INNOVACORP EARLY STAGE COMMERCIALIZATION FUND
2020-2021 INFO KIT

Innovacorp's Early Stage Commercialization Fund helps move Nova Scotia university, college and university-affiliated research to market.

ESCF:

- promotes and accelerates technology transfer activities in Nova Scotia post-secondary institutions
- provides the opportunity to assess the commercial potential of intellectual property
- narrows the gap that exists at the beginning of the commercialization process
- enables projects to move closer to industry collaboration or a spin-out opportunity

If you're a researcher engaged in information technology, life sciences, clean technology, ocean technology, or other technology development with market potential, this opportunity is for you.

Up to $50,000 in funding is available per project.

Our friends at NBIF (New Brunswick Innovation Foundation) were such fans of our Early Stage Commercialization Fund (ESCF) that they wanted to offer it in New Brunswick. We're delighted to work with the NBIF team to make this happen. While our two organizations are co-promoting the opportunity and partnering on the evaluation process and curriculum, applications from New Brunswick institutions have to apply through NBIF.

HOW TO APPLY

The **deadline** for winter round submissions is **Wednesday, February 3, 2021, at 11:59 pm AST**.

Applicants are asked to use our Microsoft Word proposal form, complete the table and project description sections and sign the applicant authorization. Submissions are made online by completing the webform and uploading the proposal form along with the CV of the principal investigator(s), highlighting any previous experience in research commercialization.

ELIGIBILITY

Nova Scotia university and college faculty members, as well as staff, clinicians and researchers in university-affiliated institutions, are eligible to apply. Applications from graduate students and post-docs will be considered, provided a faculty member is a co-applicant. The lead applicant (or Principal Investigator) must be the faculty member who holds the research account.

PROCESS

ESCF has two rounds: fall 2020 and winter 2021. Each round has two types of funding: phase one and phase two.

Phase one is for first-time projects with technologies in initial stages of development and an opportunity for commercialization identified.

Phase two is for projects that have:

- identified an opportunity for commercialization, target markets and potential revenue streams
- initiated discussions with potential customers
- established a collaboration with a commercial partner or identified a spin-out opportunity*

* As an early stage venture capital organization, Innovacorp seeks to find and build technologies with the potential for venture capital investment. Although we welcome ESCF applicants who might consider licensing their technology, preference will be given to projects with the potential for a venture-grade spin-out company.

In both phases, funds can be used to cover up to 100 per cent of a project to a maximum of $50,000. Past ESCF recipients are ineligible for phase one with the same technology; however, they may apply for phase two if the project has further advanced and meets the requirements described above. Typically, phase two funding is only awarded to each technology once.

EVALUATION

Applications will be reviewed by Innovacorp staff. Select applications may also be reviewed by individuals from Innovacorp's Science and Technology Advisory Council (STAC) and other external experts as needed, depending on the area of research, Innovacorp's STAC members are external experts in their field, with a focus on science and technology.

Applications will be assessed based on the following criteria:

1. Uniqueness and importance of technology; considerations may include:
    - Features and benefits
    - Current stage of development
    - Proprietary position

2. Commercial significance of technology; considerations may include:
    - Description of market
    - Competitive analysis
    - Potential for commercial return

3. Commercial readiness of technology; considerations may include:
    - Closeness to commercial readiness
    - Qualifications/experience of the project team
    - Understanding of potential obstacles and alternatives
    - Strength of IP, regulatory and reimbursement strategy
    - Potential for a venture-grade spin-out company

FUNDING AND ELIGIBLE COSTS

1. Funds can be used for intellectual property development; assessment of market potential; development of go-to-market strategies, business plans and strategic plans; development of intellectual property protection strategies; proof-of-concept or prototype development (can cover cost of students and post-doctoral researchers but not the principal investigator); technology design and optimization; pre-clinical testing; clinical validation; and leveraging other funds.

2. Eligible costs are limited to labour, direct materials and expenses, and business consulting. Patent costs are limited to 10 per cent of the overall funding request. Equipment and other costs that are difficult to attribute directly to an individual project are generally ineligible but may be considered. Company development activities such as website creation, marketing materials and conferences are generally ineligible but may be considered. Note: overhead and administration is not an eligible cost.

3. In phase two, the maximum amount for legal costs is $10,000. Note: Any third-party support will be mutually agreed upon by the awarded applicant and Innovacorp.

4. A submission that significantly understates the costs necessary to accomplish the tasks outlined is deemed to fall short of the potential to achieve the stated goals and objectives and will not be considered. An approved project should commence and be completed within the allowable timeframe.

5. Individual project duration is limited to 12 months from the date of authorization, with all costs incurred and paid within that time. Projects can be completed in a shorter time than the maximum duration permitted.

REPORTING REQUIREMENTS

1. A final report (month 12) detailing tasks and outcomes achieved is required. A final project account printout from an institution's financial services office must be included with the report.

2. Informal meetings are required with an Innovacorp advisor. Follow-up contact after project completion may occur and is intended to determine long-term outcomes from the program support and gather recommendations for improvements.

3. Failure to provide the necessary reports may disqualify future applications from the affiliated institutions.

4. All announcements (e.g., media releases) related to ESCF are to be reviewed by Innovacorp in advance.

WINTER 2021 TIMELINE

Wednesday, February 3, 2021	Proposals due
Wednesday, February 17, 2021	Shortlist notified
Wednesday, March 3, 2021	Shortlist reviewed and researchers meet with evaluation committee
Thursday, March 4, 2021	Recipients notified

Note: Researchers on the shortlist will be asked to meet with the evaluation committee virtually.

