



# **Southern Ontario Pharmaceutical and Health Innovation Ecosystem (SOPHIE)**

## **Commercialization Projects Program Guide**

## SOPHIE Program Guide

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## 1. Program Overview

In partnership with the Federal Economic Development Agency for Southern Ontario (FedDev Ontario), Innovation Factory and the Synapse Consortium established the *Southern Ontario Pharmaceutical & Health Innovation Ecosystem (SOPHIE)* program. Its primary mission is to catalyze the commercialization and scale-up of innovative technologies being produced by life science firms across Ontario.

Through SOPHIE, Ontario life science firms can undertake collaborative projects to leverage the facilities, expertise and infrastructure of world-class academic and clinical institutions located in Hamilton, including McMaster University, Mohawk College, Hamilton Health Sciences and St. Joseph’s hospital.

Successful partnerships will accelerate commercialization efforts, enabling life science firms to further develop intellectual property, obtain critical clinical data or undertake key product testing and evaluation.

Successful SOPHIE applicants can access up to \$100,000 in non-dilutive funding to support their commercialization project with an academic or clinical partner. To access this funding, life science firms must:

- Be a Canadian incorporated company, with operations primarily based in Ontario.
- Be developing an innovative technology at the TRL-6 level or above.
- Provide a 1.25x match as cash and in-kind contributions.
- Identification of a principal investigator / clinical champion at the academic or clinical partner institution where the proposed project will take place.

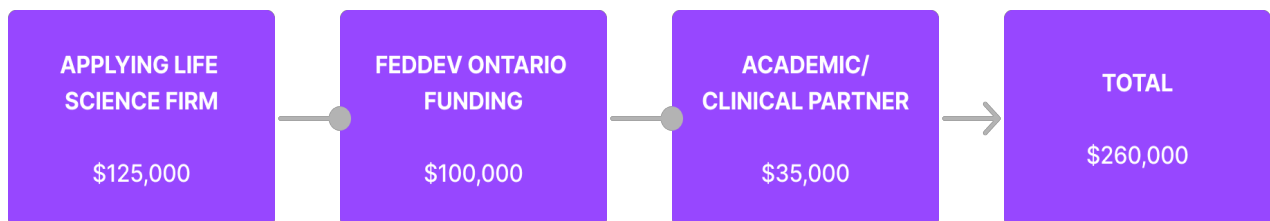


Figure 1: Summary of maximum project funding when combining all available resources.

## 2. Introduction – Innovation Factory & Synapse Life Science Consortium

### Innovation Factory

Innovation Factory (iF) is a non-profit business accelerator, providing entrepreneurs with business services, training, mentorship, and strategic connections to help bring your disruptive technologies to market, increase revenues, attract investment, and create jobs.

Serving as the catalyst for tech innovation in the greater Hamilton area since 2011, we are driven to help:

- Entrepreneurs bring new ideas to life and to market;
- Small/Medium Enterprises (SMEs) get to the next level; and
- Hamilton build a dynamic culture and a community of innovation

Innovation can happen anywhere. Our goal is to make it work everywhere. We work to elevate key industry sectors including: advanced manufacturing, clean tech, information technology, integrated mobility, life sciences & health care and social innovations.

Innovation Factory is a member of the Synapse Life Science Consortium.

### Synapse Life Science Consortium

Synapse is the formal regional cluster organization for the life sciences ecosystem in the greater Hamilton region, representing more than 25,000 employees. Synapse is focused on supporting initiatives and projects that magnify the impact of collective action across the cluster ecosystem and accelerate the commercialization of life science innovation.

Synapse seeks to support all companies and institutions that make up the Hamilton life science cluster, celebrating the strengths and successes of industry leaders and new start-ups, as well as promoting the region as an attractive place to live, work and invest.

Founded in 2016, the Synapse Consortium initiative brought together leaders from anchor institutions across the Hamilton region, including both private and public sector organizations who saw significant opportunity for greater collaboration and coordination across the cluster.

### 3. SOPHIE Program Parameters

#### 3.1 – What are the SOPHIE program objectives?

Southern Ontario is strong by many measures, possessing: top academic institutions, a strong pipeline of innovative intellectual property (IP) in novel disease target discoveries and patentable drug candidates, highly qualified research scientists, world class clinical trial capability, GMP manufacturing companies, and big pharma.

