

The CC Venture News is an online publication of the University of Florida Commercialization Council



# Commercialization Council VENTURE NEWS

"Creating a More Vibrant Entrepreneurial Culture and Facilitating the Successful Commercialization of UF-Based Technologies"

Fall 2004



## UF Spin-Offs a Credit to Support Network

*The University of Florida and its spin-off companies are spending a lot of time in the spotlight, as you will read in this issue of the newsletter. This is a tremendous credit to our growing support network that includes the university's tech transfer and economic development arms, sophisticated alumni network, active community support from local business and civic leaders, and particularly to our vigilant investment partners.*

## VENTURE CAPITAL



## UF Companies Featured at November SEBIO

Three of the fastest rising stars in UF's growing constellation of spin-off companies will be featured at the 6th Annual Southeastern Bio Investor Conference (SEBIO), November 7-9, 2004 at the Doral Golf Resort & Spa in Miami. Management teams from AxoGen, Osprey Pharmaceutical Company, and Banyan Biomarkers will present to an audience of 400, including numerous venture capital firms and billions of potential investment dollars.



*Members of the  
Commercialization Council*

Office of Technology Licensing

David Day Director

Jane Muir Associate Director

Univ. of Florida Foundation

Christopher Needles  
Assistant VP/Development

Sid Martin Biotechnology  
Development Incubator

Patti Breedlove Incubator Mgr.

**AxoGen** is a biomedical company developing products that will allow surgeons to repair and regenerate peripheral nerves more successfully than ever before.

**Osprey Pharmaceutical Company** is the first to pursue development of novel medications to treat the attention-related deficits associated with schizophrenia.

**Banyan Biomarkers** is involved in the development and commercialization of medical diagnostic technologies that enable effective, efficient, non-invasive assessment of the severity of brain injuries by detecting protein biomarkers in a small sample of the patient's blood.

SEBIO is an event of the Southeastern Life Sciences Association (SELSA), a regional collaboration of leading organizations from life sciences, entrepreneurship, and venture capital, from both the public and private sectors. The conference features early stage companies seeking

---

The Commercialization Council  
is funded by the

**Office of Research**

**Dr. Winfred M. Phillips**  
Vice-President for Research

PO Box 115500  
(352) 392-1582

<http://rgp.ufl.edu>

---

The *UFCC Venture* e-newsletter is  
sent to you by the University of  
Florida Commercialization Council.

To be removed from the *UFCC  
Venture* mailing list, please email  
[jmuir@ufl.edu](mailto:jmuir@ufl.edu).

---

The information contained in *UFCC  
Venture* may not be reproduced  
without the permission of the  
University of Florida  
Commercialization Council.

---

funding. UF spin-offs such as AGTC – which recently netted \$15M in venture financing – have presented at SEBIO in recent years.

David Day, Director of the University of Florida 's Office of Technology Licensing and a founding member of SEBIO, is serving as co-chairman of this year's event along with David Gury, Chairman of NABI Biopharmaceuticals. Patti Breedlove, Manager of the Sid Martin Biotechnology Development Institute at UF, is Recruitment Chair. UF alumnus Wayne Hockmeyer, founder of MedImmune and CEO of MedImmune Ventures, is one of SEBIO's featured speakers.

To read more about UF's featured start-up companies, visit the Start-Up Companies page at the OTL website [www.otl.ufl.edu](http://www.otl.ufl.edu). For more information about the conference, check the SEBIO website at [www.sebio.org](http://www.sebio.org).

### **UF Spin-Offs Courted to Present at Innovation Florida 2004**

Two Gainesville-area technology companies will be featured at Innovation Florida 2004, an early-stage technology conference featuring the best new investment opportunities in Florida, start-ups and existing companies seeking "first outside" equity financing.

**Vigilert Activity Monitoring, Inc. (VAM)** is a start-up software company marketing a business activity monitoring platform with a particularly strong database interface, differentiated from competing technologies by its immense capacity – supporting thousands of users who can each create as many event triggers as they need.

The mission of **Smart Structures, Inc. (SSI)** is to enhance the quality and reduce the time and cost of concrete construction by embedding wireless sensors directly into concrete piles and castings. SSI's technology enables engineers, contractors and state agencies to monitor critical parameters of concrete structures, both during construction as well as throughout the entire life of the structure.

