



UNH Whittemore School Receives Largest Grant In History Of School

Money Funds System To Help Inventors Speed Process Of Commercialization

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DURHAM, N.H. -- Imagine you are an investor looking for the next great thing. You discover a company has developed a promising technology and you're ready to support it financially. But when you try to determine whether there are liens or security interests against this new intellectual property, you must wade through dozens of complex state and federal bureaucracies, one at a time, to determine if anyone has already made a claim on the innovation.

The Whittemore School of Business and Economics at the University of New Hampshire plans to address the situation by developing a technology-based solution to track security interests in intellectual property. The U.S. Patent and Trademark Office has awarded UNH's new Enterprise Integration Research Center \$990,000 to build a virtual network, linking state-based uniform commercial code databases with federally based patent database.

A.R. "Venky" Venkatachalam, director of the Enterprise Integration Research Center, professor of information systems and chair of the Department of Decision Science, realized that the lack of a national system that provides comprehensive information to would-be financiers about intellectual property liens has created an expensive, time-consuming situation that is hampering the ability of companies to rapidly commercialize their most innovative products.

"This grant, the largest in Whittemore School history, provided seed funding to create the Enterprise Integration Research Center and will enable it to develop an innovative solution to help reduce the uncertainty surrounding the use of intellectual property as collateral, facilitate the leveraging of intangible assets, and increase access to capital at lower costs and unlock related wealth creation," Whittemore School Dean Steve Bolander said.

The grant funds a two-year pilot project that aims to develop a prototype Web technology-based system for perfecting security interests in intellectual property rights. The pilot project will be developed at UNH and include three states: New Hampshire, Maine and Massachusetts. Project collaborators include UNH Research Computing Center, Franklin Pierce Law Center, and University of Maine School of Law.

"Access to collateral with a predictable value has been essential to the traditional method of securing financing. However, when we talk about intangible assets such as intellectual property, the absence of an adequate mechanism to determine through one system both the ownership and any existing security interests creates uncertainty. As a result, the risk to a potential financier or investor in the intellectual property increases. Thus, the capital costs to

the owner of those intangible assets increases,” Venkatachalam said.

The system will perfect security interests in intangible assets – determining both ownership and liens against the intellectual property – and thus increase access to capital for entrepreneurs and inventors seeking to leverage the value of their assets. Further, the ability to search the system for security interests in intangible assets reduces risk for investors, thus reducing the cost of capital.

“Reducing the uncertainty surrounding the use of intellectual property as collateral increases the likelihood that entrepreneurs and investors will gain increased access to capital at lower costs,” Venkatachalam said. “The payoff would be a more timely, effective and efficient method of funding intellectual property-based innovation, thus potentially unlocking both job and wealth creation.”

For more information, contact Professor A.R. “Venky” Venkatachalam at 603-862-0015 or venky@unh.edu.