

# FAQ

AND GUIDE

## FOR UCLA ENTREPRENEURS





UCLA and OIP strongly support the formation of startup companies as one avenue for commercializing innovations and bringing breakthrough technologies to the market. What follows is a list of frequently asked questions to help entrepreneurs in the UCLA community get the process started.

We also encourage you to contact OIP to discuss your interests in starting a new company early on in the process. All of our contacts are

on our website at

[oip.ucla.edu](http://oip.ucla.edu)

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## What type of assistance can OIP provide in starting my company?

Through our network, we can provide introductions to:

- ▶ Potential investors and corporate partners.
- ▶ Business mentors and entrepreneurs.
- ▶ Legal and accounting services.
- ▶ Incubator and other types of R&D space for the company.
- ▶ Resources for navigating campus policies on use of outside time and on-campus research.
- ▶ Resources for business plan writing and market analysis.
- ▶ On-campus resources such as the Business of Science Center ([bsc.ucla.edu](http://bsc.ucla.edu)), the Institute of Technology Advancement ([ita.ucla.edu](http://ita.ucla.edu)), CNSI, Startup UCLA, TEC, and the Price Center for Entrepreneurship.

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## Are external advisors available to UCLA entrepreneurs?

Yes. UCLA's Entrepreneur-in-Residence program (details found: <http://oip.ucla.edu/eir>) aims to connect UCLA technologies with industry executives, serial entrepreneurs, and the larger investor community. EIRs will lend their own industry and startup experience to help guide and bolster entrepreneurial efforts across campus. For more information or for an introduction to an Entrepreneur-in-Residence, please contact OIP-ISR's Assistant Director of New Ventures, Tom Lipkin ([thomas.lipkin@research.ucla.edu](mailto:thomas.lipkin@research.ucla.edu)).

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## Is it necessary to have a business plan in order to obtain a license from UCLA to the underlying intellectual property?

No. However it is often a good idea to develop at least an initial development plan and budget prior to entering into a license agreement for the underlying patents/copyrights as this can help inform your company's negotiations on the license deal terms.



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## **Does the company first need to be formed in order to obtain a license from UCLA to the underlying intellectual property?**

Yes. However even before a company has been formed you can enter into a simple “letter of intent” with the University to lock up the intellectual property while working on getting the company up and running, speaking with potential investors and corporate partners, etc.

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## **Do I need to get a license from UCLA to the underlying intellectual property in order to attract investors and/or corporate partners?**

Not necessarily. A simple cost-effective “letter of intent” with the University with an attached license term sheet is often enough to attract potential investors and partners. We can then implement a full license agreement once the company is ready to do so.

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## **Does UCLA have a business plan competition?**

Yes. There are various on-campus business plan competitions organized by groups such as the Business of Science Center and the Knapp Competition. Local investor groups such as the TechCoast Angels also hold regular startup pitch events.

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## **How do I obtain a license for the underlying intellectual property from UCLA?**

We try to keep the process for startup licenses simple and efficient. All you need to do is let our office know which technologies you are interested in and connect us with a non-UC person who will lead the license negotiation with the University. If there is a hard deadline that the license needs to be done by (e.g. to meet an investor deadline) let us know and we will prioritize accordingly.

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## **How are license terms for startups determined?**

License terms are tailored to the specifics of the technology, market and business plan of the Licensee. General terms found in most licenses include a license fee, royalties, diligence terms, milestone/maintenance fees and reimbursement of patent costs. We recognize the economics of doing a startup and the need to preserve precious capital resources and we tailor license terms accordingly.

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## How can I avoid or manage any conflicts of interest in the licensing process?

