



**TABLE OF CONTENTS  
FOR  
TECHNOLOGY TRANSFER AND RESEARCH COMMITTEE**

**Committee Meeting:** 8/20/2014

**Board Meeting:** 8/21/2014  
Austin, Texas

*Wallace L. Hall, Jr., Chairman  
Ernest Aliseda  
Alex M. Cranberg  
R. Steven Hicks  
Jeffery D. Hildebrand*

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	<i>11:00 a.m. Chairman Hall</i>		
1. <b>U. T. System: Report from the 2014 Chancellor’s Technology Commercialization and Industry Advisory Cabinet concerning recommendations on most valuable strategies to increase innovation, invention, and knowledge transfer within the U. T. System</b>	<i>11:00 a.m. <b>Report/Discussion</b> Dr. Hurn</i>	Not on Agenda	<b>318</b>
2. <b>U. T. System: Report from the Task Force on Intellectual Property</b>	<i>11:20 a.m. <b>Report/Discussion</b> President Karbhari</i>	Not on Agenda	<b>325</b>
3. <b>U. T. System: Report on Student Entrepreneur Acceleration and Launch (SEAL) Program</b>	<i>11:40 a.m. <b>Report/Discussion</b> Mr. Vijay Mr. Isaac Barchas, Austin Technology Incubator</i>	Not on Agenda	<b>331</b>
<b>Adjourn</b>	<i>12:00 p.m.</i>		

1. **U. T. System: Report from the 2014 Chancellor's Technology Commercialization and Industry Advisory Cabinet concerning recommendations on most valuable strategies to increase innovation, invention, and knowledge transfer within the U. T. System**

### REPORT

Dr. Patricia Hurn, Vice Chancellor for Research and Innovation, will provide a report from the 2014 Chancellor's Technology Commercialization and Industry Advisory Cabinet concerning recommendations on the most valuable strategies to increase innovation, invention, and knowledge transfer within the U. T. System.

### BACKGROUND INFORMATION

In 2012, Chancellor Cigarroa created an advisory body, the Chancellor's Technology Commercialization and Industry Advisory Cabinet, composed of national leaders with experience in business, marketing, technology, biosciences and geosciences, health care, and other areas of expertise. The charter of the Cabinet is to provide counsel to the Chancellor and the U. T. System on how to achieve greater success in commercialization of the discovery output from all 15 U. T. System institutions. The Cabinet meets annually. This year, the Cabinet focused on strategies that would enable U. T. System faculty and students to meet the mission of moving technologies and new knowledge to industry and community.

The recommendations that emerged from the Cabinet are summarized in the presentation on the following pages.

# Report from the 2014 Chancellor's Technology Commercialization and Industry Advisory Cabinet

Dr. Patricia Hurn, Vice Chancellor for Research and Innovation  
U. T. System Board of Regents' Meeting  
Technology Transfer and Research Committee  
August 2014



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# Chancellor's Technology Commercialization and Industry Advisory Cabinet Participants

## Advisory Cabinet Members

Clint Bybee  
Gail H. Cassell  
Jonathan Fleming  
Arlene Morris  
James Mulva  
Joseph C. Salamone

## Ambassadors to the Chancellor

Ronald DePinho  
Gregory L. Fenves

## Facilitator:

Mary Flanagan, Strategy & Leadership, LLC

## UT System Representatives

Chancellor Francisco Cigarroa  
Patricia Hurn  
Evan Fitzmaurice  
Ray Greenberg  
Terry Hull  
Dale Klein  
BethLynn Maxwell  
Jim Phillips  
Pedro Reyes  
Dan Sharphorn  
Jeet Vijay

## Specialty Consultant

Beena Koshy

## Office of Technology Commercialization Staff who coordinated the meeting

Rose Briceno  
Wei Chen  
Theresa Johnson  
Tiffany Kindred  
Belinda Swan  
Nick Tulloh

320



## Recommendations from the Advisory Cabinet

Adopt core values and key strategies for technology commercialization and innovation throughout the U. T. System.

### Core Values:

- We have a responsibility to solve societal needs globally and locally
- We have a shared commitment to deliver innovation
- We promote risk taking through leadership and accountability
- We empower our people
- Transparency in all



## Recommendations from the Advisory Cabinet (cont.)

### Key Strategies:

- Increase high impact funding
- Celebrate and support entrepreneurship
- Promote effective partnerships inside and out
- Simplify and re-engineer processes
- Create and communicate U. T. Innovation brand
- Engage government partners in advancing innovation



## Recommendations from the Advisory Cabinet (cont.)

Empower a systemwide Institute of Innovation to lead and support innovation, invention, and knowledge commercialization efforts throughout all U. T. System institutions. This Institute should:

- Set systemwide aspirations
- Provide subject matter expertise and technical assistance to U. T. System institutions
- Provide analysis of outcome metrics
- Utilize strategies and tactics that will encourage collaboration
- Ensure that innovation is prioritized at every level of each U. T. System institution, and at U. T. System



## Recommendations from the Advisory Cabinet (cont.)

### The Institute will include:

- Top level leadership with expertise in all areas of innovation (business development, regulatory/legal issues, intellectual property and the like)
- Development of consistent policies and best practices for use trans-system
- Clear and simple structures and processes to advance innovation
- Adequate resources to support efforts
- A collaborative governance structure with all institutions represented





2. **U. T. System: Report from the Task Force on Intellectual Property**

REPORT

U. T. Arlington President Karbhari, Co-Chair of the Board of Regents' Task Force on Intellectual Property (IP), will report on the activities, key findings, and recommendations from the Task Force.

