a closed-door session attended by the UCLA Innovation Fund and the UCLA Innovation Fund Advisory Panel. Other applicants will not be present.

The UCLA Innovation Fund Advisory Panel is comprised of experienced, external members from industry and the investment community. They are able to provide real-time feedback, identifying strengths and areas of improvement. This feedback is considered, when the UCLA Innovation Fund identifies projects to support.

Who will hear my pitch? Is it considered a confidential setting?

The Pitch Day will be in a closed-door session attended by the UCLA Innovation Fund, the UCLA Innovation Fund Advisory Panel and the TTO representing your technology. Other applicants will not be present. The UCLA Innovation Fund Advisory Panel is comprised of experienced members from industry and the investment community.

The event should be treated as a public, non-confidential setting. If you reach this stage of the competition, the UCLA Innovation Fund will work closely with you to prepare your presentation accordingly.

FUNDING

If I am selected to receive UCLA Innovation Fund support, when will funds be transferred?

UCLA Innovation Fund projects have historically been able to access funds 1–3 months following notification of their selection.

Please keep in mind that the UCLA Innovation Fund is not a typical block grant or award, and funds are available in a different manner from which you may be accustomed:

- Funds are tied to explicit milestones / aims the inventors and the UCLA Innovation Fund agree help to de-risk a technology
 - Annotation of milestones is informed by, but not limited to, inventor experience, outside industry / investor / consultant opinion, logistical limitations (e.g., budget, timeline)
- Consistent with the above, funds can be transferred to UCLA inventors to support individual milestones, or paid directly to outside vendors, if applicable, rather than a block transfer of the entire budget
- If it becomes apparent that a technology will become licensed, or that a technology likely no longer has market potential, the UCLA Innovation Fund reserves the right to halt financial support
- Non-faculty personnel costs will be considered, but it is strongly preferred that personnel are already funded

What will my budget be?

Part of the UCLA Innovation Fund's goal of moving technologies from an idea to the market includes identifying if a technology no longer has technical or commercial potential. Thus, while UCLA Innovation Fund projects are provided with a technology development budget up to a certain amount, this amount is **NOT** guaranteed. The results at each milestone will be the justification for continued UCLA Innovation Fund financial support. In addition, projects must continue to show earnest progress towards elucidated milestones.

Distinct from the technology development budget, a consulting budget from a separate pool of funds is set aside for each UCLA Innovation Fund project. The consulting budget can be used in a variety of ways, such as helping to identify milestones, design / implement / review technical development steps, explore regulatory or manufacturing requirements, etc.

If positive progress is made, can I ask for an increased budget?

There is currently no limit to the number of times a technology can receive UCLA Innovation Fund support. We recommend that selected projects reapply to increase the amount of financial support available to you. If you currently receive UCLA Innovation Fund support, contact your project manager for more details.

Are there indirect costs (e.g., overhead) that will be taken from my support?

UCLA Innovation Fund monies are not subject to indirect costs, as the funds originated within UCLA.

Are there restrictions on how I can spend the funds?

One of the key benefits of the UCLA Innovation Fund is the ability to spend funds in a flexible manner. Hiring fee-for-service vendors and consultants is seen as one area where you can extract value.

The one restriction is the UCLA Innovation Fund cannot directly support faculty compensation. UCLA Innovation Fund capital is intended to efficiently develop technology and facilitate its exit out of UCLA, and it's expected that faculty already have sufficient financial support to oversee this work.

Support for non-faculty personnel will be considered, but it is preferred that these personnel are already funded, freeing capital for activities where traditional sources of money place restrictions.

How long do I have to spend funds?

UCLA Innovation Fund projects take 12–18 months to either exhaust their budget or reach a point where the development of the technology is no longer technically or commercially attractive. It's recognized, though, that every technology is unique and timelines for selected projects can be discussed on an individual basis. While unforeseen circumstances can also arise, it's imperative that forward progress towards explicitly defined milestones continue, to preserve access to funding.

PROJECT MANAGEMENT

Who is the final decision-maker on how funds are spent?

The UCLA Innovation Fund is not a typical block grant or award, and funds are available in a different manner from which you may be accustomed. Spending decisions are made jointly between UCLA PI(s) and the UCLA Innovation Fund:

- Funds are tied to explicit milestones / aims the inventors and the UCLA Innovation Fund agree help to de-risk a technology
 - Annotation of milestones is informed by, but not limited to, inventor experience, outside industry / investor / consultant opinion, logistical limitations (e.g., budget, timeline)
- Consistent with the above, funds can be transferred to UCLA inventors to support individual milestones, or paid directly to outside vendors, if applicable
- If it becomes apparent that a technology will become licensed, or that a technology likely no longer has market potential, the UCLA Innovation Fund reserves the right to halt financial support
- Non-faculty personnel costs will be considered, but it is strongly preferred that personnel are already funded

What is a UCLA Innovation Fund project manager?

One of the key benefits that the UCLA Innovation Fund provides is the ability to spend funds in a flexible manner. Hiring fee-for-service vendors and consultants is seen as one particular area where you can extract value. In both instances, significant time is required to both source and vet parties, in addition to negotiating pricing discounts, navigating the UCLA procurement / purchasing process and settling invoices. UCLA Innovation Fund project managers take on this role on your behalf, while soliciting your feedback and keeping you apprised of major developments.

With each successive round of UCLA Innovation Fund projects, UCLA Innovation Fund project managers further expand their network of trusted partners, which benefits all UCLA Innovation Fund participants.

Do I need to provide progress reports?

Once the UCLA Innovation Fund begins support of a project, initial milestones, timeline and budget need to be defined by PI(s) and the UCLA Innovation Fund. Subsequently, UCLA inventors have historically been in regular contact with the UCLA Innovation Fund, to the extent that formal progress reports or updates are not needed.

However, the UCLA Innovation Fund reserves the right to require regular updates (e.g., every 2 weeks), if communication becomes a barrier to efficient development of your technology. This is to help identify when / how project strategies require revision. Frequency and method of communication can be refined on a project-by-project basis.