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INNOVATION.

COMMERCIALIZATION.
OUR MISSION:

To advance Purdue University’s quest for preeminence in **DISCOVERY, LEARNING AND ENGAGEMENT** through effective stewardship of assets.

QUICK REFERENCE GUIDE

*Purdue Research Foundation*

www.prf.org

*Purdue Foundry*

www.purduefoundry.com

*Office of Technology Commercialization*

Home: www.prf.org/otc
Disclosures: www.prf.org/otc/disclosure/index.html

*Purdue University*

Home: www.purdue.edu
Intellectual Property: www.purdue.edu/policies/academic-research-affairs/ia1.html
Conflicts of Interest: www.purdue.edu/research/regulatory-affairs/conflict-of-interest/

*Entrepreneurship and Commercialization Resources*

www.purdue.edu/purdue/commercialization
www.prf.org/innovation-and-entrepreneurship
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Purdue Research Foundation (PRF), Office of Technology Commercialization (OTC), Purdue Foundry and other entrepreneurial programs strive to protect Purdue University’s intellectual property, move innovations to the public through startups and licensing agreements, and provide ongoing amenities to help innovators and entrepreneurs become successful in their endeavors.

OTC oversees one of the most comprehensive technology transfer programs among leading research universities in the U.S.

OTC protects, markets and licenses Purdue’s intellectual property. The professionals in the department work hand-in-hand with Purdue faculty-, staff- and student-entrepreneurs to provide the resources needed to better understand Purdue policies related to intellectual property and avail support for the processes whereby this intellectual property – patents, copyright, trademarks and tangible research property – can become an actual product or service.

Brooke Beier
Office of Technology Commercialization
Purdue Research Foundation
Recognized for its intellectual discourse and innovative leadership, Purdue University strives to create value through the commercialization of new technologies into society to help people live longer, healthier, happier lives.

An important avenue for achieving this goal is through the research, development and commercialization of Purdue innovations – something the university already has a long, successful history in accomplishing. In fact, Purdue discoveries across many disciplines including life sciences, engineering, veterinary medicine, crop science and computer technology are used in more than 100 countries and benefit millions of people around the world.

Moving a discovery through the patent and commercialization process can be a daunting endeavor. It involves an understanding of patent laws, license negotiation, startup routes, fund resources and many other activities.

This handbook, developed by Purdue Research Foundation, is designed to ease the commercialization and startup process by providing a high-level overview and guide for Purdue innovators and entrepreneurs. While not providing all the answers, this handbook will provide you with the basic knowledge about moving innovations to the market through licensing and startup creation. It also will connect you with the numerous resources Purdue makes available to innovators, entrepreneurs and investors including the Purdue Office of Technology Commercialization, Purdue Foundry, Burton D. Morgan Center for Entrepreneurship, Bechtel Innovation Design Center, the Deliberate Innovation for Faculty program and other support organizations and learning opportunities where professionals can assist you in protecting your intellectual property and commercializing your innovation.

Greg Deason
Senior Vice President of Entrepreneurship and Place Making
Purdue Research Foundation
GUIDE TO LAW AND POLICY REGARDING TECHNOLOGY TRANSFER

The transfer of new technology from university laboratories to the private sector has a long history. Most recently, the impetus resides in the 1980 enactment of P.L. 96-517, The Patent and Trademark Law Amendments Act, and amendments included in P.L. 98-620, enacted into law in 1984 (referred to as 'Bayh-Dole'), allowing an institution like Purdue to retain ownership of inventions created through federally funded research.

In the 30 years since Bayh-Dole, universities have developed a wide range of technology transfer infrastructures to enable the expeditious and wide dissemination of university-generated technology for the public good. Guided by its altruistic mission, OTC carries out the protection and licensing of Purdue University (Purdue) intellectual property (IP). The purpose of licensing Purdue IP rights and materials is to encourage the practical application of the results of Purdue research for broad public benefit, meet Purdue obligations to sponsors of research, stimulate commercial uptake and investment, spur economic development and ensure an appropriate return of taxpayer investments in Purdue research.

A confidential, password protected online Technology Disclosure Form is to be prepared and submitted by the inventor(s) to OTC, and is then completed in conjunction with OTC. It provides the basis for an assessment of patentability and market opportunity; protects IP; and, when fully completed, triggers the 6-month Innovation Assessment Process within OTC. For the first step to protect an innovation, visit the OTC website.

WHERE TO START

It is important for Purdue innovators to DISCLOSE AN INNOVATION TO OTC AS SOON AS POSSIBLE so that the inventors and OTC team can begin to develop a COMMERCIALIZATION AND MARKETING STRATEGY.
Purdue Policy

Purdue policy I.A.1 describes the principles and administrative procedures related to ownership of inventions and written and recorded materials. It is useful to think of the policy as applying to ‘how’ an invention was created or developed, not ‘who’ developed it. Purdue Research Foundation is the default designee for Purdue IP, and, when designated, owns and manages the IP on behalf of Purdue. In exchange for this assignment, Purdue retains all license revenue from the licensing of inventions. License revenue is distributed in accordance with the general distribution shown in the above chart, after costs are recovered.

Sponsored research agreements can potentially alter the management of Purdue intellectual property. Today, the largest sponsor of research at Purdue is the U.S. government. The federal regulations governing management of resulting IP permit Policy I.A.1 to be followed without amendment. Corporate and foundation sponsors of research often require Purdue to observe alternative IP management terms. These contracts are entered into by Sponsored Program Services (SPS) on behalf of Purdue. Neither Purdue Research Foundation nor the Office of Technology Commercialization enters into sponsored research agreements, but such agreements can be incidental to licensing of an existing invention.

Outside activities and consulting agreements entered into by and between a Purdue inventor and a third party that involve conveyance of intellectual property rights may limit, hinder or prohibit performance by Purdue under a sponsored research agreement with a research sponsor or with Purdue Research Foundation under a license agreement with a licensee. It is important to have agreements reviewed and approved by Purdue.
Disclosure

It is important for Purdue innovators to disclose their intellectual property (IP) as soon as possible to the Purdue Office of Technology Commercialization (OTC) professionals in order to protect the IP. Purdue policy I.A.1 states that “[i]nventors shall promptly in writing disclose and assign each Invention to the University.” OTC is established to receive invention disclosures and subsequently manage the process of technology commercialization. OTC works with Purdue-originated inventions in which Purdue Research Foundation, on behalf of the University, confirms ownership.

Technology Disclosure Form For Inventions

Inventors disclose technologies to OTC by completing a Technology Disclosure Form online. Receipt of the completed Technology Disclosure Form sets OTC’s internal technology assessment in motion. The form is intended and for Purdue-owned copyrightable works, including many software applications, and is completed in a three-part process.

