

## **UC QuickStart Frequently Asked Questions (FAQs)**

### **1. What is the purpose of UC QuickStart?**

UC QuickStart (<http://ucal.us/quickstart>) streamlines the initial agreement between any UC site, including all ten campuses and Lawrence Berkeley National Laboratory, and a start-up company that is interested in licensing UC intellectual property as the technical foundation of its business.

Often, the founders of a new company wish to explore the feasibility of establishing a new technology-based business but need some time to conduct activities such as completing initial business planning, due diligence on the intellectual property, securing appropriate funding, hiring key personnel, or concluding negotiations with the owners of the intellectual property that will be the technical foundation of the startup. The founders wish to obtain exclusive negotiation rights so that they can assure themselves that the licensing opportunity will still be available after they expend the time and resources to conduct those types of activities.

The UC QuickStart Agreement is a low-cost, preapproved agreement that UC and a startup can quickly execute without change so the start-up can focus on its company-building activities.

### **2. What kind of companies can participate in the UC QuickStart Program?**

The UC QuickStart Program is intended to benefit U.S. start-up companies. Accordingly, foreign companies and large businesses are not eligible.

### **3. What does it cost?**

During the term of the UC QuickStart Agreement, you will pay only \$500 per calendar quarter, plus any patent costs that arise during the term of the agreement. The UC QuickStart Agreement includes a provision where UC may require prepayment of patent costs that arise during the term of the Agreement. If you subsequently decide to enter into a license agreement, financial terms appropriate for the specific technology will generally be negotiated during the time the UC QuickStart Agreement is in effect.

### **4. How quickly can I expect to have a UC QuickStart Agreement?**

Once UC has determined that your company is a qualified licensee, generally allow a week for the agreement to be executed. UC seeks companies that can marshal the requisite financial, research and development, manufacturing, marketing, and managerial capabilities and is committed to successfully commercializing one or more UC innovations. Some start-up company founders are serial entrepreneurs who have already demonstrated their ability to successfully launch technology companies. Other suitable start-up founders have an appropriate plan or approach to acquire the capital and human and other resources necessary for a successful new business.

Of course, if there are extenuating circumstances, such as a potential conflict of interest by a UC employee who is a principal of the start-up, those situations must be resolved prior to execution of the UC QuickStart Agreement.

### **5. How much time does a UC QuickStart Agreement cover?**

The UC QuickStart Agreement is intended to be a short-term, low-cost agreement while a start-up company is completing initial formative activities. As such, the agreement term is typically three to six months long.

## **6. What types of technologies can I get rights to?**

All types of intellectual property that are the basis for the foundation of a start-up and are available for licensing may be the subject of a UC QuickStart Agreement, at the discretion of the managing campus. Descriptions of UC technologies available for licensing can be found at UC's searchable database of Available Technologies at <http://techtransfer.universityofcalifornia.edu/>. The most typical types of intellectual property are patentable inventions and copyrighted software. The range of technology runs the gamut from "AA neurometabolism" to "Zeolites." Hundreds of start-ups have been founded based on UC technology, addressing a broad array of markets such as agriculture, material science, software, IT hardware, medical devices, human and veterinary diagnostics and therapeutics.

## **7. Are any technologies excluded?**

While the UC QuickStart Program is broad-based, not every available technology may fall under this program. Sometimes, the terms of the research funding that gave rise to the technology may preclude its inclusion in the program. Also, if more than one company concurrently is interested in licensing the technology in overlapping fields of use, UC will remove the technology from the program so that UC may determine the best candidate licensee for the technology.

## **8. Can I include more than one piece of intellectual property in the UC QuickStart Agreement?**

Yes, you can include multiple patents, patent applications or copyrighted works such as software in one UC QuickStart Agreement. Members of the same "patent family" are often covered by one agreement. Even if the individual intellectual properties are not part of the same patent family, they may be included if together they are the intellectual property foundation for the product that the startup intends to commercialize. Individual campuses may have a limit on the number of intellectual properties that is included in a single UC QuickStart Agreement.

## **9. Am I guaranteed a license to the intellectual property under the UC QuickStart Agreement?**

No. The parties are agreeing to negotiate in good faith for a license. UC is also committing to negotiating exclusively with you during the term of the UC QuickStart Agreement. The general parameters of a license are listed in paragraph 7 of the UC QuickStart Agreement. If, despite good faith negotiations, no agreement on a license (or option) is reached during the term of the agreement, UC will be free to negotiate with other prospective licensees.

## **10. What sorts of provisions will be negotiated for a subsequent license?**

Typical terms found in an exclusive license agreement include but are not limited to the following:

- License issue fee, which may include equity in the licensee
- Reservation of rights for UC and for other educational and non-profit institutions to use the intellectual property for educational and research purposes
- Annual license maintenance fee
- Milestone payments
- Your payment of any prior unreimbursed patent costs and ongoing patent costs

- Earned royalties on sales
- Diligence terms including specific dates for completion of tasks required for product development and marketing, together with fixed annual payments
- Liability insurance

**11. Are the terms of the UC QuickStart Agreement negotiable?**

No. The terms of the UC QuickStart Agreement are preapproved and fixed. If you'd like another agreement that is customized to your company's particular needs, you will need to negotiate an option or license agreement with the campus TTO.

**12. Should I use a UC QuickStart Agreement if I want to make some products on a trial basis?**

No. Please contact the UC campus/Laboratory technology transfer office for a different kind of agreement that would be appropriate for this purpose.