

**Maryland Technology Development Corporation
University Technology Development Fund
Policies and Procedures**

Introduction

The Maryland Technology Development Corporation created the University Technology Development Fund (“the Fund”) to support translational research at universities in the State of Maryland. The primary objective of this initiative is to increase the number of early stage university technologies that are successfully commercialized. The Fund will allow universities to add value to early stage technologies through development prior to licensing technologies to the private sector. The Fund will accomplish this goal by supporting early stage proof of concept testing, prototype development, feasibility demonstrations and similar activities. TEDCO allows up to \$5000 for initial patent expenses and pays 10% of total direct costs for university overhead.

Projects supported by the Fund will be managed by university technology commercialization offices and performed by university faculty and students. The primary focus of the Fund is on technologies with high potential commercial value and substantial technical uncertainties, factors that reduce the present value of the technology. To take advantage of the primary expertise of the university and its faculty and students who create new technologies, projects should address technical risk reduction rather than business plan development.

Development Project Characteristics

As the ultimate goal of the proposed fund is commercialization of university technologies, an appropriate project must be designed to increase the present value by reducing the risk of commercial failure. The specific aims of development projects must be targeted at technical rather than business risk reduction. Each project proposal must identify specific aims and milestones that, if achieved, would reduce or eliminate hurdles to successful commercialization. These hurdles may include inadequate breadth of patent claims, questions of technical feasibility or product safety, lack of a convincing prototype or other similar risks.

Appropriate projects should be somewhat greater in scope than an individual university technology development is likely to be able to afford without assistance. This may generally be interpreted to mean total development costs between \$20,000 and \$50,000.

Revenue Sharing

On each technology developed under the program, universities will be required to pay the Fund 25% of revenues, excluding patent reimbursement payments, received subsequent to project completion, up to a maximum of 200% of the total project funding for that technology. No repayment is owed on technologies that do not receive downstream licensing revenue and no one project encumbers technologies of the same university. All

funds repaid into the University Technology Development Fund will be used to extend the life of the Fund.

Proposal Submission

Proposals for technology development projects must be submitted online to TEDCO funds. A link is found on the home page of the website, www.marylandtedco.org. The proposal is developed by the principal investigator and technology transfer manager and submitted by either the Office of Research Administration or the technology transfer manager, depending on the institution. Note that there is no proposal page limit, but typical proposals tend to range between 10 to 15 pages. There is no mandatory format for the UTDF proposals; however the proposal should include the following information:

1. An overview of the project.
 - a. Description of the technology
2. An initial commercialization strategy for the technology
 - a. An analysis of the market opportunity for products and services provided by the technology;
 - b. A list of potential products or services that could incorporate the technology and fill the market needs identified;
 - c. A technical feasibility evaluation
 - d. An evaluation of the potential for intellectual property protection
3. Information on related intellectual property (IP) protection (usually patents)
 - a. Are there patents filed?
 - b. Are there licenses on the IP?
4. A technical proposal that includes
 - a. Specific aims
 - b. Description of the work to be performed, including
 - i. If applicable, a drawing or schematic that illustrates the technology
 - ii. Research / development methodology
 - iii. Milestones to be achieved and their commercial significance
 - c. List of project personnel
5. A line-item total project budget
 - a. For each individual for whom salaries are requested, that person's total commitment to the university and specific commitment to the project must be specified
 - b. Travel costs will not be awarded unless they are specifically justified.

Proposal Review

A proposal submitted to TEDCO under the UTDF will be subject to review by a committee whose members include staff from TEDCO, DBED, and selected venture capital providers. This process will also include a technical review by an outside reviewer operating under a confidentiality agreement. The TEDCO review committee meets monthly to review proposals, including the outside review. The committee makes recommendations for funding, and the TEDCO president makes the final decision.

Awards will be made on a continuing basis subject to the availability of funds. Proposals are received the first day of each month. Typically the review process takes 60 days.