- First, information describing the invention, to the fullest extent possible at the time of submission, is provided by a Purdue inventor(s). This first step can be thought of as the answer to “what is the invention?” Upon submission, an internal reference number is assigned to the invention which is used throughout its life by OTC – at which point a patent manager and a business development manager are assigned to the invention. A written acknowledgement is sent to the inventor(s), confirming receipt of the Technology Disclosure Form and detailing the next steps in the process.

- Second, the patent manager and business development manager review reviews detailed data, results, diagrams, graphs, and information in the public domain, and may request additional information from the inventor(s) to ensure sufficiency of information and perform an analysis for patentability and commercial feasibility.

- Third, each Purdue inventor is asked to execute an assignment, assigning the technology to Purdue Research Foundation on behalf of Purdue in accordance with Purdue Policy I.A.1.

PROTECT YOUR INNOVATION

The Office of Technology Commercialization encourages Purdue researchers to **SUBMIT INVENTION DISCLOSURES EARLY, AND PRIOR TO ANY PUBLICATION OR GRANT SUBMISSION,** in order to provide the best chance for successful **PROTECTION AND COMMERCIALIZATION** of the technology.
Copyright Materials or Software Disclosures

Inventions, as defined in Purdue policy I.A.1, include copyrightable material, with certain exceptions for scholarly and instructional works. Copyright protection is afforded to original works at the time the work is fixed in a tangible medium. Copyrightable materials are disclosed to OTC by completing a Copyright Disclosure Form. In the U.S., a copyrightable work is registered with the U.S. Copyright Office. While such registration is not necessary for protection to attach, copyright registration makes certain other damages available. Unlike patent rights, prior disclosure does not present a bar to registering a copyright.

Purdue Student Innovators

To encourage entrepreneurship among undergraduate students, the Purdue Policy I.A.1 allows students who develop an innovation as part of their coursework to own the rights to their discovery provided that the student inventor(s) made use of resources that are routinely made available by the College/Department administering the Purdue course; the relevant student(s) are not paid by Purdue, whether through internal funds or under a grant or contract with a third party; and there are no preexisting obligations for Purdue in connection with the course-generated intellectual property.

Other Disclosure Forms

Disclosures to OTC of other types of intellectual property within the scope of Purdue policy I.A.1 should be made using the appropriate disclosure form (also found on OTC’s website). For example, open source distribution of certain copyrights, tangible research property (such as biological materials, models, prototypes and other proprietary tangible property) and plant varieties or germplasms can be found online.
**Technology Assessment Process**

The assessment process is depicted in the flow diagram on page 7. Success of any technology evaluation hinges on strong communication and full transparency in a disclosure between inventors and business development managers, who help define an invention. The description of the invention is needed for the marketability and patentability analyses carried out by OTC and enable a preliminary determination of commercial viability of the technology. This process occurs within a six-month period, which starts when the Technology Disclosure Form submission is fully completed and signed by the inventor(s) and verified by OTC. If OTC and the Purdue inventor(s) arrive at a consensus to proceed with investment of additional resources, then the appropriate steps are taken for intellectual property protection, which for patentable inventions involves the preparation of the patent application(s).

**Market Analysis**

A business development manager at OTC employs a variety of resources to assess and project market size of the product or service derived from an invention. Industry representatives are consulted to assess the target industry’s interest and usefulness and feasibility of that market space. Other factors, e.g., regulatory hurdles, development investment levels and investment trends in a target industry(ies), are also considered.

**Patent Analysis**

While each technology is assessed for patentability, patent protection is not required for commercial viability in every industry. Confidential patentability opinions, territories to seek protection and portfolio analysis are considered in deciding if and where to seek patent protection.
After a decision to pursue patent protection is made, a patent attorney or agent is identified to prepare and file the patent application(s). Often a provisional application is filed to obtain a priority date describing the invention. The provisional application is not examined, it is a confidential document, and expires 12 months from the date of filing. As of March 2013, the U.S. patent law awards patents to the first inventor(s) to file, making early disclosure of inventions particularly important. Therefore, if time is short before an upcoming public disclosure, or when an innovation is to be made public, OTC can file a “stop-gap” provisional patent application before the full technology assessment is complete to help protect the invention and enable business development managers to effectively market the technology. It should be noted that a “stop-gap” provisional patent application should be filed only as a last resort.

OTC uses a provisional patent application’s 12-month term to work with Purdue innovators to develop a marketing and licensing strategy. If the commercial potential of the technology appears to be strong, prior to expiration of the 12-month provisional term, OTC files either a U.S. non-provisional patent application and/or an international patent application under the Patent Cooperation Treaty (often referred to as a ‘PCT application’). In the case of an international application, 30 months after the initial filing (31 months in certain jurisdictions), additional “national stage” applications must be filed in select countries and regions at additional expense to secure patent protection in those countries selected.

Some time after the filing of a non-provisional patent application, examination of the filed patent application begins at the respective patent office, which can take one or more years. If the examination of the patent application is favorable, then the allowed claimed invention (referred to as ‘claims’) issues into a Letters patent. Each country requires an independent examination of a patent application in accordance with its own national patent laws. An invention described in a pending patent application is referred to as ‘patent pending;’ and an invention described in an issued Letters patent is referred to as ‘patented.’ The term of a U.S. Letters patent is 20 years from the filing date of the earliest non-provisional application. A U.S. Letters patent requires payment of maintenance fees at 3 ½, 7 ½, and 11 ½ years post-issuance to maintain enforceability of the patent rights. Non-U.S. countries require payment of annual fees (called ‘annuities’) to maintain pendency of pending patent applications and enforceability of issued Letters patents.
Put simply, a license is a permission given by one party (the ‘licensor’) to another party (the ‘licensee’). In the case of intellectual property (IP), that permission often takes the form of allowing the licensee to use the IP owned by the licensor in an agreed upon manner, but does not involve the licensor selling the IP or otherwise transferring ownership permanently to the licensee.

Because of their differing structures, assets and inherent risks, different approaches must be taken when licensing to established companies versus new business startups in order to achieve that same goal; this section deals with the former, the latter is discussed later in this guide.

For licenses to any type of company, a PRF technology license follows a consistent format. The license begins with a Preamble, which sets forth facts in the agreement, such as the identity of the parties involved and details of the technology being licensed. A definitions section follows, outlining the precise meaning of the terms used throughout. The remainder of the license includes business and legal terms that constitute the details and specifics of the agreement between the parties.

The majority of terms in PRF licenses are negotiable. However, certain terms are so important as to be non-negotiable, such as the right of Purdue to use licensed technology for education or non-profit purposes and indemnification of PRF and Purdue by the licensee. Yielding on these terms would negatively impact the principal activities of Purdue and PRF, namely education and scholarly research. Negotiable terms in PRF licenses generally include such things as the ability to sublicense the technology, the field of use and territory in which the license is granted, and financial terms such as considerations due in exchange for the license. PRF’s goal is to tailor the overall balance of these negotiable terms to fit the specifics of each individual licensee and opportunity.

