

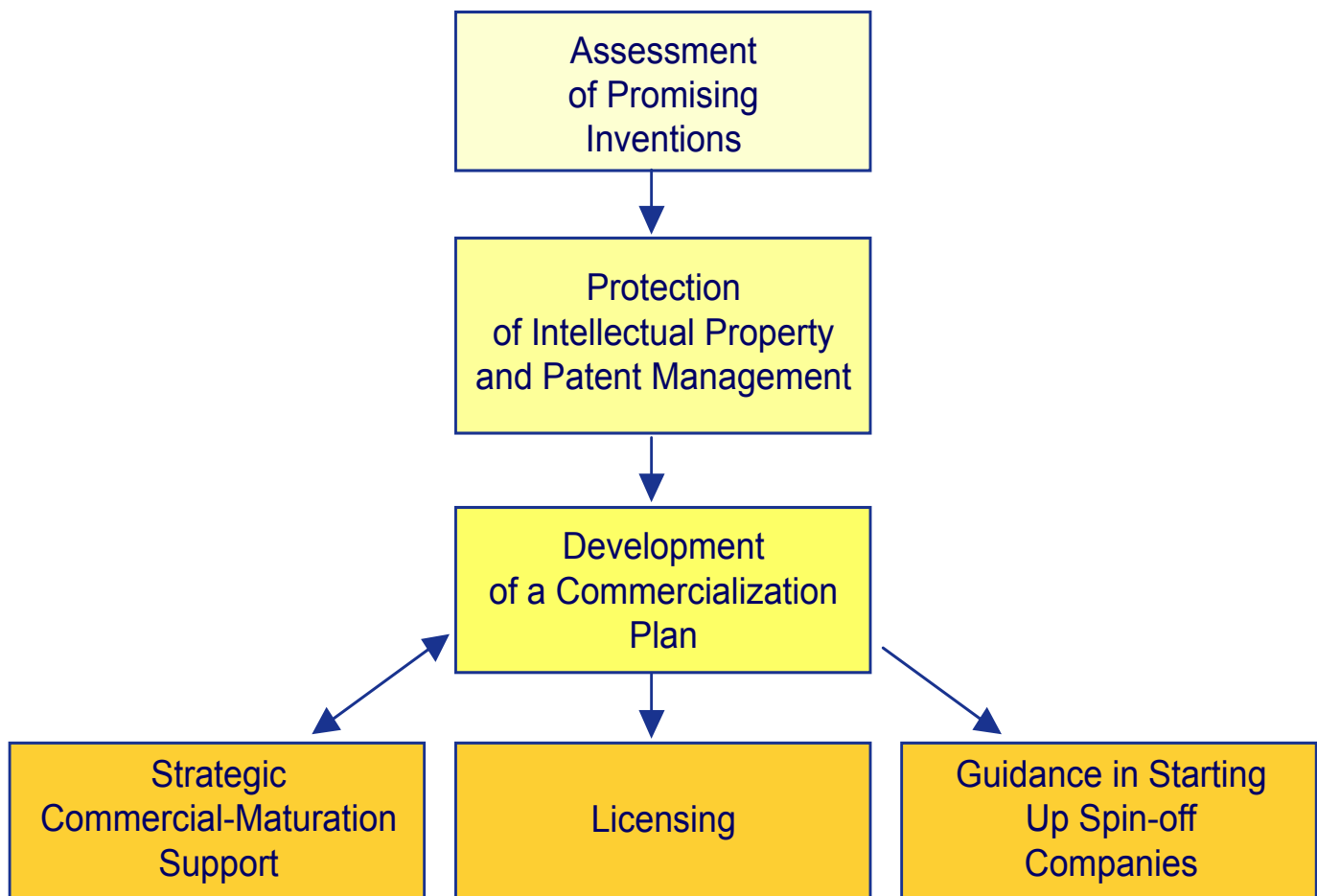
Commercialization Process

The research commercialization process describes the various steps that must be completed in order for a project to reach commercial application by either an existing company or a corporation that will be created specifically to that end.

The entire process includes several stages, and may require many years of work before certain technologies reach the market.

