



**BOARD OF REGENTS
COMMITTEE ON ECONOMIC DEVELOPMENT
AND TECHNOLOGY COMMERCIALIZATION**

Minutes of the Public Session
September 12, 2013
University of Maryland, Baltimore

Chairman Attman called the meeting of the Committee on Economic Development and Technology Commercialization of the University System of Maryland Board of Regents to order in public session at 1:20 p.m. Also, at 12:14 p.m., the Committee voted unanimously to go into closed session under State Government Article Section 10-508(a).

The Regents present were Mr. Attman, Mr. Gossett, Mr. Kelly, Mr. McMillen (by phone), Mr. Rauch, and Ms. Turner. Also present at the meeting were Chancellor Kirwan, Mr. Vivona, Mr. Balakrishnan, Mr. Darmody, Ms. Doyle, Mr. Hogan, and Assistant Attorney General Faulk. Guests present included Dr. Connolly, Mr. Drake, Dr. Dooling, Mr. Fink, Mr. Hughes, Ms. Kropp, Mr. Lurie, Dr. O'Shea, Ms. Reynolds, Dr. Steiner, and Ms. Varma.

Regent Attman introduced and welcomed Dr. Karl Steiner, who was recently appointed the Vice President for Research at UMBC.

1. Strategies for Increasing Access to Early Stage Capital (Information Item)

Jim Hughes, UM Ventures Director, discussed various strategies for increasing access to early stage capital. Among other ideas, he mentioned an investment fund to provide early stage capital and tax credit programs as effective strategies to promote and sustain start-ups.

UM Ventures has established a modest investment fund of \$300,000 for equity investments in start-ups. The fund would provide seed stage capital for promising start-ups that license USM intellectual property. This type of funding is critical to cover negative cash flow in the early stages of new business creation.

Eventually, Mr. Hughes would like to create an Evergreen Fund of \$10 million, perhaps in partnership with the Foundation, similar to some other universities. He also mentioned that the University of Virginia had been successful in attracting funds for this purpose from alumni. In addition, UM Ventures would work on strengthening partnerships with local venture capital firms and is exploring the idea of forming an advisory board that would serve as a expert resource for start-ups.

2. Review of the Policy on Intellectual Property (Information Item)

Dr. Robert Dooling, Chair of UMCP's Committee on Intellectual Property and Assoc. Vice President for Research, updated the regents on the work of UMCP's IP Committee to examine and revise the current IP Policy. The goals include creating a more succinct document; examining revenue distribution and the incentive structure; and addressing the treatment of software IP and other areas.

The IP Committee is also reviewing the implications and revisions to the policy in light of the *Stanford v. Roche* case, which held that title in a patented invention vests first in the inventor, even if the inventor is a researcher at a federally funded lab subject to the 1980 Bayh–Dole Act. UMCP's IP Committee will also be coordinating with UMB's IP Policy, so that the resulting document will provide a basis for an updated BOR Policy on Intellectual Property.

3. New Companies Facilitated by the USM Institutions – January to June 30, 2013 (Information Item)

The Committee was updated on new companies facilitated by the USM institutions for the reporting period January 1, 2013 through June 30, 2013. The tracking and reporting process was first implemented in July of 2011 and, since then, the USM institutions have facilitated the creation of 118 tier 1 and tier 2 start-ups against the 2020 Strategic Plan goal of 325 companies.

Mr. Balakrishnan observed that there has been there has been dramatic growth, acceleration, and broad participation by the USM institutions in facilitating the creation of new companies in FY 2013. The FY 2013 total of 67 tier 1 and tier 2 companies represents a 33% growth over FY 2012. In addition, the growth in IP-based companies (tier 1) was even more dramatic with 14 in FY 2013 compared to 6 in FY 2012, a growth of 133%. Mr. Balakrishnan also noted compelling statistics from the National Council of Entrepreneurial Tech Transfer on the success and importance of university-based start-ups relative the industry as a whole. Finally, the regents were provided several examples of the successes of USM-facilitated start-ups in attracting venture capital funding. The Committee members expressed interest in getting regular updates on company successes and also in learning more about USM entrepreneurial programs for women-owned businesses.

The public meeting was adjourned at around 2:00 p.m.

Respectfully submitted,

Gary L. Attman, Chair
Committee on Economic Development
and Technology Commercialization