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University of Utah, MIT lead nation in new companies founded

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SALT LAKE CITY — Much of the research being done at the University of Utah is spun out into newfound companies, resulting in ongoing revenue for the school. For the past two years, the U. has rivaled the Massachusetts Institute of Technology for the number of start-ups it produces. This year, however, the Utes moved into a tie with the research giant, surpassing major players along the way.

Twenty new companies were formed during the 2008 fiscal year, ranking the U. first among other research institutions nationwide.

On average, U.S. universities generate patents to form three new companies each year, but Brian Cummings, director of the U.'s Technology Commercialization Office, said start-ups are more successful at the U. because of local and university support offered to the new companies.

"The state has established an extremely friendly climate for entrepreneurs," he said. "The results are reflected by these national rankings."

The rankings come from the Association of University Technology Managers, which monitors more than 150 public and private research institutions throughout the country. The University of Florida and the California Institute of Technology, which both had 14 start-up companies in the 2008 fiscal year, followed the U. and MIT.

In addition to the 20 companies formed at the U., 78 licenses were executed and 119 new patents applied for, while 33 new patents were issued, with more than \$26 million generated in licensing income.

The U.'s accomplishment is significant, due to the fact that MIT received almost five times more research funding, \$1.3 billion, compared with the U.'s approximately \$273 million. On average, universities ranked by the annual AUTM survey receive around \$288 million in research funding each year.

The U.'s Technology Commercialization Office evaluates almost 200 new inventions every year, some of which are nurtured and become new companies, while others are further researched or postponed. These new companies represent advances in energy, medical devices, personalized medicine, graphic design, software, nanotechnology, disease diagnostics and more.

Utah State University, another of the state's two public research-intensive institutions, spent more than \$148 million on research during the year, bringing in \$524,316 in revenue. However, no companies were founded and only 11 licenses were executed, including six U.S. patents for technological products or ideas. At Brigham Young University, research spending was kept around \$26 million, resulting in nine start-up companies, 29 license executions and 52 new patent applications, with nearly \$4.5 million reported as licensing income for the private school in 2008.

Nationally during the same year, university research lead to the development of 648 new products and 595 new companies, most of which were spawned in the cities housing the contributing institutions.

The intellectual property belongs to the universities where it is fostered, and licenses for the technology it leads to is sold to outside companies, according to Kathy Hajeb, operations director for Technology Venture Development at the U. All but five of the 83 companies created at the U. since 2005 have flourished as companies, some providing an ongoing revenue stream for the university, others fizzling out, "as some businesses do," she said.

Companies such as ARUP, Myriad Genetics, NuSkin/Pharmanex and LifeScan have developed out of the ideas of U. faculty and staff over the past 40 years.

Among the new start-ups, created from July 2008 through June 2009, is U. mechanical engineering professor Kent Udell's Seasonal Energy company, which provides an eco-friendly solution to heating and cooling homes. His idea is "to store up summer heat for winter heating and winter chill for summer cooling." The result is a system that is 99 percent carbon free, yet indistinguishable in its ease of use and maintenance compared with traditional HVAC systems.

"We're finding that faculty members are feeling that they really want to get their ideas to the patient's bedside, to the market, so they can do some good with them," Hajeb said. "Most of our faculty members really care more about making sure their ideas go somewhere and impact society somehow."

From new medical devices to ideas on stem cell therapy to fighting Lou Gehrig's disease and making railroad ties from recycled tires, U. faculty members and researchers are aware of the commercialization process, in which their ideas can turn a profit, and are "engaged," Hajeb said.

Since it was created in 2005, the Technology Commercialization Office has been focused on economic development and has founded 83 different companies, 78 of which are still operating, according to Jack Brittain, vice president of Technology Venture Development at the U. He said 70 of them are currently operating in Utah and have collectively raised more than \$156 million in seed and venture capital, which contributes to the economy of the state.

"It really has been a nice microcosm of awareness in how the new ideas can impact society and actually keep companies here, keep jobs in Utah, build the economic growth for the state," Hajeb said.

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