

Tech Transfer Tips for Tech/Life Science Startups

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BARRY WOHL, CHIEF BUSINESS OFFICER, APNIMED

MICHAELA LEVIN PH.D.

LICENSING MANAGER PARTNERS HEALTHCARE INNOVATION

A Mission to Share: Bringing Medical Innovation to Patients

- ❑ Technology Transfer Offices: Commercializing the Institution's IP portfolio
- ❑ Choose your Product: Drug Target & Indication/Diagnostic/Device
- ❑ Ingredients of an Academic Start-Up: High risk with potential for high return
- ❑ Meeting the Licensing Officer and Inventors: An “arranged marriage”
- ❑ The Deal: Structure and Options, literally
- ❑ Negotiating with a TTO: Understanding the Difference
- ❑ Alliance Management: ‘til IP expiration do us part ... or not
- ❑ 2nd License: Renewing your vows

Technology Transfer Offices: Commercializing the Institution's IP portfolio

Management of IP:

- ❑ Evaluate and support new inventions through Patents, Copyright, Trademarks and Trade Secrets
- ❑ Mostly preclinical IP
- ❑ Funding through federal grants, private foundations, gifts, and industry
- ❑ Internal Accelerators to advance the stage of development of innovations
- ❑ Products Produced to Benefit Society
- ❑ Revenue Back to TTO to support IP budget (Partners: 1300 IP filings/year) and licensing efforts

Licensing and BD:

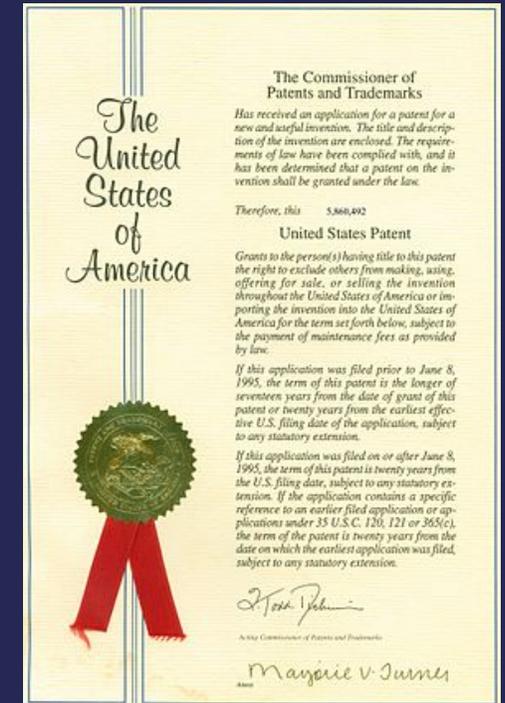
- ❑ IP-based and software licensing
- ❑ Alliance Management
- ❑ Start ups

Research Agreements

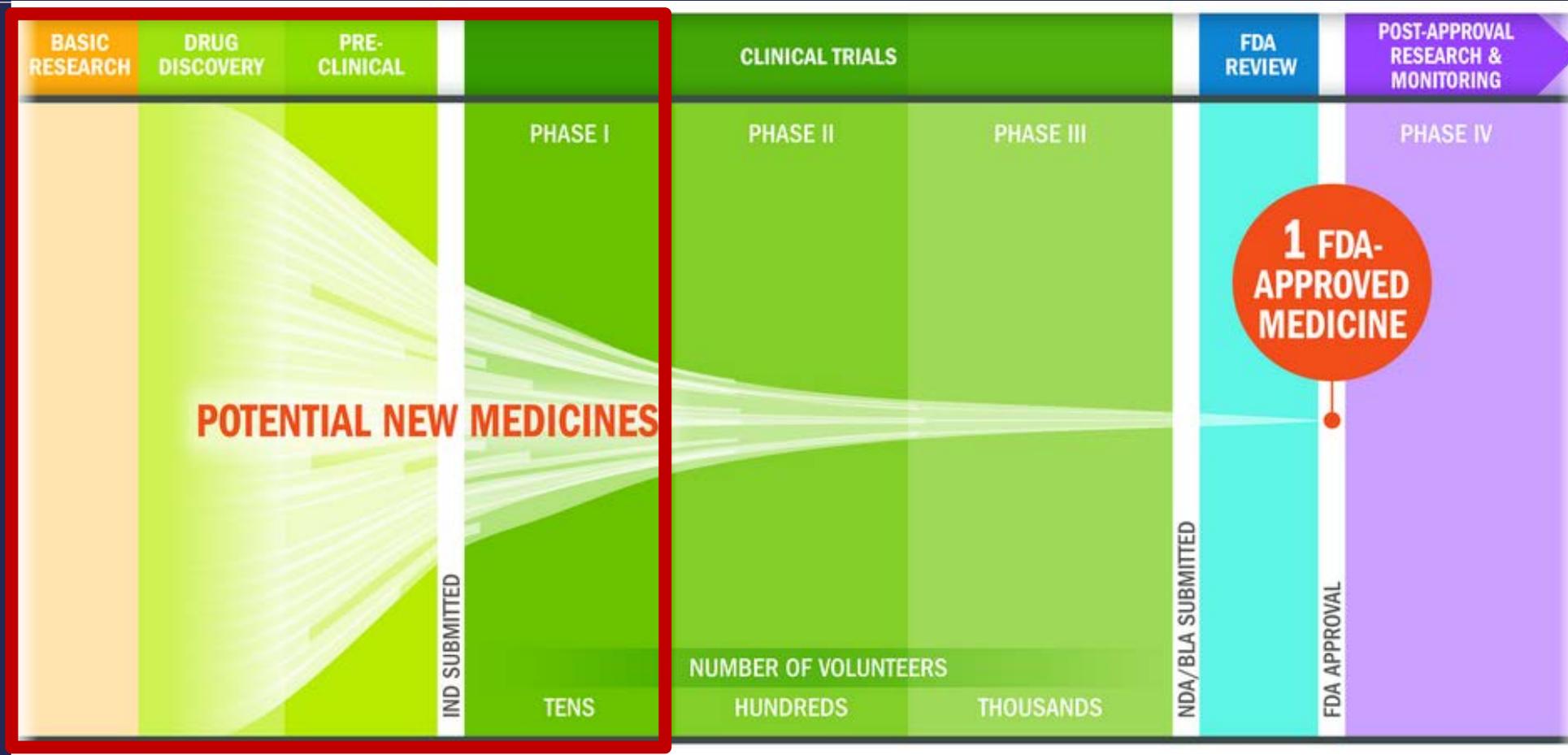
- ❑ Sponsored Research Agreements:
- ❑ Collaborations Agreements with industry
- ❑ SBIR/STTR agreements
- ❑ MTAs and NDAs