A critical missing component to enable the scaling of activities is access to clinical and research expertise, data, and resources, allowing firms to secure sizable follow-on investments and attract the management expertise needed to scale their business. Existing research hospitals and universities can support a strong pipeline of world-class scale-ups, but lack of funding often prevents firms from developing relationships required to scale. Filling this gap will enable Ontario to further nurture globally competitive companies, reversing the outflow of intellectual property (IP) and talent to the US and other markets, which currently generates little value for Canadian innovators and our economy.

To address this gap, Innovation Factory, the Synapse Consortium, and its partners have joined with the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) to deploy the Southern Ontario Pharmaceutical and Health Innovation Ecosystem program (SOPHIE).

To that end, the SOPHIE program invites life science firms with innovative technologies that are at or beyond the Technology Readiness Level 6 (TRL 6+)<sup>1</sup> to collaborate with a principal investigator or clinical champion to catalyze their business growth and profitability while building the regional economy in Southern Ontario. In particular, life science firms can access a commercialization grant (1.25 : 1 match) to undertake a Collaboration Project with a Hamilton-based academic or hospital partner.

#### 3.2 What funding is available?

The Government of Canada, through a contribution by the Federal Economic Development Agency for Southern Ontario, will provide matched funding through the SOPHIE program, which aims to support at least 45 Ontario-based, life science firms from 2021 - 2024.

- Firms can access up to a maximum of \$100,000 in non-dilutive FedDev Ontario funding across all SOPHIE program activities.
- Firms must provide a 1.25x match, which together with the FedDev Ontario amount will be used to complete Commercialization Project activities.
  - Example: to secure \$50,000 in FedDev Ontario funding, the firm must provide a 1.25x match of \$62,500.

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<sup>1</sup> For more information about technology readiness levels, visit: [www.ic.gc.ca/eic/site/080.nsf/eng/00002.html](http://www.ic.gc.ca/eic/site/080.nsf/eng/00002.html)

- Of the 1.25x match, a minimum of 0.35x match must be provided as cash. The other 0.9x match can take the form of an in-kind contribution (e.g., labour, demo products, consumables) or cash.
- A principal investigator or clinical champion must be matched with the applying company from one of the partner institutions (i.e., Hamilton Health Sciences, McMaster University, Mohawk College, St. Joseph’s Hospital).
- The SOPHIE program team will attempt to match high-potential applicants to a principal investigator / clinical champion.
- The partner institution must provide a 0.35x match of FedDev Ontario funds for the project as either in-kind or cash contributions or a combination thereof.

Thus, leveraging the maximum matched contribution of \$100,000 from FedDev Ontario, an applying life science firm could have \$260,000 available to spend on Commercialization Project activities (e.g., \$100,000 from FedDev Ontario, \$125,000 from applying life science firm, \$35,000 from academic champion).

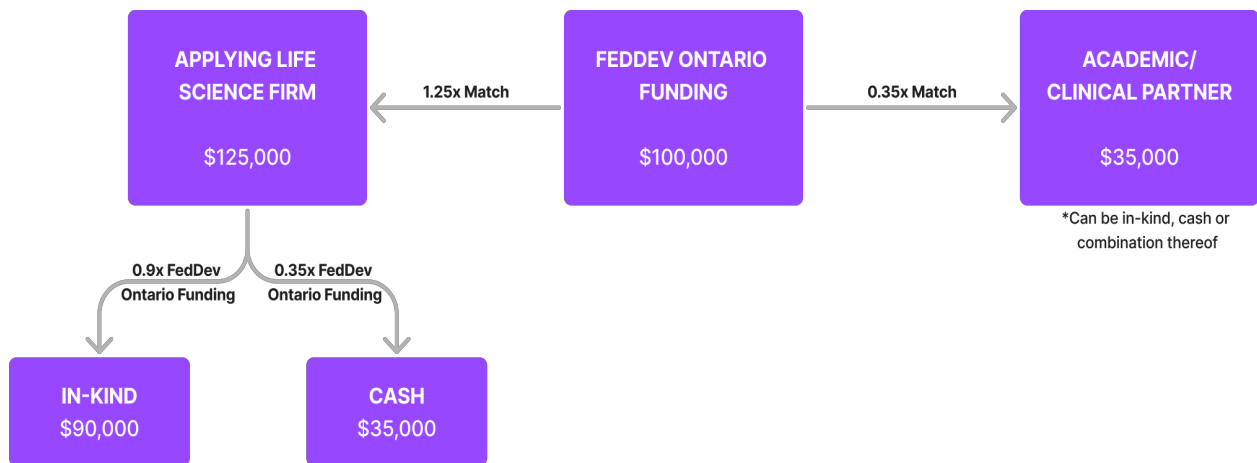


Figure 2: Illustrative breakdown of SOPHIE program funding available.