VAM and SSI will present to an audience of venture capitalists, investment bankers and individual investors. Firms that presented at previous Innovation Florida conferences have raised over \$132 million through this high-visibility opportunity.

Innovation Florida 2004 is presented by the University of Central Florida Technology Incubator and the Central Florida Innovation Corporation, and sponsored by Akerman Senterfitt and Business Wire. The conference will be held:

Wednesday, September 29, 2004  
at The Ballroom at Church Street

225 South Garland Avenue, Orlando, FL, 32801  
8am - 5pm

For more information, contact the Central Florida Innovation Corporation (CFIC) at (407) 277-5411 or visit the website at [www.cfic.org](http://www.cfic.org).

[Return to top](#)

---

## PARTNERING

### **UF Fills Need for Experienced Entrepreneurs Searching for Opportunities**

After Cheryle Touchton sold PathTech Software Solutions, the company she co-founded and led as CEO, for \$10 million, she was ready for another challenge.

Stefan Borg was eager to continue his momentum with another leadership opportunity after taking SunPharm Corporation public and later selling it.

With more than twenty years of success in various corporate ventures including biometrics and business valuation, Jared Kennedy was also looking for his next gig.

These and many other successful entrepreneurs are finding their way to the University of Florida Office of Technology Licensing (OTL) to identify a technology or platform of technologies that could serve as the basis for their next company. Why UF? Many reasons. Besides the more than \$450 million the university brings in annually in research awards, and the 300 new inventions disclosed by UF faculty each year, the university has proven it has the machinery in place to leverage these IP assets into successful companies.

"The University of Florida 's tech transfer office is one of the most innovative and aggressive in the country – particularly when it comes to new business creation," said David Day , OTL's Director. One of the most recent tools in the new venture arsenal is the relatively new University of Florida EDA University Center, a collaborative effort between the university and the federal government's Economic Development Administration (EDA).

Housed within OTL, UF's EDA University Center is at the pulse-point of the region's high-tech start-up activity. Because of the tremendous volume of research generated at UF and the user-friendly reputation of its Office of Technology Licensing, the University of Florida EDA University Center serves as a magnet for entrepreneurs and investors seeking new opportunities, and a catalyst for new business creation. In its first 24 months of operation,

the Center helped create 20 new start-ups.

"Technology is important to investors, but a proven management team and the ability to successfully commercialize new technologies is key," according to Jane Muir, Director of the UF EDA University Center and Associate Director of the Office of Technology Licensing. Muir looks for "experienced business people who understand what it takes to start a company and who are excited about bringing life-changing products to market."

Jamie Grooms is an excellent example. Introduced to the UF community by the UF Foundation and Chris Needles, Grooms led Regeneration Technologies (Nasdaq: RTIX) through initial venture capital fundraising and an initial public offering, raising \$75 million in proceeds, before searching for his next big project. He subsequently co-founded and is currently CEO of Axogen, Inc., a company that licenses several University of Florida monoclonal antibody technologies.

Entrepreneur Cheryle Touchton, mentioned above, is now spearheading an effort to raise funds for her newest project, Vigilert Activity Monitoring, a UF spin-off in the business activity monitoring (BAM) space. Stefan Borg is now CEO of Osprey Pharmaceutical Company. Jared Kennedy is the CEO of EnviroFlux. Information about these and other UF spin-offs is available on OTL's website at [www.otl.ufl.edu](http://www.otl.ufl.edu).

OTL and the UF EDA University Center continue to work with entrepreneurs and investors seeking opportunities to become involved with university spin-offs, and anticipate a number of new successes this year. For more information, contact Jane Muir at (352) 392-8929 or by email at [jmuir@ufl.edu](mailto:jmuir@ufl.edu).

### **UF Tech Transfer Brings Disease-Fighting Compound to the Marketplace**

Critical care diseases such as rheumatoid arthritis, Crohn's disease, and acute organ failure due to cardiopulmonary bypass are more common in the United States than cancer. Costs of care for these diseases in intensive care units exceed \$180 billion per year; 25-40% of U.S. healthcare expenditure is associated with hospitalizations of patients with critical care diseases, which are also a tremendous drain on quality of life for patients and families.

