

University Licensing Practices

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Universities Allied for Essential Medicines

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Universities' role in R&D

- In FY 2004-05, UF received nearly \$500 m in funding for sponsored research
 - \$316 m from federal government
 - \$130 m from National Institutes of Health
 - \$257 m to Health Science Center
- In FY 2004-2005, UF received over \$40 m in technology transfer income

source: UF Research Annual Report, 2005

Universities in research

- Funders sponsor research into various issues
 - e.g. NIH \$ for AIDS research
 - Dept. of Defense \$ for aerospace engineering research
 - American Cancer Society \$ for cancer research
 - Dept. of State \$ for political science research
 - Dept. of Energy \$ for nuclear engineering research
 - Research expenses
 - salaries
 - lab equipment and materials
 - travel grants
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Universities in research

- Who conducts research?
 - professors and full-time researchers
 - research assistants (e.g. lab staff)
 - graduate students
 - dissertations & theses
 - undergraduate students



Research process

- Idea
- Proposal
- Funding
- Staff
- Conduct research
- Analyze results
- Publish paper



And, in some cases...

- Patent inventions



What's a patent?

- A **patent** is a set of exclusive rights granted by a state (i.e. U.S. gov't) for an invention
 - Exclusive right to:
 - make
 - use
 - sell or offer to sell
 - import
 - An **invention** is:
 - a device, method, process, or composition
 - new, inventive, and useful or industrially applicable
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The “quid pro quo” of patents

- You give:
 - description of invention
 - explain how it works
 - disclose how to make and use it
- You get:
 - exclusive rights (make, sell, use)
 - assignment of rights
 - for a limited time only

The balance

- Public domain
 - belongs to no one / everyone
 - controlled by no one
 - can be freely used for any purpose (make, use, sell, modify, build upon)
 - creates a “commons” of knowledge and culture from which everyone can draw
 - Intellectual property
 - private rights create incentives to research, create, develop, market
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Back to the quid pro quo

- Your patent expires in 20 years
 - After that, anyone can use it for any purpose
 - You no longer have an exclusive right to control it
 - This creates competition and encourages “build-upon” creativity
 - Your patent lasts 20 years
 - You have exclusive rights for that time
 - You have an incentive to make your invention as widely available as possible, to extract maximum profit
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How this applies to UF

- Bob is a researcher at UF
 - Bob invents a vaccine for AIDS
 - Bob publishes his findings
 - Bob (UF) patents his invention
 - Technically, Bob is working for UF
 - Therefore, Bob doesn't own the patent, UF does
 - UF now has an exclusive right to AIDS vaccine
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Rewind: patent control

- UF controls exclusive rights to AIDS vaccine
 - nobody can make this vaccine without UF's permission
 - nobody can sell it without UF's permission
 - How does one get UF's permission?
 - \$
 - UF will license its patent rights to the highest bidder
 - Licensees will pay more for an exclusive license
 - They want to be the only one who can make and sell the vaccine
 - Then they have control over price
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What this means to Joe Africa

- A pharma has an exclusive license to UF's AIDS vaccine
 - Sets the price as high as possible, to extract maximum profit
 - Joe is new father in a poor country with a high prevalence of HIV
 - If 1 corporation has exclusive control over the price of the vaccine, will Joe be able to afford the vaccine for his daughter?
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Tech transfer @ UF

- “Technology transfer” = patenting, licensing of inventions
 - At UF, tech transfer is handled by Office of Technology Licensing
 - OTL (director, David Day)
 - Office of Research & Graduate Programs
 - Vice President for Research (Win Phillips)
 - President (Bernie Machen)
 - Board of Trustees (includes Student Body President)
 - Florida Board of Governors (State University System)
 - State of Florida
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For more information

- <http://rgp.ufl.edu/otl>