**LICENSE TO ESTABLISHED COMPANIES**

Purdue Research Foundation aims to ensure that Purdue technologies are licensed to companies **ABLE TO DEVELOP THOSE TECHNOLOGIES INTO PRODUCTS AND SERVICES.** Licensees must demonstrate that they have sufficient resources, management talent and plans to **SEE THE TECHNOLOGY LAUNCHED AS A PRODUCT.**
Option: A simple, short-term agreement, usually for about 6 months, which gives the first right to enter negotiation for a license to a given technology. For the duration of the Option, PRF will not actively market the technology or seek other potential licensees. In exchange, the party receiving the Option often pays a modest fee and typically assumes the responsibility for ongoing IP expenses during the period. This type of agreement is generally used when a prospective licensee wants the ability to conduct due diligence on the market or technology before entering into a full license.

Commercial Evaluation License: Often, the diligence a prospective licensee wishes to conduct on a technology cannot be completed without access to samples or data. In this case, commercial evaluation licenses are used to grant the right to use a technology, under limited circumstance and for a limited time, to evaluate that technology.

Tangible Research Property License: IP takes many forms, and inventions that are not patentable or copyrighted can still be licensed. For example, published cell lines or antibodies can be licensed as a tangible property, where the licensee is granted the right to use and sell those materials that were created at Purdue.

License Agreement: This agreement can be tailored to suit many circumstances and generally represents a long-term partnership between PRF and a licensee. Licenses can grant exclusive or non-exclusive rights, such as the right to make, use and sell the technology, and they normally impose obligations on the licensee, such as the requirement to diligently develop the technology into a product or service and to pay an agreed-upon financial consideration. A license can usually be terminated at the discretion of the licensee, but PRF may only terminate that same license under predefined conditions, usually involving a material breach of the agreement. Upon termination, rights to the IP revert back to PRF.

Express License: Under the “Purdue Innovator Express Start-up License,” Purdue innovator(s) who are the founders of their first new venture formed to develop and commercialize their innovation may apply for an exclusive express license under a standard form of license with pre-set terms. To learn more about the express license, visit OTC’s website.

The key to success in licensing Purdue technology is to create a partnership between PRF and the licensee around the mutual interest of seeing Purdue technologies realized as commercial products and services.
There are several legally recognized business structures in the United States including sole proprietorships, general partnerships, C corporations (C corp), S corporations (S corp) and Limited Liability Companies (LLCs). The process of establishing a company’s existence is called “incorporation” and involves filing papers (“Articles of Incorporation” for C and S corporations and “Articles of Organization” for Limited Liability Companies) to set up a new legal entity.

While one person can form a company, it is typical for multiple entities or individuals to gain an ownership interest in the company, through a stock purchase for example. Many third-party service providers can assist with this process, including providing online services.

Articles of Incorporation or Organization are filed at the Secretary of State’s office for the state in which a person has chosen to set up a company, and therefore differ slightly in form and content. Check the appropriate state websites for further information.

Decisions to Make at the Start

At the outset of a new business venture, there are a number of key decisions that must be made, including, but not limited to:

**Marketing and Branding**

- **Company Name**: This should be unique, memorable and clear of other existing businesses in similar market spaces; online search tools exist to find available names.
- **Website**: This is a modern necessity – secure a domain name via one of the established hosting services, and expand the website to be your marketing nexus.
- **Company Logo/Branding Materials**: These can be developed after the company is established, but should be in place prior to web or product launch. This includes trademarks on the company name and logo.

**Location**

- **State of Incorporation**: A business can incorporate in any state, but often it incorporates in the headquarters state.
- **List of Founders/Members**
- **Mailing Address**: Company headquarters can start in a residence, but soon moves to a separate space when operations begin. Post office boxes are generally not sufficient.
- **Dun & Bradstreet D-U-N-S® Number**: This free unique identifier for each business location is necessary to receive government grants or contracts such as Small Business Innovative Research grants (SBIRs).
Structure and Accounting

Sole proprietorships and general partnerships are usually not suitable for a university-based startup company, which is more often incorporated as a C corp, S corp or LLC. A corporate structure comparison table is provided in the Appendix on page 30.

- **Corporate Structure**: Many new startups often begin as LLCs, but most growth companies choose a C corp.
- **Accounting/Finance System**: It is important to comply with relevant federal, local and state tax requirements. Keep tax records for a minimum of three years.
- **Employer Identification Number (EIN)**: An EIN (also known as a Federal Tax Identification number) is obtained from the IRS and is required for opening bank accounts or processing payroll.

Permits and Licenses

- **Sales Tax Permit**: From the state of company headquarters.
- **Business License**: From city/county; grants the right to conduct business in that jurisdiction.
- **Business Insurance**: To protect the business. Licenses from OTC require proof of insurance.
- **Federal Drug Manufacture Permit**: If applicable, from the Food and Drug Administration (FDA).

Other Considerations

- **Service Providers**: It is important to select service providers in the early days to assist with legal representation and the accounting and human resources functions.
- **Operating/Partnership Agreements (LLCs)**: These agreements, while technically optional in many states including Indiana (but mandatory in several like New York and Missouri) are important, as they protect the company from certain state laws that apply by default to LLCs without such agreements, and help avoid or resolve conflicts between members by memorializing in writing the company’s daily operations and member roles.
- **Corporate Bylaws (C or S Corps)**: Typical bylaws include the company’s Name, Object, Members, Officers, Meetings, Executive board, Committees, Parliamentary authority and Amendment process (NOMOMECPA).
- **Employment Agreements**: Often overlooked at the start, these are helpful when dealing with disagreements or conflicts between founders and early employees. These agreements should discuss roles and responsibilities, titles, compensation, any equity and vesting terms, duration of employment, grounds for termination, any applicable non-compete clauses, confidentiality of company information, work product ownership and dispute resolution.
- **Non-Disclosure Agreements**: Most licenses require Purdue or PRF confidential information (such as patent applications) to be protected if shared with investors or potential new management team members.
Purdue Foundry is an entrepreneurship and commercialization hub in Discovery Park’s Burton D. Morgan Center for Entrepreneurship whose professionals assist entrepreneurs with business plans, product ideation, market analysis, funding, grant writing and legal counsel. A startup becomes a Foundry Certified Startup once it has completed an assistance program called the FireStarter. After completing this program, an entrepreneur can begin licensing their technology through the Purdue Office of Technology Commercialization (OTC).