### Special Considerations

- The applying life science firm must declare any other government sources of funds received within the 12-month period prior to the application process.
- Stacking federal government funding is not allowed.
- Stacking provincial and municipal funding is subject to review and approval.

### 3.3 Who Can Apply?

- Privately incorporated Canadian life science firm<sup>2</sup>, with operations based primarily in Ontario<sup>3</sup>
- Working towards commercializing an innovative technology at Technology Readiness Level Six (TRL-6) or above:
  - **TRL-6:** System/subsystem model or prototype demonstration in a simulated environment
- Demonstrated commitment to commercializing innovation with a clear clinical application.
- Eligible firms must be a member of Innovation Factory or a Regional Innovation Centre (e.g., MaRS, Communitech). Firms can sign-up for free with Innovation Factory [here](#).

### 3.4 – What costs are eligible?

Eligible project costs that can be included in the Commercialization Project budget are:

- Directly related to the intent of the Commercialization Project;
- Defined as reasonable costs for items that directly support the objectives and activities of the approved Commercialization Project;
- Incremental to the usual cost of doing business;

Project costs are subject to approval by the Synapse Life Science Consortium and must be auditable including a paper trail. If you have questions about eligible costs, please reach out to the Synapse staff for more information.

### 3.5 How is new Intellectual Property managed and protected?

A critical objective of SOPHIE is to create new intellectual property (IP) for the benefit of the life science firm. Unless otherwise agreed, ownership of any IP and/or trade secrets created as a result of the Commercialization Project is assumed to vest wholly with the for-profit firm (“Foreground IP”). The Commercialization Project contract will spell out explicitly how Foreground IP will be treated. Innovation Factory, Synapse Consortium nor FedDev Ontario will not take any ownership stake in any IP generated as a result of a Commercialization Project.

In some cases, all parties involved may decide that joint ownership, or some other arrangement, may better reflect the interests of all parties involved. In this case, additional considerations of the treatment of Foreground IP will be articulated in the Commercialization Project contract, whether through revenue sharing, licensing agreements, or some other means.

It is understood that the participating firm owns all IP it comes to the Commercialization Project with (“Background IP”). All parties are expected to adhere to Innovation Factory’s IP policy, as well as the IP policy of the academic or hospital partner organization<sup>4</sup>.

<sup>2</sup> Life science firms include for-profit companies operating in the fields of pharmaceuticals, biotechnology, medical devices, digital health, biomedical technologies, nutraceuticals, cosmeceuticals, and others that dedicate their efforts to creating products to improve the lives of organisms.

<sup>3</sup> If your firm is located outside of Ontario and you are interested in working with a principal investigator / clinical champion partner in Hamilton, please contact the SOPHIE Program Manager ([alek.tirpan@innovationfactory.ca](mailto:alek.tirpan@innovationfactory.ca)) to explore potential options.

<sup>4</sup> Applying life science firms may request a copy of IP policies from Innovation Factory and any partner organizations who are party to the Commercialization Project.

## 4. SOPHIE Program Application Process

### 4.1 – How to prepare an application

Step 1: Complete a SOPHIE application form:

<https://www.cognitofrms.com/InnovationFactory2/SOPHIECommercializationProjectApplicationForm>

Step 2: The SOPHIE program team will review your application within 1-2 weeks before scheduling an introduction meeting to explore project suitability, alignment with SOPHIE program goals, and steps required to identify a suitable principal investigator / clinical champion.

Step 3: Work with an interested principal investigator / clinical champion, and their institution, to define the desired scope of Commercialization Project activities.

Step 4: Sign the SOPHIE Commercialization Project contract with Innovation Factory and the institutional partner. The contract will outline the project scope, budget, critical activities, project milestones, and the expected business impact of the Commercialization Project.

Step 5: Start and complete the Commercialization Project.

If you have any questions during your application process, please feel free to reach out to the SOPHIE program team by emailing [alek.tirpan@innovationfactory.ca](mailto:alek.tirpan@innovationfactory.ca).

### 4.2 - Deadlines and timelines

Applications will be accepted on a rolling basis. Project grants for this program will be approved until the fall of 2023.



## 5. Application Assessment Criteria

### 5.1 – Selection factors

Projects will be successful if they deliver on the following SOPHIE program outcomes:

- Demonstrate high potential for commercialization and generation of new IP.
- Define how the success of the project will lead to job creation and maintenance.
- Articulate a strong product value proposition that will attract new or add-on investment and generate revenue and/or global exports.

