Queen Mary Innovation (QMI)

QMI:

- 9 Staff:
  - 2 in the Technology and Engineering Team
  - 2 for the BioPharma Team
  - 5 in support functions
- Situated in the Queen’s Building

Fundamentally QMI is about Technology Transfer
Technology Transfer: the Basics

Nearly always based on a substantial piece of Intellectual Property

Intellectual Property:

- **Patents:** Potentially the most valuable type of IP. Gives the owner a “monopoly” right
- **Know-how:** Technical information, knowledge or skills
- **Copyright:** Arises automatically and can cover written work, music, sound recordings, software, photographs and film
- **Designs:** Can be unregistered (arises automatically) or registered (at UK patent office)
- **Database rights:** Protect the collection of independent works, data etc that have been systematically arranged. Arises automatically.
- **Trade Marks:** Most identifiable element of a successful product or service. Can be unregistered ™ or registered ®
IP Commercialisation Options

• Licensing
  • Partnering with an existing company, with a view to leveraging its expertise and/or market position, in return for a revenue stream.
  • Usually commitments to assist with development going forwards.

• Assignment and revenue share

• Spin-Out or Start-Up Company Formation
  • Creation of a new company funded by venture capital to develop and sell products based on the invention with the aim to an exit.
Licensing

• **Based on Intellectual Property (IP)** (patent, software copyright, know-how, design right), which is usually the result of a substantial body of development, and has been significantly de-risked

• Licensed either **exclusively or non-exclusively by field**. Usually includes milestones, min royalty payments to minimise the risk of the Licensee doing nothing

• The licensee often has to do **significant further development** - software probably the exception. Therefore, some support required by inventors

• Signing fees and **royalties** generally quite low: £10k- £100k

• Big Companies notoriously risk adverse – hence **first step can be PoC funding**
Spin-out Company

- **IP licensed/assigned** from University to spin-out - IP usually the result of a substantial body of development

- Generally a **platform technology**, or has a number of applications in different markets

- **Venture Capital investment** in exchange for equity to achieve specific milestones which aim to trigger subsequent investment

- **External management** to drive commercial side. Inventor commitment high – a number of days a week (Chief Scientist)

- Will go through a **series of funding rounds** against milestone achievements where the value of the company increases

- End game: exit either through a **trade sale or IPO** for a significant value (~$10m to University and inventors)
## Spin-Out vs Licence

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<th>Spin-Out</th>
<th>Licence</th>
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<td>Value</td>
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<td>Risk</td>
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Spin-out vs Licence

• An Obvious Licence
  – **Market is mature** with a small number of dominant players, i.e. these companies are needed to get to the market
  – **Technology is mature** with limited (one) applications
    – Examples: software; established market engineering projects: requiring skills and market position of licensee to be a success – i.e. no go it alone option

• An Obvious Spin-out
  – **Requires significant capital** to de-risk before commercial take up – healthcare for regulatory; large engineering for scale-up
  – **Growing Market**, no obvious dominant licensee. Don’t require skills of another company and market position to be a success
  – **Platform technology**: lots of potential applications
QMI Process

Disclosure

Initial Evaluation

PoC

Application Project

Licence

Data pack Approach Licensees Licence

Spin-Out

Further Diligence Incubation Funding Seed Finance
The Investment Pitch
Structure of an Investment Pitch

- Opportunity Summary
- Market and Competition
- Technology Solution
- IP and Protectability
- Value Proposition and Business Model
- PoC Project Plan
- Summary
Opportunity Summary

Summarise the overall commercial opportunity succinctly, stressing:

– the burning need for the product

– how benefits of the product meet this need

– the scale of the overall opportunity
Market and Competition

Market:
- **Size and growth** rate of the Addressable Market, with references to sources
- **Need**: desirable vs essential – third party opinion
- **Make-up**: for spin-outs are their comparables – examples of consolidation/ acquisition; for licensing – are there companies with an in-licensing strategy

Competition:
- Identify the **USP** of the competitors
- Match these to the **needs** of the market to hopefully identify a gap
Technology Solution

- Provide an overview of the technology

- Highlight the unique features and state the stage of development and tangible data which substantiates these features

- Stress the benefits

- How do the benefits meet the gap identified in the Market and Competition section
IP and Protectability

- Make a statement on how the features in the Technology Solution are protectable by reviewing the state of the art
- State the most appropriate form of IP protection
- Are there other barriers which will stop third parties from copying the technology.
- Has a freedom to operate search been undertaken and if so what was the outcome
Value Proposition and Business Model

- Why will the final customer buy the product – what value is it to them (again with referenced sources or third party opinions)

- What is the chosen business model:
  - How will you get the product to market?
  - What is the distribution channel?
  - Where are you in the Value chain?
  - How much will you route to market cost?
  - And fundamentally how will your product make money?
Commercialisation Plan

- What is the PoC project plan and how much will it cost
- What are the key resources
- What are the milestones and where will the technology be when completed – is it compelling to get to the next stage
- What are stages beyond the PoC project to get the product to the customer
Summary

Present an overview of the key points from the pitch.