Business Plan

Business plans are inherently strategic and should detail a business’ current resources and abilities. This is followed by a clear description of the business at a point in the future — usually three to five years out — at which time it will have different resources and abilities, greater profitability and increased assets. The plan shows how the business will get from here to there.

Purdue Research Foundation (PRF) requires all potential licensees to submit their plans for the technology when desiring to enter license negotiations. When the potential licensee is a startup, a business plan is requested, and for a previously existing company, a commercialization plan is requested. These plans are critical to the licensing process because they provide the starting points for the business and financial terms in the license agreements.

Elements of a Business Plan

Executive Summary

An executive summary should clearly tell the reader about the business, the problem it is solving, the magnitude of the market and how it intends to generate sales. The executive summary also clearly states what the business needs from the reader, and in general, should be short, typically around two pages.

Business Description

The business description focuses on the current and future state of the industry, especially the opportunities for the business. All addressable markets should be described.
Market Strategies

Market strategies are derived from a meticulous market analysis. A market analysis forces a business to become familiar with all aspects of the market so the target market can be defined, a clear profile of the customer is depicted and the company can be positioned to enter the industry and capture a significant share of the business in that commercial space.

Competitive Analysis

The purpose of the competitive analysis is to determine the strengths and weaknesses of the competitors within a market. Strategies that provide a company with a distinct advantage, barriers that can be developed to prevent competition from entering the market and any weaknesses that can be exploited within the product development cycle should be considered during competitive analysis.

Design and Development Plan

The design and development plan provides the reader with a description of the product’s design and charts its development within the context of production, marketing and sales. All regulatory steps and strategies to achieve key milestones should be clearly defined.

Operations and Management Plan

The operations and management plan describes how the business will function on a continuing basis. The plan highlights the logistics of the organization such as the various responsibilities of the management team. Each team member's résumé should be included in the appendix.

Financial Plan

The financial plan is the last section of the business plan. It demonstrates projected company growth, financial management and resource allocation, which is critical to a successful plan. This section brings together the information in the prior sections to illustrate how the business will expend capital, generate revenue and realize profits over the timeframe of the business plan.

The Business Model

In recent years, many leaders in the startup community have switched their focus from a business plan to a business model. The latter de-emphasizes detailed pro forma financials and lengthy market assessments. Instead, it concentrates on the key issues of customer discovery (Who will buy?), customer validation (Is the product what they want?) and generating revenue. Either a business plan or a business model can be submitted to OTC to demonstrate the company’s resources and ability to fulfill its commitments under a proposed license agreement.
**License to Startups**

PRF has created a variety of policies and agreements designed to **provide startup companies access to the technology they need to develop** without hindering their ability to succeed.

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**Purdue Research Foundation Policies and Agreements**

Not all technologies or market opportunities can support a startup, but when they can, startups can be a more rapid, powerful and rewarding way for a technology to impact the public when compared to trying to license to established companies. There are many key differences between a new, untested business venture and an established business, such as structure, culture and financial capability. In recognition of these differences, the Purdue Research Foundation (PRF) uses a success-based model to license Purdue University technologies to new startups with minimal fees taken from the startup company during development. Every effort is made to ensure that a startup company is given the greatest chance to thrive, and that PRF and the innovators can share in the company’s later success.

All startups require a well-developed business plan or business model to demonstrate that the founders have thought of the critical issues surrounding the market opportunity of interest. PRF understands that this plan is a living document that will change based on the contemporary fact pattern. PRF and Purdue have dedicated a number of resources that are made freely available to Purdue faculty, staff and students to educate and assist them in the process of developing a business plan or model. For more information, contact OTC and the Purdue Foundry.

As with licensing to established companies, there are some terms in PRF licenses to startups that are still non-negotiable, but agreements can be crafted to fit the particular needs of the startup company and circumstances of the license. Startup licenses may be exclusive, meaning the technology cannot be licensed to another party and may have broad scope in terms of the technical field of use and geographic territory to give the startup company the greatest flexibility in identifying and pursuing the appropriate market opportunity. The business plan of a startup should describe how opportunities in all the identified market segments will be pursued.

There are several specific agreements that PRF has made available, under defined conditions, to Purdue faculty, staff and student innovators in an effort to give Purdue entrepreneurs the greatest chance of success in commercialization of Purdue technologies.
Examples of Startup Licensing Agreements Offered by PRF

- **SBIR/STTR Option:** PRF offers a zero-initial fee option for startups with direct involvement from Purdue innovators that are awarded Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) funding, and use at least 30 percent of the granted budget to support further R&D at Purdue.

- **Express License:** Purdue innovators who are founders of the first new venture formed to develop and commercialize their innovation may be eligible for an exclusive express license with preset terms. This license has no upfront fees, defers reimbursement of patent costs and provides a quick and easy option for licensing innovations that are not encumbered by third-party obligations.

Startups are important to PRF, both as a key indicator of PRF’s success in developing the entrepreneurial ecosystem at Purdue and in their economic impact on the region and State of Indiana. It is PRF’s clear intention to make the process of starting a new venture based on a Purdue technology as simple and transparent as possible, while providing the support necessary through OTC and the Foundry for entrepreneurs to develop their ideas into prosperous companies.

Outside Activity Policies

For Purdue faculty and staff considering forming a startup, it is important to remember Purdue’s Policy III.B.1: Conflicts of Commitment and Reportable Outside Activities. The primary intent of this policy is to avoid conflicts of commitment arising between the outside activity and the faculty or staff member’s responsibilities as a Purdue employee and to protect the academic experience of any students involved.

“Reportable outside activities” generally are considered to be anything that could give rise to a conflict of commitment, such as any work, advice or service to an entity other than Purdue, including to a startup. Reportable outside activities and conflicts of commitment are managed by Purdue’s Office of the Vice President for Ethics and Compliance, as set forth in Purdue policy III.B.1. This policy describes outside activities in more detail and gives instructions on how to ensure that startup-related activity is managed appropriately to avoid any possible conflicts of commitment. Since a Purdue faculty or staff member’s primary commitment is to Purdue, one key area in which conflicts of commitment can arise is in license negotiations between PRF and a faculty or staff member acting as a representative of a company.
Purdue University and Purdue Research Foundation support and encourage faculty, researchers, staff and students who want to be entrepreneurs. Entrepreneurial activities may result in real or apparent financial conflicts of interest when individuals with outside financial interests are in a position to influence the university’s business, research (including the design, conduct and reporting of research), or procurement decisions in ways that could directly or indirectly lead to financial gain for the employee or the employee’s dependents.

Conflicts of interest for Purdue employees, whether real or perceived, must be disclosed and managed in accordance with Purdue’s policy on Individual Financial Conflicts of Interest (III.B.2). For faculty/researcher/student entrepreneurs, the bias resulting from such conflicts may conceivably affect research activities such as the collection, analysis and interpretation of data, the hiring of staff, procurement of materials, sharing of results, choice of research protocol, involvement of human subjects, use of statistical methods, and the use of university facilities, personnel, equipment, IT Resources, confidential and proprietary information and other resources.

