Forming a Startup Company

The University of Cincinnati’s Technology Accelerator for Commercialization ("UCTAC")

UCTAC is committed to the establishment of new startup companies that are based on the discoveries resulting from the groundbreaking research occurring at UC. Whether or not a new startup is ultimately successful will depend on a number of factors, possibly amongst them, support from UCTAC. Direct involvement from the inventor(s), however, will be among the primary determinants.

In accordance with UC policy and Ohio law, all inventions created by UC employees in the course of their employment and/or using substantial UC resources are owned by UC. Moreover, **UCTAC is the only entity legally allowed to manage UC inventions and associated intellectual property on behalf of the university.**

Commercializing UC Innovation

Prior to 1980, inventions and discoveries made in the course of federally-funded research were owned by the United States government. It became widely recognized, however, the government was incapable of properly exploiting the myriad innovation it controlled, and valuable technology languished. Congress, realizing that the taxpaying public was not benefiting enough from this research, passed the Bayh-Dole Act, giving recipients of federal funding the right to commercialize, typically via licensing, inventions made at their facilities.

UC has been actively engaged in commercializing innovation developed by its faculty and staff, and is firmly committed to the commercialization and economic engagement goals outlined in UC’s strategic plan *Creating Our Third Century.*

The Startup Concept

While licensing remains the predominant method for commercializing UC technology, occasionally having faculty form their own companies may provide the best, and fastest, way to bring UC innovation to market. It may be that your technology is very early in its development, and companies consider it too risky to license. A startup would provide the environment to perform additional research necessary to “de-risk” the technology, bringing it closer to commercial readiness and adding substantial value. At that point, your startup can potentially be a target for acquisition.

At other times, you may have an invention capable of being leveraged to solve pressing problems in new and “disruptive” way. In this event, founding a company dedicated to identifying the problem be addressed and a customer base to serve using your technology is the desired, and more exciting, approach. Your technology may also possess the capability of solving multiple market needs (e.g., a drug that can treat different solid tumors, or robotic system that can solve various manufacturing issues), and in a startup, the most appropriate market and plan to market can be worked out.

**Why would you start a company?**

This is a tough call, as the reasons for going the startup route are many. As a successful researcher in academe, you have reached a position where you are among the world’s experts in your field. Consequently, you are in a unique position to recognize the value of your scientific discovery beyond
contributing to the advancement of your field. The discovery may be a potentially new medical therapeutic or diagnostic, an advanced material, a control system, new manufacturing process, novel organic synthesis, etc. Discovery that is truly new and innovative has a lot of value, and recognizing an opportunity for it is a hallmark of successful commercialization, and, when coupled with scientific understanding and entrepreneurial know-how, it forms a crucial cornerstone of modern business innovation. In further developing your technology in a startup, you can make a profound contribution to society, at a local, regional, national, and global level.

What are you in for?
Launching a startup around your invention will be substantially different from licensing it in many ways. Unlike the licensing of your invention, you (or one of the other inventors) will take a prominent role with the company, and be expected to take advantage of any opportunities relating to training in entrepreneurialism/education offered by UCTAC or by the several local/regional entities that offer such training. As a founding member of the startup, you will be positioned to direct your vision on how the technology travels from early-stage innovation to becoming a novel, disruptive product/service that benefits society.

When is the best time to launch?
Report all new inventions/discoveries to UCTAC as early as possible using the UC Invention Disclosure Form (IDF), covered in another tutorial here. After review, if an opportuning to start a new company is identified, your UCTAC licensing officer will contact you to discuss the various aspects of going forward with this approach. We will not pursue a startup simply because previous efforts to license your invention were unsuccessful, unless the rationale for doing so are compelling.

Seed Funding?
If your invention has real startup potential, UC has partnered with Cincy Tech and the State of Ohio to provide seed funding which can accelerate progress toward launching your new startup. For information on such awards, please see the “Accelerator Funding” link, also under this commonly asked questions section.

This tutorial is by no means exhaustive. It is intended to provide an overview of one of the important services offered by UCTAC to the UC community. For additional information on UCTAC or on applying for Accelerator funding, please contact our office using the information on this web site.