Univalor has developed its own procedures, methods and tools to evaluate an invention's commercial potential and to assist those researchers who choose to commercialize their research findings.

Commercialization Process



□ **Assessment of Promising Inventions**

When Univalor receives an invention disclosure submitted by a member institution, it begins a rigorous assessment process to establish the potential and commercial value of the inventions and the best way of exploiting them.

Our assessment tools are adapted to university invention projects and are designed to quickly determine the inventions that present genuine commercialization potential.

A more thorough analysis of these inventions is subsequently undertaken and enables us to make informed decisions regarding the role that Univalor can play in eventually commercializing the invention. Univalor regularly consults outside experts for assistance in analyzing these inventions.

After we have assessed an invention, we may decide not to undertake the commercialization project or we may decide to support commercial maturation of the invention, seek a partner to commercialize the invention via a licence or create a spin-off company to commercially exploit the invention.

The decision we have made is then transmitted to Univalor's investment advisory committee and then to its Board of Directors. Univalor's final decision is communicated to the researchers and their home institution.

□ **Protection of Intellectual Property and Patent Management**

Intellectual property is the primary asset that will be appropriately protected when an invention is accepted for commercialization. To do this, Univalor first ensures that the intellectual property titles are free and clear of third-party rights. We identify the owners of the intellectual property and establish their respective input. Then we prepare agreements which have to be signed to commercialize the inventions and share the revenues among all inventors entitled to future profits from the commercialization and among their institutions.

When the researchers come from various institutions, in collaboration with our member institution we prepare an interinstitutional commercialization agreement which has to be signed. This agreement reflects the ownership of each researcher in proportion to his or her respective contribution and input in the best interest of all the parties involved.

The interinstitutional agreement also designates a single representative to focus on commercializing an invention.

Finally, Univalor files the patent applications through certified patent agents. Internal management processes are used to monitor and maintain the patents.

□ **Development of a Commercialization Plan**

For each invention project accepted, a work plan is developed by our professionals for the researchers involved and our commercialization specialists. In addition to setting out the commercialization and intellectual-property-protection strategies advocated, this plan includes a description of the steps to be taken, the human and physical resources required, the work schedules, as well as the budgets approved for attaining our commercialization objectives.

■ **Strategic Commercial-Maturation Support**

Our activities allow us to identify scientific inventions that present good commercialization potential but are not yet developmentally mature enough to be of interest to potential investors or business partners.

We then consider various channels through which to commercialize such inventions. Occasionally, Univalor invests in projects that enable the researchers to bring their technologies to a more advanced stage of development, in view of future commercialization. In this context, Univalor may also support the presentation of a fund demand aiming at the commercial maturation of the technology.

■ **Licensing**

The licensing of technologies to established companies often constitutes the best means of commercialization. Univalor must first assess the economic potential of the invention in order to determine its fair market value on the basis of the invention's accessible market and potential commercial-exploitation revenues. We then prepare the technology presentation documents and the licence parameters. We actively search for companies to commercially exploit the invention.

When we find a company—whether an SMB or an industry giant—that is interested in licensing and would be an appropriate partner, we negotiate the terms and conditions of the licence. In this way, Univalor forms successful business partnerships that will generate profits for the licensee, the researchers and their institutions. It also occurs that research partnerships are formed.

■ **Guidance in Starting Up Spin-off Companies**

The creation of a spin-off company to which the technology will be transferred for further development and subsequent commercialization is another potential means of commercialization. Such a company will initially be based to exploit the intellectual property, the know-how and the quality of the research and management team. Most of the time, the researchers–founders will be required to participate.

We help the researcher and the project sponsors prepare the company's business plan, incorporation of the company, and prepare the legal documentation in relation to the development of their strategy for seeking funding from private or institutional investors. Univalor will also help the spin-off company create strategic alliances with the private sector. Our approach places the spin-off company on a solid corporate footing that will promote its growth and ensure that it has a highly skilled and motivated scientific, management and technical team.

Depending on the company and the experience of its senior executives, Univalor will participate to varying degrees in commercialization strategies or the formation of management teams.