For example, if a Purdue faculty or researcher is named as an inventor/innovator of a Purdue technology that is the subject of a patent application filed by and at the expense of OTC and the Purdue employee/innovator decides to start a company to realize commercial aspirations for the Purdue invention, what is the next step?
The researcher should engage the department head or unit head and discuss implications on teaching, student research, obligations to current research sponsors and impact on future obligations, balance of commitment level(s) – whether a leave of absence is appropriate – use of Purdue equipment and facilities, and other matters relevant to appropriate management of time commitment to outside activities, and real or apparent financial conflicts of interest related to research and university procurement of goods and services. Resources are available to help inform this discussion:

- **Questions about reportable outside activities** can be directed to the Vice President for Ethics and Compliance. The reportable outside activities form must be completed annually by the Purdue employee and approved by the employee’s unit head and the Outside Activities Officer. The Reportable Outside Activities form can be accessed online.

- **Questions about a leave of absence** should be discussed with your department/unit head. The request for leave of absence form can be found online.

- **Questions about the implications on research awards**, current and pending, should be discussed with the Office of the Executive Vice President for Research and Partnerships (please e-mail your question to fcoi@purdue.edu or call 765-494-6840). Research-related disclosures of significant financial interests in a sponsored research project should be made online. A table summarizing research related financial conflict of interest documents (forms, disclosures, management plans) and software/online applications can be found online. The table lists documents and explains who needs to file the forms, when to file the forms, what specifically is approved or disclosed, and where to find each form (with hyperlinks to forms).

- **Questions about use of Purdue equipment and facilities** for a commercial endeavor such as a startup can be directed to Sponsored Program Services, which includes cross-functional teams from the Office of Sponsored Research and Office of Business Services to assist with proposals, award management, contract negotiation, data access and support services, research administration, regulatory compliance, and agricultural and international programs.

As a general rule, Purdue resources, including equipment and facilities, used for purposes other than teaching or academic research must be paid for by the user. In this instance, the Purdue inventor/employee using such resources for the startup’s purposes must compensate Purdue at fair market rates. Use of Purdue-licensed software must be approved in advance of any use by the startup. A guide to policies and procedures is available online.

These resources are available to Purdue graduate students and post-doctoral trainees having an interest in founding a startup. Students and post-doctoral researchers should discuss with their research advisor many of the same matters to ensure that compliance with Purdue policies, contract obligations, mission objectives and the research objectives are maintained and actively managed.
Purdue Foundry

The Foundry mobilizes Purdue’s entrepreneurial resources that are aimed at launching new ventures. Located in the Burton D. Morgan Center for Entrepreneurship, the Foundry builds on the strong entrepreneurial activities already taking place in the center and has created an entrepreneurship and commercialization hub ‘where learning becomes doing.’

Assistance for Entrepreneurs

The process at the Foundry begins with ideation activities aimed at refining and determining value propositions for the idea and potential pathways to the marketplace.

The Foundry team includes Entrepreneurs-in-Residence and a Director of Collaborations. The Entrepreneurs-in-Residence draw on their own entrepreneurial experiences in order to advise and assist companies as they seek to create and implement their unique business model. The Director of Collaborations seeks to identify experienced Purdue alumni who are willing to provide advice to new companies and entrepreneurs based on their specific technical, business and entrepreneurial experiences. With both the Entrepreneurs-in-Residence and the Director of Collaborations, the Foundry is leveraging vast networks in order to provide insight and direction to new ventures.

Purdue Foundry professionals offer an entrepreneurial assistance program called Firestarter. The program provides entrepreneurs with resources and services aimed at accelerating the progress of a startup and helping to improve chances for success including key elements of articulating a value proposition, creating a business model and developing an investor slide deck.

If Purdue innovators have a new idea, the Foundry team can help them think through the pathways to create a new company.
The Purdue Research Foundation helps find and provide support for startup companies. By providing funding for very early-stage companies, we help speed the process from innovation to commercialization. These funding sources are provided by and managed by the Office of Technology Commercialization and Purdue Ventures.

**Trask Innovation Fund**

The Purdue Research Foundation-managed Trask Innovation Fund (TIF) is a Purdue University development mechanism to assist faculty with work to further commercial potential of technologies disclosed to the Office of Technology Commercialization (OTC). Funds are awarded under the advisement of the TIF Advisory Council, which consists of representatives from the Purdue University Office of the Executive Vice President for Research and Partnerships, Purdue Faculty, Purdue Research Foundation and local business community.

**Ag-celerator**

Funded through the Purdue Moves initiative and jointly managed by PRF and Purdue College of Agriculture, this plant sciences innovation fund is designed to provide critical startup support for Purdue innovators who wish to commercialize patented intellectual property or Purdue “know-how” technologies. The funding supports all areas of plant sciences, including areas of research in crop optimization, hybrid and seed development, and precision agriculture.

**Elevate Purdue Foundry Fund**

The Elevate Purdue Foundry Fund is operated jointly by the Purdue Foundry and Elevate Ventures to further expedite the translation of life-changing intellectual property to commercial sectors. Qualifying startups must be Purdue Foundry clients and have gone through the startup process.

**Foundry Investment Fund**

The $12 million Foundry Investment Fund, a not-for-profit fund, seeks to join with other investors to fund companies that are based on Purdue technology or expertise in the areas of human and animal health and plant sciences. The Fund provides a match to outside investors’ funds, adding critical capital for the transition from the discovery of a promising technology to founding a viable life sciences company. Returns on the investments will remain in the fund for future investments.

**Purdue Startup Fund**

The Purdue Research Foundation and University Development Office have launched the Purdue Startup Fund to maximize Purdue’s commitment to serve others through the commercialization of innovations. As a part of this initiative, a $5 million matching program will provide a 1:1 match for gifts to this fund, resulting in more than $10 million to expedite and generate even more commercialization and startup creation.

For further assistance in identifying funding sources, contact the Purdue Foundry.
The Purdue Railyard is a 26,140-square-foot co-working space where Purdue and community members can create, collaborate, and learn. This space provides the entrepreneurial energy to network, hold events and meetings, use conferencing space and eat or have a cup of coffee at the Express Café.

The Purdue Railyard is located in the Purdue Research Park at Herman and Heddy Kurz Purdue Technology Center at 1281 Win Hentschel Blvd. in West Lafayette, Indiana.