Choose your Product: Drug Target & Indication/Diagnostic/Device

- High Unmet Need
- Is there a market?
- Have a Vision
- Tell a Story
- Due Diligence on IP Protection
- Decide on Regulatory Pathway early, e.g. indication, Orphan Disease
- Know your competition
- Build a Team: be the expert and hire experts
- Pitch to potential investors

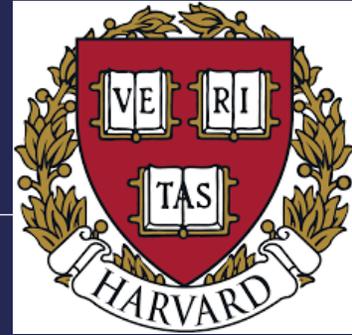


Ingredients of an Academic Start-Up: High risk with potential for high return



Early
Discovery -
P1

Ingredients of an Academic Start-Up: High risk with potential for high return



- ❑ Early Discovery vs late stage clinical trial
- ❑ Embrace the knowledge of the PI and curate that relationship
- ❑ Invest in Due Diligence and De-risking early on
- ❑ TTOs have a limited budget for IP management



Meeting the Licensing Officer and Inventors: An “arranged marriage”

- ❑ Present a fully-fledged idea and team
- ❑ Help the tech transfer office and inventors to buy into your vision
- ❑ Show respect to inventors, but ask hard questions
- ❑ Give the office confidence that you can achieve your objectives
- ❑ Convince the office that they should start a company with you rather than license the compound to a bigger company
 - ❑ Big company = high resourcing but “distracted” focus
 - ❑ Startup = sparse resources but laser focus
- ❑ Hire trusted corporate counsel and IP counsel for due diligence and to support institution’s efforts in patent prosecution

The Deal: Structure and Options, literally

- ❑ **Option:** 6-12 months with fee and IP support to get your ducks in a row and de-risk technology
 - ❑ VC investors will *require* you to have an Option – if you don't have rights, they won't meet
- ❑ **Materials Transfer Agreement:** de-risk by doing your own diligence
- ❑ **Sponsored Research Agreement with Option:** to de-risk further
- ❑ **Non-exclusive License:** cheaper, but less value
- ❑ **Exclusive License:** Upfront and annual fees, diligence milestones, royalties & IP cost



Negotiating with a TTO: Understanding the Difference



- ❑ Indemnification and Liability
- ❑ Patent Expense Reimbursement critical
- ❑ COI: no human research if PI or Institution has financial interest in company
- ❑ Term Sheet trends – research current “market” for milestones and royalties, etc.
- ❑ Communicate your needs and concerns well
 - ❑ Common entrepreneur concern: maintaining ability to sublicense (especially critical in biotech)
 - ❑ Common entrepreneur concern: achievable diligence obligations
- ❑ No two deals or TTOs are the same

Alliance Management: 'til IP expiration do us part ...or not

Establish a strong personal relationship and work hard to keep it positive. Licensing IP is not a one-time transaction. Company is going to have an ongoing relationship with the tech transfer office – you will be reporting progress against diligence milestones, potentially providing annual reports, potentially adding improvements to the license, potentially adding more, related IP into the company. Critical to recognize this upfront.

2nd License: Renewing your vows

If relationship is positive and you have a prolific inventor, this could result in future deals



How do I start a science-based company without a specific idea?

- ❑ Start with an unmet need that you're passionate about
 - ❑ Do research to confirm that your perception of the unmet need is real
- ❑ If you believe that the leading minds in this area can be found in academia, attend conferences and network locally with PIs, PhD students, post docs to find collaborators
- ❑ Develop a defensible plan, get a lawyer, find a co-founding team
- ❑ Make contact with the respective institution's TTO to inquire on the availability of the patent family
- ❑ Start developing a clinical strategy before you sign the license and consult experts about feasibility and costs

THANK YOU!
