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Business development

U. of U. is No. 2 school in U.S. for spawning startup companies

20 new ventures were born of university faculty ideas in 2006

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The University of Utah leads the nation in spinning off companies and commercializing university-generated technologies and other intellectual property, according to an annual survey by the Association of University Technology Managers (AUTM).

Ideas developed by U. faculty in 2006 led to the creation of 20 companies, ranking it second among the nation's universities that year, the most recent year for which data are available. Massachusetts Institute of Technology, whose research expenditures are triple the \$246 million the U. consumed in 2006, was the only university to spawn more businesses with 23.

"Such a task requires the efforts of many individuals both internal and external to the university. We have all the ingredients to make the U. a leader in business

development and technology commercialization among American universities," said Brian Cummings, director of the U.'s 35-employee Technology Commercialization Office. "The state has established an extremely friendly climate for entrepreneurs."

U. officials stressed the role of the business community in ushering ideas from campus chalkboards into the marketplace.

"You want them coming up here and sniffing out technologies and educating us about what can go to the market and how we can get it in the stream of commerce to make people's lives better," U. President Michael Young said.

Last year, the U. spun off another 17 businesses, such as the computer graphics firm RayScale and Cerebus Carbon Solutions, which develops technologies to capture carbon-dioxide emissions. Since July 2005, when the U. established its office of Technology Venture Development, 53 businesses have been born.

"They're small, struggling, with three to five employees. Only one has left state," said Jack Brittain, dean of the U.'s David Eccles School of Business who also serves as vice president for venture technology development.

U. computer scientists Peter Shirley and Steven Parker launched RayScale to develop

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graphics products that create photorealistic images in near real time. Cummings' office helped them commercialize an innovative graphics technology that uses light waves for "ray tracing," which captures the play of light and shadow and could create compelling images for video games, military simulators, animated film and medical imaging. The three-employee RayScale anticipates its first product launch in March, chairman Mike Fahnert said.

The AUTM survey tracks the fruits of federal funding - currently \$30 billion - invested every year in university research in terms of business created, patents filed and issued, and licensing revenue. In recent years, the U. has shined in the survey.

In 2006, the U. generated \$16.3 million from licensing intellectual property and this year, Cummings predicts, that figure will be around \$25 million, stemming from 170 licenses. About \$3 million of this money pays off patenting and lawyers' fees, while the rest is divided among the inventors (30 percent); the originating department (25 percent) and the U.'s research foundation (45 percent).

The U. ranks 13th nationally in terms of its licensing "efficiency," calculated when universities' licensing revenue is expressed as a percentage of its research

expenditures. It's second in the number of inventions generated per research dollar.

The U. maintains a portfolio of 1,300 pieces of intellectual property it is trying to market, including copyrights, invention patents, pending patents and software.

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