

CIFREM SEMINARS

Designing contracts for university spin-offs
(with Ines Macho Stadler and R. Veugelers)

David Perez-Casrillo
Universitat Autònoma de Barcelona

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2 PM - DISA seminar room

Faculty of Economics- Via Inama, 5

We provide a theoretical model about how to design academic spin-off contracts between the university Technology Transfer Office (TTO), the researcher and the venture capitalist. The optimal contract entails the allocation of founder shares to the researcher to secure her participation in the venture. It may also require the researcher to be financially involved in the project to give her incentives to provide effort. We also show that when the TTO has better information than the other two participants concerning the likelihood of success of the spin-off, the TTO will “signal” profitable projects by taking financial stakes. Hence, the TTO will end up owning both founder and financial shares in the venture.