Through cutting edge research and aggressive tech transfer efforts, the University of Florida is helping the nation's healthcare system, patients and families fight these diseases. UF recently licensed a family of compounds developed by Professor William Kem of the College of Medicine, Department of Pharmacology and Therapeutics, and a team of researchers to Critical Therapeutics, Inc. (Nasdaq: CRTX). Critical Therapeutics is a biopharmaceutical company focused on the discovery,

development and commercialization of products for respiratory, inflammatory and critical care diseases.

"This license provides us the opportunity to accelerate our development path by granting us access to the intellectual property on a series of molecules known to be active," said Critical Therapeutics President and Chief Executive Officer Paul Rubin, M.D.

"UF is world-renowned for its groundbreaking research and discoveries," said David Day, UF Office of Technology Licensing Director. "Moving those discoveries to the marketplace through relationships like this one with Critical Therapeutics is what enables the university to help improve people's quality of life, which is really why we're here."

For more information on UF's technology transfer process, visit OTL's website at [www.otl.ufl.edu](http://www.otl.ufl.edu) or contact Jane Muir, OTL Associate Director, at (352) 392-8929 or [jmuir@ufl.edu](mailto:jmuir@ufl.edu).

[Return to top](#)

---

## TRAINING

### **Florida Tech Transfer Conference Debut**

The first-ever Florida Tech Transfer Conference, held in May in St. Petersburg, was well attended by university researchers and industry insiders. The conference showcased Florida universities' breakthrough information technology, biotechnology and nanotechnology available for licensing and commercialization.

The program featured heavy-hitters such as Florida's Lt. Governor Toni Jennings and Andreas Stavropoulos of California venture capital firm Draper Fisher Jurvetson. Other prominent speakers included John Kozarich, Scripps Research Institute and President of ActivX, and Charles Linzner from Bristol Myers Squibb. Topics included how to collaborate with university researchers, structure deals and turn university-developed technologies into profitable businesses.

The conference was hosted by the Tampa Bay Technology Forum (TBTF) and the Florida Research Consortium (FRC) in association with the Florida Venture Forum. The University of Florida sent inventors and other representatives, including Karl R. Zawoy, Assistant Director of the university's Office of Technology Licensing. "This conference represents a great opportunity for our inventors to gain experience meeting with potential partners in industry," said Zawoy, "for investors and industry reps, it's a chance to browse the vast array of

breakthrough technologies that are being developed here in Florida.”

### **2005 Florida Venture Capital Conference**

The 2005 Florida Venture Capital Conference is scheduled for January 27-28, 2005 at the Omni Resort at ChampionsGate in Orlando, Florida. This event will be an opportunity for Florida's best prospects for equity financing to make presentations to an audience of venture capitalists, investment bankers, financial intermediaries and entrepreneurs.

Carl Roston, a UF alumnus who remains highly involved in the commercialization process locally and statewide, is the chair of this year's conference. More than 800 people attended the 2004 Conference, representing 115 venture capital firms from across the US with billions of dollars to invest in Florida . To date, former Conference presenters over the last 13 years have been successful in raising over \$675.6 million.

The Florida Venture Forum is seeking corporate sponsors for this event. Those interested should contact Robin Kovaleski at (813) 335-8116 or email her at [robin@floridaventureforum.org](mailto:robin@floridaventureforum.org).

[Return to top](#)

---

## **START-UP SUCCESS**

### **Top 10 Early Stage Company Mistakes**

Topping Fred Hutchison 's Leno-like list of the top 10 early stage company mistakes, is “Failing to have founder vesting and shareholder agreements.” Fred Hutchison, of Hutchison & Mason PLLC, presented this list at a seminar on Legal Issues for Biotech Startups held at the Sid Martin Biotechnology Development Incubator on July 30.

In addition to examining issues like founders vesting, board composition, employee inventions, IP issues, and pre-money valuation, he reviewed his top ten list with the audience of early stage founders and executives. Second on Fred's list is “Not owning what you pay for,” followed by “Ignoring obligations to former employers,” and “Failing to read contracts.”

Hutchison co-founded the Council for Entrepreneurial Development in North Carolina in 1984. During 2003, Hutchison & Mason helped clients raise over \$119 million in private and public financings.

[Return to top](#)

---

Check here for upcoming events:

## **Calendar of Events**

---