



Southern Ontario Pharmaceutical and Health Innovation Ecosystem (SOPHIE)

Program Guide for Commercialization Projects

SOPHIE Program Guide

Table of Contents

<u>Section</u>	<u>Title</u>	<u>Page</u>
1	Program Overview	3
2	Synapse/iF Introduction and Background	4
3	SOPHIE Program Parameters 3.1 – What are the SOPHIE program objectives? 3.2 – What funding is available? 3.3 – Who can apply? 3.4 – What costs are eligible? 3.5 How is new Intellectual Property managed and protected?	5
4	SOPHIE Program Application Process 4.1 – Deadlines and timelines 4.2 – Applying to participate in SOPHIE: 4.3 – Selection Considerations	8
5	Program Administration 5.1 – Commercialization Project contracts 5.2 – Reporting requirements 5.3 – Protection of intellectual property	10
6	Supplementary Information 6.1 – Access to Information Act and the Privacy Act 6.2 – Underrepresentation balance (EDI) 6.3 – Public website 6.4 – Contact information	11

1. Program Overview

In partnership with the Federal Economic Development Agency of Southern Ontario (**FedDev**), 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 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, and all of their affiliated research centres and institutes.

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

Successful SOPHIE applicants can access up to \$100,000 in non-dilutive grant 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 (both cash and in-kind contributions).
- Identify and scope a project with a principal investigator / clinical champion at the academic or clinical partner institution where the project will take place.

2. Introduction – Innovation Factory & Synapse Life Science Consortium

Innovation Factory

Innovation Factory (iF) is a non-profit business accelerator that provides 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.

Learn more at www.innovationfactory.ca

Synapse Life Science Consortium

Synapse is the formal regional cluster organization for the life sciences ecosystem in the greater Hamilton region, representing more than 34,000 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 as an initiative of Innovation Factory, 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.

Learn more at: www.synapseconsortium.com

Federal Economic Development Agency of Southern Ontario

For 14 years, the Government of Canada, through the Federal Economic Development Agency of Southern Ontario, has worked to advance and diversify the southern Ontario economy through funding opportunities and business services that support innovation, growth and job creation in Canada's most populous region.

The Agency has delivered impressive results, which can be seen in southern Ontario businesses that are creating innovative technologies, improving productivity, growing revenues, creating jobs, and in the economic advancement of communities across the region. Learn more about the impacts the Agency is having in southern Ontario by exploring [pivotal projects](#), our [Southern Ontario Spotlight](#), and FedDev Ontario's [X \(Twitter\)](#), [Facebook](#), [Instagram](#) and [LinkedIn](#).

Learn more at www.feddev-ontario.canada.ca/en

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 FedDev Ontario to deploy the *Southern Ontario Pharmaceutical and Health Innovation Ecosystem* program.

[3.2 What funding is available?](#)

Life science firms can access a commercialization grant to undertake a Collaboration Project with a Hamilton-based academic or hospital partner.

- Firms can access up to \$100,000 in non-dilutive FedDev grant funding across all SOPHIE program activities.

- Firms must provide a 1.25x match, which together with the FedDev grant will be used to complete commercialization project activities.
 - A minimum of 0.35x match must be a cash contribution to offset direct project costs.
 - The remaining match can take the form of an in-kind contribution (e.g., labour, demo products, consumables).
- 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 will provide a 0.35x match of the FedDev contribution.

Figure 1: Examples of contributions to SOPHIE project budget

	FedDev Funding Contribution (via Innovation Factory)	Participating Life Science Company (min contribution)	Academic/Clinical Partner (in-kind)	Total
Ratio	1.0x	0.35x (cash) 0.90x (in-kind)	0.35x	2.6x
Example 1	\$100,000	\$35,000 (cash) \$90,000 (in-kind)	\$35,000	\$260,000
Example 2	\$100,000	\$75,000 (cash) \$50,000 (in-kind)	\$35,000	\$260,000
Example 3	\$60,000	\$21,000 (cash) \$54,000 (in-kind)	\$21,000	\$156,000
Example 4	\$100,000	\$150,000 (cash) \$50,000 (in-kind)	\$35,000	\$335,000

Additional 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 of provincial and/or municipal funding is subject to review and approval.