The Purdue Railyard pays homage to the Purdue Schenectady No. 1, the first full-scale locomotive used in the Purdue Locomotive Testing Plant in the late 1880s and early 1900s and established Purdue as a national leader in transportation research and innovation. The space is highlighted with antique railroad memorabilia, 14 conference rooms, three phone rooms, a stage for presentations, and a wooden two-story water tower meeting space.

Behind the “cool factor” of the Purdue Railyard lies a “disruptive functionality” that provides all the amenities needed to propel your business or idea into the future.

The unparalleled amenities and space for early-stage entrepreneurs supports the entire entrepreneurial culture in West Lafayette, Tippecanoe County and the surrounding areas. The location of the Purdue Railyard is another great asset with more than 160 companies in the Purdue Research Park of West Lafayette.

The Purdue Railyard is open and available for all those who are interested in propelling their business and ideas.

To learn more about the Purdue Railyard or to become a member, contact 765-588-3368.
Purdue Research Foundation, WestGate Authority and Naval Surface Warfare Center Crane Division (NSWC-Crane) and others partner on Purdue@WestGate to support technology research, commercialization and job creation throughout Southern Indiana.

The agreement includes startup creation assistance from Purdue Foundry; increased tech transfer support from Purdue Office of Technology Commercialization; and company incubation space and amenities from WestGate@Crane Technology Park and Purdue Research Park.

As part of the agreement, Purdue Krannert School of Management offers an NSF Midwest I-Corps™ Node program at WestGate.

WestGate @ Crane Technology Park is the first of several CareerMakers sites throughout Indiana. CareerMakers, managed by Purdue Polytechnic Institute, is a workforce development facilitator to help businesses develop and maintain the workforces they need. Consultation, assessments, education, workshops, and trainings are among the services offered by the program.

WestGate Authority covers the WestGate@Crane Technology Park, a certified tri-county technology park located in Greene, Daviess, and Martin counties; which includes the Battery Innovation Center. WestGate Authority already works closely with NSWC Crane Division, I-69 Innovation Corridor, Indiana Office of Defense Development, WorkOne and other local and state economic development entities. WestGate is the only multi-county tech park in Indiana.
Purdue Research Park

With 725 acres and 60 buildings, the Purdue Research Park of West Lafayette is the largest university-affiliated business incubation complex in the country. The nearly 260 companies located in the park network employ about 4,500 people who earn an average annual wage of $82,000.

Space is available in all four locations for faculty entrepreneurs and startups.

The Anvil

The Anvil provides a co-working space for entrepreneurs from the community and Purdue University. Located at 320 North Street, West Lafayette, the center has a full-time manager who can answer questions about resources, amenities, community and infrastructure to help student entrepreneurs become successful. The facility was created through a partnership between Purdue Research Foundation and the City of West Lafayette.

MatchBOX

MatchBOX provides a place to work for entrepreneurs in early-stage development in Greater Lafayette. The space provides desks with all the amenities needed to get work done: 24-hour secure access, conference rooms, high-speed Internet and an unlimited supply of coffee and snacks.

Bechtel Innovation Design Center

Bechtel Innovation Design Center is aimed to become a “magnet” where Purdue University students, staff and faculty can move their ideas and innovations to real-world products and impact. Innovators can use the facility to advance conceptual designs, execute capstone projects, build prototypes and conduct product testing as well as further develop softer business and life skills such as team building across multiple disciplines and acquire leadership acumen. The 31,000-square-foot, $18.5 million building is available and open 24/7 for Purdue innovators. Some of the assets available in the center include CNC tools, waterjet cutter, laser cutter, laser engraver, 3D plastic printing, paint and surface finishing, welding, wood working tools and electronics assembly.
CareerMakers

Purdue Polytechnic Institute plans to make WestGate@Crane Technology Park the first of several CareerMaker™ sites throughout Indiana aimed at connecting businesses with the tools needed for success. Because of the high potential for economic growth in southern Indiana, Purdue Polytechnic has chosen WestGate to serve as the launch site for its CareerMaker program. CareerMaker is a workforce development facilitator to help businesses develop and maintain the workforces they need. The program offers consultation, assessments, education, workshops, trainings and bridges to other resources that give businesses a competitive edge.

Entrepreneurship and Commercialization Landing Page

Entrepreneurs can find information about a number of resources including protecting intellectual property, boot camp for veterans with disabilities, available technologies, collaboration opportunities, funding sources and others. Visit: purdue.edu/purdue/commercialization

I-Corps

The Purdue NSF I-Corps™ Site aims to spur innovation, collaboration and economic impact from Purdue research. Supported by a grant from the National Science Foundation, the I-Corps Site provides programs and courses that educate, support and connect faculty and graduate students in science, technology, engineering, and management researchers to the customers and markets for their technologies and inventions. Through the program, Purdue University and the Krannert School of Management will help early stage startups in Indiana commercialize their technology through the National Science Foundation’s “Phase 0” pilot program.

WomenIN

WomenIN is an initiative to empower aspiring women throughout the entire state of Indiana by providing resources and a network to increase the future growth of women entrepreneurs by creating a supportive ecosystem. WomenIN offers resources typically reserved for Purdue Foundry clients to all women in the state. WomenIN provides a variety of resources to women entrepreneurs in the technology and scalable business space.

Entrepreneurial Ambassadors

The Entrepreneurial Ambassadors are a group of faculty whose mission is to serve as a first line of assistance to faculty and students interested in entrepreneurship. They help to spread the word about entrepreneurial educational programs, funding, and competitions which occur on the Purdue campus. These faculty are chosen from a variety of departments and units on campus. The goal with this program is to raise the faculty awareness of the resources available to assist in entrepreneurial efforts.
Support for entrepreneurs from various federal, state, local and private funding can come from a number of resources including:

- **Foundry Investment Fund**: Established through a partnership between Purdue Research Foundation and Cook Medical. The $12 million not-for-profit fund supports startups originating from Purdue innovations.

- **Elevate Purdue Foundry Fund**: A $2 million fund created through a collaboration among Purdue Foundry, Elevate Ventures and the Indiana Economic Development Corporation. Qualified Purdue-affiliated startups may apply for two tiers of funding: the “Black Award,” a $20,000 convertible nonrecourse note, and the “Gold Award,” for up to an additional $80,000 debt or equity.

- **Ag-CELERATOR**: This plant sciences innovation fund is designed to provide critical startup support for Purdue innovators who wish to commercialize patented intellectual property or Purdue “know-how” technologies in plant sciences, including areas of research in crop optimization, hybrid and seed development, and precision agriculture.

- **SBIR/STTR**: Provides funding opportunities in the federal innovation research and development arena in the form of grants and/or matching grants.

- **Indiana Economic Development Corporation (IEDC)**: Oversees programs enacted by the General Assembly including tax credits, workforce training grants and public infrastructure assistance.