Applications will:

- Articulate a strong value proposition centered around the innovative technology.
- Clearly state what problem within the life science sector you hope to solve, and demonstrate how you plan to solve the problem (e.g., how your approach is unique, innovative, and commercially viable, how it compares to competitors in the life science landscape, etc).
- Present the magnitude of the target market for the technology being developed.
- Explain how the proposed project team will be successful based on their professional experience and educational background.
- Demonstrate how the proposed project is instrumental to catalyzing the company's growth.
- Outline the feasibility of the project outcomes.

### 5.2 – Application Approval Process

Once a firm has been successfully matched with a principal investigator / clinical champion partner and has submitted their project proposal, their complete application will be reviewed by the SOPHIE program team. Prior to being considered by the SOPHIE Team, all proposals will require sign-off from the lead partner institution (i.e, VP Research, Chief Innovation Officer, or Dean of Applied Research).

A recommendation to support or deny the application will be made and comments will be provided back to the applying life science firm. The SOPHIE team will discuss submitted project proposals and make selection decisions within 1-2 weeks, recognizing the importance of a timely response.

The SOPHIE team will do its best to notify firms that are not successful.

### 5.3 – SOPHIE Contract Process

Once recommended to receive SOPHIE funding, an approval letter will be sent to the life science firm and principal investigator / clinical champion partner notifying them of the success of their project proposal.

This letter will trigger all parties to begin drafting the SOPHIE Commercialization Project contract that defines all responsibilities and requirements required for the success of the project including the statement of work and project outcomes and goals.

## 6. Program Administration

### 6.1 Program timeline

- Funding for the SOPHIE program is available from April 2021 - March 2024.
- Applications will be reviewed on a rolling basis.
- Initial review of applications by the SOPHIE team will take place within 1 week.
- Project decision, once a principal investigator/clinical champion has been assigned and partner sign-off secured, will be completed within 1-2 weeks.
- Drafting and execution of the grant contracts will be dependent on your principal investigator / clinical champion and their partner institution.
- There is no required project length.
- Funding will be released in tranches on a reimbursement basis.

### 6.2 – Commercialization Project contracts

A Commercialization Project contract template has been developed in consultation with the partner organizations. This template will be used to help expedite the contracting process. Please contact your partner organization once your project proposal has been reviewed and approved for funding.

### 6.3 – Reporting requirements

Life science firms will meet with the SOPHIE team quarterly (e.g., every 3 months) to provide an update on the project progress. A final report detailing the successful completion of the project deliverables, attestation of the work completed, and submission of all claims will be due at the end of the project. A final report template will be provided to the life science firm and partner organization to complete.

All dates for quarterly progress meetings with the SOPHIE team and due date for the final report will be stated in your contract agreement between your principal investigator / clinical champion and Innovation Factory.

The life science firm will also agree to report back to the SOPHIE team one year and two years following the completion of the SOPHIE Commercialization Project. Failure to do so could result in funds being requested back from the life science firm. The SOPHIE team will reach out to the company at the one year and two year post award completion dates for company data that FedDev Ontario requires in order to measure the success of the program.

### 6.4 – Protection of intellectual property

Applicants should clearly mark any information as “proprietary” within their application that they deem to be a trade secret or proprietary information. Proprietary information includes details regarding the Applicant(s), their financial information, and their project. This information is to be maintained as confidential and will not be shared on public sites.

Proprietary information found within applications will be used or disclosed only for the purposes of project evaluation and review. Projects who are successfully funded under the SOPHIE program are subject to the federal Access to Information Act and Privacy Act.



All SOPHIE team members participating in the review of SOPHIE applications have signed non-disclosure agreements requiring them to uphold the confidentiality of all privileged information, including trade secrets and proprietary information.

Coverage and treatment of intellectual property generated through the execution of a SOPHIE Commercialization Project will be aligned with the Innovation Factory IP Policies.

## 7. Supplementary Information

### 7.1 – Access to Information Act and the Privacy Act

The SOPHIE program is subject to the federal [Access to Information Act](#) and [Privacy Act](#).

### 7.2 – Underrepresentation balance (EDI)

Synapse and Innovation Factory encourage the participation and engagement of Applicants of life science firms from underrepresented groups to encourage diversity among SOPHIE program grant recipients.

### 7.3 – Public website

Information about the SOPHIE program and how to apply can be found [here](#).

### 7.4 – Contact information

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