Per UC policy, employees with a financial interest at stake must disqualify themselves from “making, participating in making or influencing a University decision” with regard to a license (for example by having a non-UC person represent the company in license negotiations with UC). If this is not possible, an independent review of the licensee selection and terms must take place. Detailed guidance on this topic is available at: <http://patron.ucop.edu/ottmemos/docs/ott01-02.html>, Exhibit E, and the financial disclosure form called the UCLA “TT100” is available at: [http://ora.research.ucla.edu/RPC/Documents/RPCForms/Form\\_TT\\_100\\_UCLA.doc](http://ora.research.ucla.edu/RPC/Documents/RPCForms/Form_TT_100_UCLA.doc)

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## How much time can I spend working with the company outside the University?

Full-time faculty members may spend, on average, one day a week during the academic year on outside activities. During the summer and other vacation periods, there are typically no such time limits for faculty as long as they are not concurrently receiving compensation from the University. Students and staff should consult with their supervisors to discuss to what extent they can spend time on outside interests. For more, please see [http://www.ucop.edu/academic-personnel/\\_files/apm/apm-025-07-01.pdf](http://www.ucop.edu/academic-personnel/_files/apm/apm-025-07-01.pdf)

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## Can I hold a management or officer position in the company?

Possibly. This typically requires approval from one’s Dean and depends on the nature of the commitment. If you’d like to work on the company full-time, discussions with your Dean regarding a possible leave may also be appropriate. For more, please see [http://www.ucop.edu/academic-personnel/\\_files/apm/apm-025-07-01.pdf](http://www.ucop.edu/academic-personnel/_files/apm/apm-025-07-01.pdf)

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## Can I sit on the scientific advisory board (SAB) or board of directors (BOD) of the company?

Yes. This type of participation may be subject to certain conflict of commitment provisions with respect to time spent on the activity, and inclusion in an annual report of outside activities. For more, please see [http://www.ucop.edu/academic-personnel/\\_files/apm/apm-025-07-01.pdf](http://www.ucop.edu/academic-personnel/_files/apm/apm-025-07-01.pdf)

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## Can I consult for the company?

Yes. Please note that certain schools such as medicine have requirements for sharing consulting income with the comp plan. We also strongly recommend sending draft consulting agreements to our office for informal review prior to signing to ensure they comport with the intellectual property terms in your University employment agreement. For more, please see <http://www.ucop.edu/ott/documents/consult.pdf>

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## Can the company sponsor research in my lab if I have a management role, an equity stake or am being otherwise compensated by the company?

Probably. However, these situations are subject to review by a faculty conflict of interest committee (CIRC) prior to acceptance by the University of any such research funding. CIRC may make recommendations for mitigating potential conflicts of interest in these situations. There are also a few circumstances under which CIRC may decide that the University cannot accept this research funding (for example if CIRC feels that the financial conflicts of interest are too large because for example the faculty is getting large consulting fees from the company). It is possible to get guidance on specific situations prior to CIRC review as well.

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## Can my students work for the company while enrolled at UCLA?

Possibly. Faculty who have ownership interests in outside companies must obtain prior approval before involving students in company activities. For more, please see section 50 of the UC Policy on Conflict of Commitment at [http://www.ucop.edu/academic-personnel/\\_files/apm/apm-025-07-01.pdf](http://www.ucop.edu/academic-personnel/_files/apm/apm-025-07-01.pdf)

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## Can my company apply for an SBIR/STTR while I continue to work at UCLA?

Yes. There are some key points to keep in mind though. In general the UCLA faculty member cannot serve as the PI on the grant for the company. Faculty members also may not bring research into their laboratories under subcontract from a small business they own without the explicit consent of their Department Chair and Dean, and there must be a clear distinction between activities that are performed at UCLA and activities performed at the small business as well as with the Principal Investigator for the small business. For more, please see [http://www.research.ucla.edu/tech/SBIR\\_STTR\\_Guidance\\_Memo-06-09.pdf](http://www.research.ucla.edu/tech/SBIR_STTR_Guidance_Memo-06-09.pdf)

We are here to support all members  
of the UCLA community in their  
entrepreneurial interests and look  
forward to working with you.  
Please contact us at any time.

[oip.ucla.edu](http://oip.ucla.edu)

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