BACKGROUND INFORMATION

The Task Force on Intellectual Property (IP), created by Chairman Foster on February 6, 2014, was charged with examining the intent, rationale, current language, workability, and requirements of the U. T. System Board of Regents' *Rules and Regulations* governing the disposition and management of research-derived IP at U. T. System institutions. The Task Force was also asked to recommend any needed changes or revisions to the Rules.

Dr. Karbhari's presentation is set forth on the following pages.

# Regents' Task Force on Intellectual Property (IP)

Vistasp M. Karbhari, Ph.D.  
President, U. T. Arlington

U. T. System Board of Regents' Meeting  
Technology Transfer and Research Committee  
August 2014



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# Purpose of the Task Force

- Examine the intent, rationale, language, and workability of the U. T. System Board of Regents' *Rules and Regulations* (Series 90000)
- Recommend changes or revisions to the Rules
  - Consider any limitations posed by the Rules that would impact academic-industry partnerships
  - Foster a philosophy and culture of innovation
  - Assure that U. T. System continues its leading role in discovery



# Charge and Methods of the Task Force

- Consider best practices in public university systems or peer organizations
- Evaluate new and emerging models of flexible IP ownerships
- Propose revisions in particular areas of interest, including IP of student origin and IP related to emerging educational technologies and inventions



# Task Force Recommendations

- Revise the Regents' Rules to promote industry engagement and enhance brevity, simplicity of language, and clarity of intent
- Affirm student ownership of student-created IP
- Strengthen faculty and student incentives to pursue entrepreneurship
- Reconfigure the current allocation of net license revenue with the intent of increasing flexibility at U. T. System institutions



## Task Force Recommendations (cont.)

- Conduct a systematic assessment of how best to advance institutional offices of technology and institutional goals for commercialization of discovery
- Appraise strategies for use of university facilities in industry partnerships
- The U. T. System Institute of Transformational Learning, as part of its ongoing study, should assess how IP related to institutional educational technology is currently managed and project a future state



3. **U. T. System: Report on Student Entrepreneur Acceleration and Launch (SEAL) Program**

REPORT

Mr. Jeet Vijay, Interim Executive Director of Technology Commercialization, will introduce Mr. Isaac Barchas, Director of Austin Technology Incubator (ATI) at U. T. Austin, to report on the Student Entrepreneur Acceleration and Launch Program. Mr. Barchas has been Director of ATI since 2006 and has overseen the incubation of over 100 companies. Prior to joining ATI, he was a leader of the North American Healthcare Practice and Global Organization Practice at McKinsey & Company.

A PowerPoint presentation is set forth on the following pages.

BACKGROUND INFORMATION

ATI, a part of the IC2 Institute at U. T. Austin, has supported technology startups since 1989. It has the longest track record and is one of the most successful venture incubators in the nation.

ATI created the SEAL program. The program is an intensive 12-week summer “boot camp” for students creating startups, and provides students access to ATI's methods, networks, and industry contacts. The SEAL program is a celebration and support of U. T. System student entrepreneurs, playing a key role in supporting U. T. Austin's entrepreneurship, innovation, and investment ecosystem. Over the past six years, roughly two-thirds of SEAL companies have raised capital from external investors.

# Austin Technology Incubator (ATI) - Student Entrepreneur Acceleration and Launch (SEAL) Overview

Mr. Isaac Barchas  
Director, Austin Technology Incubator  
U. T. System Board of Regents' Meeting  
Technology Transfer and Research Committee  
August 2014

**ati** austin technology  
incubator  
i<sup>2</sup> INSTITUTE • THE UNIVERSITY OF TEXAS AT AUSTIN



# ATI - U. T. Austin's startup incubator

## **Incubator sustainability**

- 25 years of sustained operations

## **10-year impact metrics (2003-2012) of graduate companies**

- \$880 million economic impact
- 6,500 jobs
- \$21 million local tax impact

The logo for ATI (Austin Technology Incubator) consists of the lowercase letters "ati" in a bold, blue, sans-serif font.

## ATI - U. T. Austin's startup incubator (cont.)

### Recent impact of ATI incubation

- Class of 2012: 85% funded, \$292 million investor capital raised to date
- Class of 2014: 93% funded, \$67 million investor capital raised to date
- Since 2007: 17 exits, \$530 million in exit value

"Best practices" startup incubator; seeded incubators at UTEP, UTSA

**ati**

# SEAL



- Selective summer boot camp
- Milestones, metrics, networks, mentors, investors
- “Go/No-go” decision
- \$12M raised to date

**ati**

# Example SEAL companies

## Ordoro

- 2010
- Fulfillment management software and systems for small-medium sized e-retailers
- \$1,700,000 raised

## M87\*

- 2010
- Multihop wireless solutions for bandwidth, battery improvement
- \$4,600,000 raised

\* Licensed U. T. technology; Horizon Fund investment recipient.

## Example SEAL companies (cont.)

### Lynx Labs\*

- 2012
- Ultra-rapid, ultra-accurate 3D imaging
- \$530,000 raised

### Clay.IO

- 2013
- Marketplace and tools for game developers
- \$475,000 raised

\* Licensed U. T. technology; Horizon Fund investment recipient.