3.3 – Who can apply?

The SOPHIE program seeks to support life science firms developing novel technologies, services or products to collaborate with a principal investigator or clinical champion to catalyze their business growth.

- Privately incorporated Canadian life science firm¹, with operations based primarily in Ontario.²
- Working towards commercializing an innovative technology at [Technology Readiness Level](#) Six (TRL-6: System/subsystem model or prototype demonstration in a simulated environment)
- Demonstrated commitment to commercializing innovation with a clear clinical application.
- Be a client of Innovation Factory. All 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 Innovation Factory and must be auditable. If you have questions about eligible costs, please reach out to the Innovation Factory program team 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 (“Foreground IP”) is assumed to vest wholly with the participating for-profit company. A project contract will spell out explicitly how Foreground IP will be treated.

¹ 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.

² 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 team (lifesciences@innovationfactory.ca) to explore potential options.

The SOPHIE Program adheres to Innovation Factory’s IP Policy (available upon request), and Innovation Factory, the Synapse Consortium nor FedDev 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.

4. SOPHIE Program Application Process

4.1 - Deadlines and timelines

Applications will be accepted on a rolling basis. Project grants for this program will be approved until March 2028, or until all program funding has been allocated.

4.2 – Applying to participate in SOPHIE:

Step 1: Complete a [SOPHIE application form](#). Review a PDF copy of the application form here

Step 2: The SOPHIE program team will review your application within 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: Meet with potential investigators and/or clinicians, and their institutions, to determine alignment of project scope with resource capacity and bandwidth.

Step 4: Together, all parties (company, investigator, hospital/clinical partner) will develop and draft a detailed scope of commercialization project activities, including associated timelines and budget.

Step 5: The company presents to a panel of three Expert Advisors an overview of the proposed project and potential impact on the company commercialization journey. This will inform a formal recommendation for the company to receive SOPHIE funding, as well as establish relationships with mentors for the duration of the program.

Step 6: Once approved for SOPHIE funding, a confirmation letter will be sent to the life science firm and principal investigator / clinical champion partner notifying them of the success of their project proposal.

Step 7: Sign the SOPHIE commercialization project contract with Innovation Factory and the institutional partner. The contract will outline the project scope, budget,

treatment of IP, critical activities, project milestones, and the expected business impact of the commercialization project.

Step 8: Get under way and start the commercialization project!

4.3 – Selection Considerations

Applications 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 result in job creation and the future growth of the company.
- Articulate a strong product value proposition that will attract new or add-on investment, and generate revenue and/or global exports.

Applications are expected to:

- Articulate a strong value proposition centred around your 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 in catalyzing the company's growth.
- Outline the feasibility of the project outcomes.

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

If you have any questions during your application process, please feel free to reach out to the SOPHIE program team by emailing lifesciences@innovationfactory.ca

5. Program Administration

5.1 – 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.

- There is no maximum or minimum required project length.
- Funding will be released in tranches on a reimbursement basis.

5.2 – Reporting requirements

Life science firms will meet with the SOPHIE team at the mid way point through the commercialization project to provide an update on the project's 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 progress meetings with the SOPHIE team and the 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 requires in order to measure the success of the program.

5.3 – Protection of intellectual property

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 and Conflict of Interest Policies.

Applicants should not include any information that is considered “proprietary” within their application, such as patent applications, clinical data, or trade secrets. Details regarding the Applicant(s), including any information regarding financial performance, and the project, will be kept confidential and not shared with any other party.

As a federally supported program, successfully funded projects under the SOPHIE program are subject to the federal [Access to Information Act](#) and [Privacy Act](#).

6. Supplementary Information

[6.1 – Access to Information Act and the Privacy Act](#)

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

[6.2 – Underrepresentation balance \(EDI\)](#)

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

[6.3 – Public website](#)

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

[6.4 – Contact information](#)

Please reach out to the SOPHIE team with any inquiries:

lifesciences@innovationfactory.ca