PROGRAM FOR WINTER ROUND

ESCF participants have two formal meetings with Innovacorp to work on their milestone plans. Participants also attend three workshops on key subject areas to fast-track their progress: developing a value proposition, understanding intellectual property and market sizing.

Value Proposition
Presented by Craig MacMullin, CEED
January 14, 2021 | 2:00 pm – 4:00 pm | Virtual via Zoom

Drawing on the work of Steve Blank and Alexander Osterwalder, this course is designed to have the participant focus on the "problem space" rather than the "solution space." Participants are trained to identify the "job to be done" and to look beyond that to the pains and gains that are the basis for strong value propositions. Once the customer segment has been examined from the perspective of the problem, then attention is turned to the solution. Participants learn how to examine their product or service from the perspective of relieving pain or creating gains and examining the competitive landscape through the customer's experience.

Craig MacMullin is president and CEO of the Centre for Entrepreneurship Education and Development (CEED). He is responsible for development and implementation of CEED's strategic and operating plans and programming. Craig joined CEED in 2017, after a career in executive roles with start-ups and scale-ups in the technology and service sectors. A certified Lean Launchpad educator, he has successfully used customer-facing strategies to drive product development, corporate innovation and business strategy. Craig is a graduate of Acadia University (B.Sc. in chemistry) and Saint Mary's University (MBA) and is a chartered professional accountant and certified information privacy professional.

Intellectual Property
Getting Your "Ships" in a Row: Early Stage Intellectual Property Due Diligence
Presented by Cecilia Basic, Canadian Intellectual Property Office
January 21, 2021 | 9:00 am – 12:00 pm | Virtual via Zoom

Authorship. Creatorship. Inventorship. Ownership. Post-secondary institutions use all of these "ships" in the development of early stage technologies. For companies founded on academic intellectual property (IP), determining who is on which ship – and when it sailed! – is a critical first step in their IP strategy. This IP due diligence is not only required to formally protect the IP through patents, trademarks and copyrights, it also ultimately determines a company's ability to leverage the IP rights surrounding the technology. This workshop will identify the differences between these four diligence "ships" and discuss the impacts each has on formal IP protection processes, with a focus on patenting. The workshop will also introduce patents, industrial designs, trademarks, copyrights and trade secrets.

Cecilia Basic joined the Canadian Intellectual Property Office in April 2019 after serving as director of IP management and technology transfer at the Florida Institute of Technology. With an extensive technical background, she has practiced intellectual property management in Canada at the University of Manitoba and the Public Health Agency of Canada, and the United States at Florida Tech, a 2020 US News and World Report's Best Global University. Cecilia has worked directly with patent and business counsel in the filing of IP protections, and has operated in the chemical, biotechnology, marine, aerospace, and defence sectors, among many others. She has also drafted, reviewed and negotiated contracts, including corporate research agreements, NDAs, material transfer agreements and licenses, with large corporate, SME, government and start-up partners. Cecilia has a B.Sc. in chemistry (University of Winnipeg), an M.Sc. in analytical chemistry (University of Toronto) and a PhD in analytical chemistry (University of Florida).

Market Sizing
Presented by Michael Dennis, Innovacorp
January 28, 2021 | 9:00 am – 11:00 am | Virtual via Zoom

Depending on the sector and type of technology application you are developing, assessing market potential varies. In this workshop, Michael Dennis will describe the elusive billion-dollar investment opportunity venture capitalists are looking for, including a dive into quantifying customer pain, providing various relevant examples.

Michael Dennis is an investment manager at Innovacorp, where his focus is on identifying and developing pre-seed and seed investment opportunities in the clean technology sectors. He manages all aspects of the investment review, approval and closing cycle. Michael has extensive experience in the commercialization of early stage technologies through his career as a research scientist, entrepreneur and executive in start-ups. Prior to joining Innovacorp, Michael was CEO of Performance Genomics, where he led a turn-around based on strategic partnering and financing for the company's R&D program. He previously worked in various roles in the biotechnology industry in Atlantic Canada, including serving as CEO of Genome Atlantic, where he led development and financing of large-scale genomics research projects in the region. Michael also spent 15 years in the biotechnology industry in Montreal, where he was co-founder and CEO of a biotechnology tools company that raised several rounds of venture financing, grew to profitability, and was acquired by a US-based multinational. He was also CEO of SignalGene, a publicly traded medical genomics company for which he led private and public financings and established strategic alliances with partners in the US and EU. Michael holds a B.Sc. and M.Sc. from Dalhousie University and a doctorate in biochemistry from the Université de Montréal.

Confidentiality: *All information received from the applicant will be kept strictly confidential. All external reviewers will sign a Non-Disclosure Agreement (NDA). However, the successful applicant herein authorizes Innovacorp, or its designated representative, to reveal the following ESCF information: the applicant's name, title, affiliate institution, title and lay summary of the project, duration of support, and approved funding amount. The information received may also be used in evaluating the benefits attributable from the program to the Nova Scotia economy. The applicant's permission will be sought before releasing any further information. Prior award recipients' names and the above details may also be used in subsequent promotion of the ESCF program.*

Intellectual Property: *Innovacorp does not claim ownership or rights to any intellectual property (IP) resulting from funded projects. Such rights will be governed according to the applicant (inventor) and the inventor's institution in accordance with its institutional IP policies. In cases where multiple partners contribute to the project development, the partners must provide evidence of a mutually agreeable IP and commercialization agreement.*