- **Venture Club of Indiana**: Helps entrepreneurs and investors succeed by creating an entrepreneurial, business-friendly environment attractive to investors.

- **Elevate Ventures Inc.**: Nurtures and develops emerging and existing high-potential businesses into high-performing, Indiana-based companies.

- **City of West Lafayette Department of Development**: Investing in economic development through the use of tax increment finance (TIF) funds, grants and other available resources.

- **Greater Lafayette Commerce**: Partners with eight other local economic development organizations to assist entrepreneurs.
State Tax Credits

The Indiana Economic Development Corporation website states: "The Venture Capital Investment Tax Credit program improves access to capital for fast growing Indiana companies by providing individual and corporate investors an additional incentive to invest in early stage firms. Investors who provide qualified debt or equity capital to Indiana companies receive a credit against their Indiana tax liability."

The state of Indiana also offers an R&D tax credit. More information is available online.

Jumpstart Our Business Startups (JOBS) Act

A great deal of information has been published regarding investment in startups through non-registered securities. The JOBS Act was passed by Congress in 2012 and the SEC continues to make rule announcements that have helped to define what is or is not permitted under the Act. Crowdfunding, accredited investor status, general solicitation, advertisement and other topics have been impacted. For the most recent and accurate information, visit the SEC website.
**Collaborate with Purdue**

**Purdue Office of the Executive Vice President for Research and Partnerships**

Oversees research development, funding, research partnerships, policies and integrity and regulatory for Purdue faculty, staff and student researchers.

**Purdue Office of Engagement**

Helps the University use its human, intellectual and fiscal resources to address issues that affect the prosperity and quality of life for people in Indiana and around the world.

**Purdue Enterprise Company**

Combines the knowledge of expert faculty from across the many departments at the University with the needs of cutting-edge businesses.

**Learn About Entrepreneurship**

**Certificate in Entrepreneurship and Innovation Program**

Offers a series of five courses designed with flexibility in mind, which provides the opportunity for undergraduate students to gain an entrepreneurship certificate that is complementary to all majors.

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**Purdue Entrepreneurship and Innovations Club**

Develops and nurtures a community of passionate entrepreneurs, provides a forum for networking and collaboration among community members, and provides resources and support that can help lead to success.

**Krannert Entrepreneurship and Venture Club**

Provides students with the knowledge and resources associated with launching a new business, and helps provide access to guest speakers, networking opportunities, startup capital and advice on business plan preparation.

**Purdue Entrepreneurship and Innovation Learning Community (ELC)**

Brings together students who are interested in new business ventures.

**Interns for Indiana**

Enhances student learning through hands-on experiences with Indiana startups. Interns gain firsthand understanding of entrepreneurship along with enhanced technical, professional and communication skills.

**Purdue Entrepreneurial Leadership Academy**

Provides faculty with networking opportunities and resources as a professional development program aimed at mid-career or senior faculty who are interested in leadership and entrepreneurial skills.

**The Young Entrepreneur Program**

Assists young entrepreneurs on how to make their business plans become a reality in Indiana.

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**ADDITIONAL RESOURCES**

More information about these resources can be found online.
Find Entrepreneurial Programs

**Burton D. Morgan Center for Entrepreneurship**

Provides multiple programs and competitions to foster business initiatives and aims to stimulate entrepreneurship in the Purdue community and beyond.

**Purdue Biomedship**

Provides training in innovation and entrepreneurship focusing on biomedical technology and the medical device industry.

**Purdue Center for Commercial Agriculture**

Aims to be the leading source of management education and knowledge generation for farmers.

**Purdue College of Engineering Office of Research**

Works with faculty members to turn discoveries into intellectual property.

**Discovery Park**

Manages major centers to lead Purdue’s large-scale interdisciplinary research efforts.

**Entrepreneurship Boot Camp for Veterans with Disabilities**

Offers cutting edge, experiential training in entrepreneurship and small business management at no cost to post-9/11 U.S. soldiers, sailors, aviators and marines with disabilities that have resulted from their service to our country.

**Global Entrepreneurship Program (GEP)**

Offers a yearlong international master’s program that begins every August, provided in partnership with Purdue University, EMLYON Business School and Zhejiang University.

**Indiana Clinical Translational Sciences Institute (CTSI)**

Works to increase translational biomedical research and improve the health of people of Indiana and beyond through a statewide collaboration of Indiana University, Purdue University and the University of Notre Dame.

**Lafayettech Inc.**

Connects local businesses and individuals to communicate the impact of emerging technologies in the Greater Lafayette area.

**TechPoint**

Represents Indiana’s entire technology community. There are no restrictions on involvement in TechPoint other than being a company or professional that is interested in the success and growth of Indiana’s tech sector.

**Starting a Company**

**Indiana Secretary of Commerce: Business Opportunities**

Offers resources to start a business, relocate a business and obtain business licenses and permits, as well as information on job resources and labor law.

**Indiana Economic Development Corporation (IEDC)**

Oversees programs enacted by the General Assembly including tax credits, workforce training grants and public infrastructure assistance.

**Small Business Development Centers (SBDC)**

Provides assistance to small businesses and aspiring entrepreneurs.

**Build a Prototype**

**Purdue Research Machining Services**

Offers a full-service machine shop with the equipment and resources to complete almost any imaginable project.

**Invention City: How to Make Invention Prototypes**

Provides various resources to build prototypes.

**Startup Nation: Getting an Invention Prototype Built**

Offers advice about moving your invention prototype from your mind’s eye to a reality that will help you commercialize your product.
## APPENDIX: CORPORATE STRUCTURES

The following table provides basic information on certain corporate structures that may be of interest for new ventures. **THIS INFORMATION IS FOR INFORMATIONAL PURPOSES ONLY** and is neither a recommendation or endorsement of any type of corporate structure nor a replacement of advice from tax and corporate professionals.

