Guidelines for University Spinoff Companies Operating on Campus That Are Not Housed at Enterprise Square

Approved on 22 May 2015 by:

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Background
The University of Alberta promotes commercialization of research through many avenues, and it is strongly supportive of diversifying the local and provincial economy. The University remains committed, through its world-class research, innovation and commercialization activities, to enabling Albertans to solve critical problems and to achieve the positive outcomes of a broadened and diversified economic base, effective resource and environmental management as well as healthy and resilient communities, which will result in the enhancement of the economic, environmental and social benefits for Albertans. Through TEC Edmonton, the University encourages local licensing and spinoff company development, and with its partners provides support services to early stage technology companies in the region.

The University of Alberta strongly supports the creation of spinoff companies and believes in leveraging its resources to help these companies get off to a successful start. Some of these spinoff companies can benefit from operating at the University early in their life. This can enable reduced costs, access to unique infrastructure, and access to specific talent, all of which can be critical to the success of a new venture. This document pertains to spinoff companies that are housed in University space other than Enterprise Square.

University infrastructure is largely publicly funded; hence, the following guidelines are intended to ensure clarity and that they will inform decisions for spinoff companies to use such infrastructure.

Definition:
A University of Alberta spinoff company consistent with University policy, the Faculty Agreement and TEC Edmonton is defined as a legal entity, distinct from the University of Alberta, and:

a) that derives or will derive a considerable portion of its commercial activities from the application or use of a technology or business model originating from research activities conducted at University of Alberta; and

b) is not controlled by the University of Alberta but in which the University may have a non-controlling equity and/or a royalty stake; and

c) which has signed, in addition to all appropriate commercial documentation, a Master Relationship Agreement with the University of Alberta.

Note: This definition of “university spinoff company” tries to combine several elements to account for existing policies and labour relations agreements, the diversity of circumstances and persons interested in an outcome, the origin and type of need being addressed, the type of property rights being exploited, the management of conflicts of interest, roles and commitment, the past and anticipated future public/private contributions to a given endeavor, the inherent investment (time, talent, money) risk and a balanced distribution of financial rewards.
**Guidelines:**
The Faculties will make decisions in conjunction with Chairs, the Vice-President (Facilities & Operations) Office and the Vice-President (Research) Office. The guidelines for a spinoff company operating on campus other than in specifically designated incubation space at Enterprise Square are:

1. The University has governance visibility in the spinoff company, either through a Board seat or through other reporting oversight.

2. A brief proposal for each spinoff will be reviewed on a case by case basis by the Dean, Vice-President (Facilities & Operations) and the Vice-President (Research) or their delegates. The Vice-Presidents or their delegates will make the final decision on the proposal.

3. Each spinoff company must already have a Master Relationship Agreement with the University to clarify conflicts of interest, ownership of IP, licensing, involvement of graduate students and the separation of work done by the PI as an academic and as a “member” of the spinoff company. In addition, for those companies occupying University space, there must also be a lease or licence agreement defining conditions on use of space, arrangements for alterations, compliance with University policies, and any special arrangements related to use of University owned equipment, use of University internal services, and involvement of University personnel (including students) arising from the spinoff’s activities on campus.

4. University space is meant to serve as a temporary home for a spinoff company until it finds its feet and/or outgrows the space. A defined timeline and commercial goals will be developed, and when these are met the company will move out; that is, operating on campus is temporary. The operational use of leased space will be reviewed on a regular basis.

5. The spinoff company pays appropriate rental and operating costs for space being used (comparable to TEC Edmonton’s subsidized rates for equivalent space), although the option of equity in lieu or in kind contribution should be available for exploration. Leasehold improvements required by the tenant and decommissioning costs will be borne by the tenant. The agreements would be for a two-year term, with the possibility of a renewal for up to two more years by mutual consent. After that term, the company would need to relocate, having been given sufficient time to get established. If there is still space available and a need for continued presence in the University after four years, rent would be charged at commercial rates. Net rental income, after operating costs are deducted, will be placed in a fund managed by the Vice-President (Research), in collaboration with the Vice-President (Facilities & Operations), for use in supporting new initiatives.

6. The spinoff company will maintain appropriate liability insurance.

7. The spinoff company commits to University Occupational Health & Safety (OHS) requirements ([http://www.ehs.ualberta.ca/](http://www.ehs.ualberta.ca/)).

8. The spinoff company complies with University UAPPOL Human Ethics and Animal Ethics policy and procedure.

9. The spinoff company and all individuals associated with it are governed by principles consistent with federal and provincial legislation and regulations as well as University policy and procedure (e.g., the UAPPOL Research and Scholarship Integrity Policy).
10. The spinoff company complies with other contractual restrictions on the use of University infrastructure; eg, as outlined in the lease agreement, and a service agreement if applicable, restrictions on commercial use of software licensed only for academic purposes, use of University logo, etc.

11. Deans, in conjunction with the Accommodation Planning Unit (F&O), need to take into consideration their recruitment plans that would require the allocated space.

12. For University spinoff companies currently in University space, these guidelines will apply six months after the date they are approved (i.e., they apply on 22 November 2015).

Topics for Further Discussion:

Spinoff company access to University services such as Libraries, SMS, REO, RSO, IT, chemistry stores, technical facilities, animal facilities, Risk Management Services