I. Call to Order

The meeting was called to order at 12:03 PM on May 4, 2009, in Coleman Room F302 by the President, Dr. Len Lothstein.

II. Approval of minutes

The minutes of the previous meeting had been distributed electronically and were approved as written.

III. Attendance

The following members were present:

Len Lothstein, PhD
William R. Morris, MD
Martin Croce, MD
Robert C. Poehring, PhD
Elizabeth Fitzpatrick, PhD
Anjaparavanda Naren, PhD
Elias A. Giraldo, MD
Maggie DeBon, PhD
Allen Edmonson, MD
Linda Myers, MD
Renate Rosenthal, PhD
Laura Sprayberry, MD
Edwards Park, PhD

Guests:
Dr. Steven Bares, Memphis Bioworks Foundation Dr. Richard Magid, UT Research Foundation

IV. Old Business

A. Response of the DFAC voting
1. Response has been extremely slow. Committee members are encouraged to vote and to have their fellow faculty members vote.

B. Chair/Chief Survey
1. The Chair/Chief Survey has been completed. The number of responses to the survey varied from department to department. The Dean found these responses helpful if a "critical mass" of responses were received from faculty members.
2. DFAC members were encouraged to promote completion of this survey next year so more useful information could be obtained.
3. A question was asked if department response could be tracked so
encouragement to complete the survey could be emphasized. This was an idea that should be acted upon next year.

C. Faculty of the College of Medicine Annual Meeting
1. The Faculty of the College of Medicine will meet on May 11, 2009, at 4:00 PM in the Coleman North Auditorium. The agenda items include the following:
   a. Certification of the College of Medicine Class of 2009
   b. Report of the DFAC
   c. State of the College Address Dean Schwab
   d. Election results

V. New Business
A. Dean's report on UTHSC financial situation
   1. A recent communication from the Dean was sent to faculty members via email. This report outlined the present financial situation of the College of Medicine. The Dean reported that there was a large reserve of funds, but, on the other hand, these reserves could be spent quickly with poor management of the money. The stimulus package has helped, but many 'strings' were attached to these funds. This required some changes of directions in using these monies and additional reporting requirements. Overall the stimulus money was a positive factor but not as good as an increased state budget.
   2. The Dean also stated that the DFAC along with the Council of Chairs were good sources of information for the Dean. He noted that the DFAC had faculty representing all three primary mission of the UTHSC College of Medicine.
   3. A question was asked about the issue of discontinuation. The Dean reported that there would be no discontinuances during the coming year. The College of Medicine has saved between 12 and 13 million dollars during the reorganization. The evaluation of the missions will be conducted yearly. The evaluation formula will be used to monitor performance of the missions of the COM. Any unit that is performing at the 80% level will be looked at closely. No furloughs or pay reductions are anticipated for the next two years unless a new financial crisis ensues.

B. Generating revenue through new inventions, drugs, etc.
1. Drs. Steven Bares and Richard Magid then spoke on the mechanism for commercialization of intellectual property to generate income for faculty member, the department, and the University. These guests then outlined the steps by which the faculty member should proceed if he/she has an invention etc. That might have commercial value. The following steps were outlined:
   a. Vision/Concept
   b. Disclosure/ Approval
   c. Patent
   1. Patent Form company
   2. Patent license to another company
   d. Find licensee
Find laboratory space
Develop business plan/marketing expertise

2. Dr. Bares stated that there was about 40,000 sq feet of incubation space in the old Dudley Building and other buildings. There are also resources that can assist a faculty member in whether their idea might be viable in the marketplace. Yan Boutan (? spelling) is available at Memphis Bioworks to assist with the formulation of a business plan. Innova was formed to help with 'seed' money to help start up these ventures. Contact Ken Woody at Innova.

3. Dr. Magid then outlined the steps through UT Research Foundation that the faculty member should take. The UTRF's job is to assist faculty create startup companies and create new businesses, particularly in Tennessee. You may contact Dr. Magid at UTRF on the Memphis Campus.

a. Abstract what is the invention?
b. Who did it? were there collaborators/external?
c. How was it paid for? grant/industry support

The UTRF will then evaluate the invention and its potential. They will look at the 'protectability' of the intellectual property (can you patent it, will it attract investors) and the commercial potential. They will then look at the best route to market. A decision will then be rendered at to the viability of the project and begin the patent process and the marketing strategy.

4. Dr. Bares then commented on some issues with the UT system. There are limited revenue sources available so we need to make the most of the sources available to commercial on intellectual properties. This would attract other new talent here.

Question: Is there a way for money from pharmaceutical companies to be deposited with Bioworks rather than through the UTHSC?
Answer: The decision would be the University's. Under certain circumstance the University might decide this is an area in which they would not want to work and allow the investigator to use other sources.

Question: How about the length of time it takes the University to process these projects?
Answer: This is much improved over the last one to two years due to the presence of local case managers. A good evaluation does take time, but the UTRF's goal is to respond within one month. Dr. Lothstein indicated that he has had a good experience with the UTRF recently. The UTRF is endeavoring to continue improvement of their services.

Question: Who or what is Innova? What do they do?
Answer: Innova is an early stage investment fund that concentrates on companies in the state of Tennessee and this region. You need to have a business plan in place and people with business, technical, and financial skills associated with your project to attract the first round of capital investment. Yan Boutan can assist you get these plans in place.

One of the most difficult times during this process is the 'valley of death' between the idea and patent and the actual startup of a company. Sources of investment at this time are public capital, SBIR, grants, or
Questions: What factors come into play in the decision as to whether to license the product or start your own business?
Answer: There are risks and rewards of either. Licensing usually gives less return to the inventor and the University. Most projects require development before investors are willing to put their money into your idea.

Question: Some in the past have questioned the lack of accountability of the UTRF toward the faculty or being "faculty friendly." Is the UTRF accountable to anybody?
Answer: Changes are underway to increase local control; faculty will have a voice in the local activities. The Board of Trustees and the administration also have significant input into UTRF.

Question: Who does the faculty contact if they have a great idea for a new invention, drug, etc?
Answer: The UTRF is interested in making themselves more visible by means of department faculty meetings or seminars. Other forums would be considered. A great discovery is not necessarily a promising commercial venture.

Question: One of the committee members stated that the agreements with UTRF in the past have not always been "faculty friendly." Answer: The revenue sharing policy was then shared by Dr. Magid. The current policy is:

First $5,000 goes to the inventor
Between $5,000 and $1 Million
  40% - Inventor (personal)
  30% - UTRF
  30% - Campus/department
Greater than $1 Million
  35% - Inventor
  25% - UTRF
  40% - Campus/department

These formulas apply only to license revenue and have been approved by the President of the University and the Board of Trustees. With startup companies other considerations may be given. The next step is to increase local control and visibility of UTRF.

Question: How dependent on the current administration is this plan?
Answer: We believe that this is fixed and stable at this time.

The first step is to approach UTRF and discuss the idea.

Question: Are there companies in existence through Bioworks or UTRF that can be approached?
Answer: This is possible, but your invention must match the company's expectations.

V. Next meeting
The next meeting will be on Monday, June 1, 2009 at 12 noon. The location will be announced.

VI. Adjournment:

There being no further business, the meeting was adjourned at 12:59 PM.

Respectfully submitted,

William R. Morris, MD
Acting Secretary