<table>
<thead>
<tr>
<th>Tax</th>
<th>C-Corp</th>
<th>S-Corp</th>
<th>LLC</th>
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<tbody>
<tr>
<td>Double Taxation</td>
<td>Federal Corporate tax brackets depending on net income, state and some local corporate tax. The profit is taxed to the corporation when earned and then is taxed to the shareholders when distributed as dividends (qualified lower dividend rate).</td>
<td>Pass-through</td>
<td>Ordinary income tax on wages (including SS and Medicare), but no FICA tax for SS or Medicare for distributions; wages must be reasonable.</td>
</tr>
</tbody>
</table>

| Formation and other formalities | File with a state, pay fee, and provide articles of incorporation. Requires holding an initial meeting of directors and shareholders, adoption of bylaws, and recording of minutes; issuance of shares of stock to shareholders; creation of a stock ledger; creation of a corporate book; filing of annual reports; and holding annual and special meetings of shareholders. | File with a state, pay fee, and provide articles of incorporation. Requires election of subchapter S with the IRS; drafting of bylaws; holding an initial meeting, adopting bylaws, electing directors, and recording of minutes; creation of a stock ledger; creation of a corporate book; filing of annual reports; and holding annual and special meetings of shareholders. | Membership interest of the decedent ends and only economic interests survive (unless otherwise stated in the operation agreement). Single member LLC dissolves with the death of the sole-member. |

| Duration | Survives individual shareholder’s death or bankruptcy. | Survives individual shareholder’s death or bankruptcy. | Yes |

| Limited liability (subject to piercing the corporate veil and other limitations) | Yes | Yes | Yes |

| Types of Stock | Two classes: Common stocks and preferred stocks | One class, but can be voting and non-voting stocks. | Units of membership, but LLC cannot issue stocks. |

| Who | Shareholders: Anyone | Shareholders | It is a U.S. corp, no more than 100 shareholders, U.S. citizens and resident aliens, and certain trusts and estates. | Anyone (nonresident aliens, corporations, trusts, partnerships, other LLCs, etc.) |

| Ability to file for initial public offering | Yes | Not practicable (limitation on number of shareholders) | No |

| Best suited for | Growing profitable companies seeking outside investors. | Growth companies that may go public in the future, but not there yet, seek to take advantage of tax benefits. | Mostly small companies that do not desire the complexity of formalities of C-corps and S-corps. |

| Profit sharing | Flexible profit sharing | Profit sharing based on percent ownership. | Flexible profit sharing |
**Business Description**: The Business Description focuses on the current and future state of the industry, especially in regards to the opportunities for a business.

**Business Model**: A startup company’s Business Model concentrates on the key issues of customer discovery (who will buy?), customer validation (is your product what they want?) and generating revenue.

**Business Plan**: A Business Plan is a written description of a business's future, a strategic document that describes what the business plans to do and how it plans to do it.

**Competitive Analysis**: The purpose of the Competitive Analysis is to determine the strengths and weaknesses of the competitors within the market space of a startup.

**Conflict of Commitment/Conflicts of Interest**: A situation in which a Purdue employee’s Reportable Outside Activities would likely interfere with the employee’s ability to fulfill his or her commitment to Purdue, or a situation in which a Purdue employee’s responsibilities, financial interest or opportunity for personal benefit in connection with a Reportable Outside Activity would likely interfere with the employee’s professional judgment in exercising any Purdue duty or responsibility.

**Consideration**: Exchange of value in a legal contract. In the context of a technology license, this value often takes the form of the grant of license transferred from the Licensor, and money, e.g., fees and royalties transferred from the Licensee.

**Co-working Space**: Shared office space that provides independent work space that typically includes desks, conference rooms, 24-hour secure access, Internet access and a business center.

**Design and Development Plan**: The purpose of the Design and Development Plan is to provide the reader with a description of the product’s design, chart its development within the context of production, marketing and sales. All regulatory steps should be clearly defined, as well as the strategies to achieve key milestones.

**Diligence**: Efforts toward development of a product or service.

**Executive Summary**: An Executive Summary sets forth high-level information about the business, the problem(s) to be solved, the magnitude of the market and how the business intends on generating sales.

**Field of Use**: Field of Use could be unrestricted, or could be limited to human or veterinary applications.

**Financial Plan**: A Financial Plan is a critical component of a Business Plan, illustrating projected company growth, financial management and resource allocation.

**Financing**: The seeking of funds to support a startup company. Financing generally takes different forms depending on the stage of the company, from personal capital or loans, to government grants, angel investor and venture capital funding, and public share offerings.

**Indemnification**: To protect someone by promising to pay for the cost of future damage, loss or injury.

**Intellectual Property (IP)**: A work or invention that is the result of creativity, such as a manuscript or a design, to which one has rights and may apply for a patent, copyright, trademark, etc.

**License**: A permission to use, generally used to refer to an agreement between a Licensor and Licensee to grant permission to use a technology.

**Licensee**: The recipient of a License.

**Licensor**: The individual or entity granting a License.
**License Scope**: The extent of the rights granted in a License. For example, License Scope could include the geographic region in which a license is granted and whether the license is to use a product or also to make that product.

**Market Analysis**: A Market Analysis defines a target market, a clear profile of potential customers and how the company can be positioned to enter the market.

**Operations and Management Plan**: An Operations and Management Plan describes how a business will function on a continuing basis. It highlights the logistics of the organization such as the various responsibilities of the management team.

**Outside Activity**: A Reportable Outside Activity is defined as any work, advice or service for an entity other than Purdue University that may potentially result in a Conflict of Commitment. Below are several examples:
- Participation in any business enterprise as owner, partner, officer, supervisor, manager or in any capacity with management responsibilities
- Consulting (as defined in the Policy)
- Conducting external research that would not ordinarily be conducted as a part of the employee’s duties with the university
- Service on an advisory council or scientific advisory board of a company or organization other than a state or federal agency
- For faculty and exempt employees, any other employment with or service to an outside entity where compensation in the form of money, services, goods or other consideration of value is received.

**PCT Application**: An international patent application filed under the Patent Cooperation Treaty that can be used to file nationalized applications after 30 to 31 months in various countries and territories.

**Provisional Application**: A confidential, time limited patent application that is unexamined, first must meet sufficient written description requirements under patent law.

**Public Disclosure**: Any non-confidential communication which an innovator(s) makes available to the public the existence of an invention and enables an individual to reproduce the invention.

**SBIR**: The Small Business Innovation Research (SBIR) program is a United States government program, coordinated by the Small Business Administration, in which 2.5 percent of the total extramural research budgets of all federal agencies with such budgets in excess of $100 million are reserved for contracts or grants to small businesses.

**STTR**: The Small Business Technology Transfer (STTR) program uses a similar approach to the SBIR program to expand public/private sector partnerships between small businesses and nonprofit U.S. research institutions. It currently is funded at 0.3 percent of the relevant agencies’ extramural research budgets.

**Sublicense**: A license between a Licensee and a third party, granting that third party the use of some or all of the Licensee’s rights under the initial license.

**Technology Assessment**: A multipart assessment process of a new Purdue technology including marketability and patentability analyses.

**Technology Disclosure Form**: A form via which innovators can disclose potentially patentable technologies to the Purdue Office of Technology Commercialization (OTC).

**U.S. Non-Provisional Application**: A U.S. patent application that is examined by the U.S. Patent and Trademark Office.

**Warranty**: A written statement promising the good condition of a product and its suitability for a particular purpose.
FOR MORE INFORMATION

Visit these websites for more information about the Purdue Research Foundation and its divisions:

www.prf.org
www.prf.org/otc
www.purduefoundry.com
www.prf.org/innovation-and-entrepreneurship