



Matching Innovation and Entrepreneurs: Opportunities for Workforce Development in the Entrepreneurship Ecosystem

November 20, 2009
Matthew Wagner, Ph.D.
UW-Parkside/CATI, Inc.

CATI Brief Introduction

- Non-Profit 501(c)3 Corporation formed in 2001
- Located in Sturtevant, WI. (40,000 sq.ft education, R&D, and business development complex).
- Primary Funding:
 - State of Wisconsin, Dept of Commerce
 - U.S. Economic Development Administration
 - Bader Foundation
 - Technical Assistance Contracts
 - Licensing Royalties
- Staff:
 - Dr. Matt Wagner
 - Kate Walker
 - Dr. Kem Obasih
 - Dr. Jerry Carlson
 - Keith Jones
 - Mike Dalton
 - Dr. Doug Arion

The Vision

- To be a source of innovation for entrepreneurs, companies, and students by harnessing the research and development engine of U.S. industry as a catalyst for economic development.

US. Patent Statistics

Of the approximate 170,000 annual utility patents:

- 75% Corporate Patents
 - 20% Individuals Patents
 - 5% Universities and Federal Labs
- Corporate Patents
- 50% are Foreign Corporations
 - Japan and Germany make up 65% of those patents

CATI Inc. – Technology Transfer Leveraging Corporate Intellectual Property

- In general, corporations only utilize between 10-15% of their patent portfolio. WHY?
 1. Off-Strategy
 2. “Too Small”
 3. Technology By-Passed
 4. Platform (Multiple Applications)
 5. End Product vs. Process
 6. No IP Management System
 - Corporate patents tend to be more “applied” (66% of U.S. Funded Research)
 - Applied = Closer to Commercialization = Less Time, Less Money to Market
- CATI SOLUTION:**
Through Joint Ventures, out-license corporate technologies to entrepreneurs and existing firms seeking technology!

CATI Inc. - Joint Venture Model

- Manage/Own more than 300 patented technologies:



CATI Inc. – Corporate Joint Venture Technology Transfer Model

- Corporation Provides:
 - No-Fee License to CATI
 - Rights to CATI to sub-license within negotiated fields
 - Patent maintenance fees
 - Technical know-how
 - Any data relating to market; R&D studies; manufacturing studies, etc.
- CATI Provides:
 - Ideation for platform technologies
 - Payment of +/- 40% royalties to corporation
 - Active targeting and management of licensees
 - License negotiations
 - Links to capital; academic institutions, management talent, etc
 - In-Licensing from CATI Outreach

Process

- Step 1. Identify, Value, and Assess
- Step 2. Develop Joint Venture Parameters
- Step 3. Develop Marketing/Licensing Strategy
- Step 4. Link with CATI's Comprehensive Tech Transfer Process

Case Study: Alliance Enterprises - Benelact™



- CATI licenses former Kraft Foods technology to existing company in Racine. 7/07
- Minority-owned venture.
- Aligns company w/UW-Madison Food Sciences Dept.
- Angels make \$2.5 million investment in R&D/Pilot Production Plant 1/08
- Product launch 9/08.

<http://www.youtube.com/watch?v=fAjETujYSII>

Results of the CATI Technology Transfer Model

- Five (5) Start-up businesses in last 3 years; Nine (9) License Agreements, including with global companies such as Bayer CropSciences.
- Provided technical assistance to more than 100 entrepreneurs and companies
- Honored by International Economic Development Council (IEDC) in 2006 and 2007 for Tech-Based Economic Development
- National partnerships with the U.S. Economic Development Administration (EDA) and National Collegiate Inventors and Innovators Alliance (NCIIA)
- Featured in more than 255 publications in U.S. and Globally, including *India's Financial Times*, *Forbes*, and *USA Today*.

Points to Consider for Discussion

- Critical Gaps within the System
 - Engineering, Technical, and Business Development Talent Unemployed
 - Combined with Conservative Equity Capital Markets

A Jobless Recovery?

- So Why Are We Primarily Training to Become Employees?
- Why Are We Primarily Funding Training?

Contact Information

Matthew Wagner, Ph.D.

262.898.7512

mwagner@thecati.com

www.thecati.com

Kate Walker

262-898-7410

kwalker@thecati.com

www.thecati.com

