Conceived in research, NanoTect becomes first spinoff business at U of M

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by Michael Sheffield

What started three years ago as research at the University of Memphis is now a business that could extend the life of pipes and other metal products.

NanoTect, which was developed by U of M professor Eugene Pinkhassik through research supported by grants from the FedEx Institute of Technology, becomes the first intellectual property spin-off company from the university.

The company's technology came from research Pinkhassik was conducting with colleagues Erno Lindler and Andrew Richter to develop non-invasive but reliable sensors to test for illnesses ranging from asthma to blood diseases.

The project initially was funded by a grant of about $72,000 from the FedEx Institute. The project was then supported by a $350,000 grant from the National Science Foundation and $1.6 million from National Institutes of Health.

During the research process on sensors, Pinkhassik's staff discovered the application of nano-coating for those sensors could be used to coat metals like copper to either prevent or slow corrosion. Early research shows it can make copper piping last two or four times longer than normal.

After that discovery, the company entered the FedEx Institute's first business plan competition last year and won $20,000 in funding, as well as professional services. Since then, Pinkhassik has been working with the U of M to spin the company off, while making sure the university benefits as well.

The process took almost 14 months, but Andy Meyers, vice provost of research at the U of M, says the process took time to ensure the deal was in the best interest of everyone involved.

"This is our first spin-off company and we feel like we're investing in their success," Meyers says. "We're business partners, but we also want to support one of our own faculty members."

Meyers says the percentage of sales and revenue the university will get from NanoTect hasn't been determined because the new company hasn't set a price point for the coating product.

NanoTect has the option to occupy office space in Emerge Memphis, but no deal has been finalized. The company is beginning to work with industrial partners like metal manufacturers.

Pinkhassik says the old model of a university developing a product through research and approaching an established company to test, market and use the product worked in the past, but because of NanoTect's complexity, that wasn't feasible in this situation.

"Most metal manufacturers don't have research facilities that develop or test this type of product," Pinkhassik says. "We can fill a void for them because we know this works."

Eric Mathews is a partner with Mercury Technology Labs, a venture creation company that is helping bring NanoTect to market. He says the market for a product typically dictates how the product is used, but NanoTect may be better suited to consumer electronics companies and metal manufacturers. He says it could also find a market in the marine electronic or jewelry markets.

"We can deal with insulation or corrosion problems with electronics suppliers," Mathews says. "This could be a NutraSweet kind of thing, an incremental ingredient that people can brand with. They can say they've got NanoTect on their stuff, like 'Intel Inside.' "

NanoTect
Firm that produces protective and insulating materials for conductive metals
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Incorporated: 2006

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