

'75

Thornton failed

see NL's testimony before Thornton

see presentation of statistics attached for the Thornton effort

76 Administrative change

Bay Brevages 1982 Dec

BD implemented by OMB

(feds) fed. program
policy

quant. policy

8m (NL assigned P)

OFPP

get Walker's
(CT) paper

OMB A-124 NL drafted

(presessor temp reg. 8-88?)

Adm. Sullivan

Office of Advocacy of SBA. Bill Stewart

Steve Rozaboy 1992 Jan Bay

administration

3) Ambition of the Power 1989

Small business legacy

2) Resign Tade

John Bay

CHRON FILE

- Nov 8 1977 Califano report
- Jan 5 1978 Draft of review of WEN's patent policy pp 1-35

Books played r relevance of messages to today

withur BD

1. Shannon 1965

See p. 2. today's counterpart is bit/sec

See p. 2. "support" as distinct from commercial exploitation

meaning tech transfers
so that the public may
benefit

Equities of composers

Tuesday, December 9, 2003

<http://chronicle.com/daily/2003/12/2003120902n.htm>

University Earnings From Inventions Hit Nearly \$1-Billion in 2002, Survey Finds

By GOLDIE BLUMENSTYK

Universities collected nearly \$1-billion from the commercialization of their academic inventions in the 2002 fiscal year, according to the latest annual survey by the Association of University Technology Managers. They also executed more than 3,700 licensing deals, filed for more than 6,500 U.S. patents on new inventions, and spent nearly \$160-million in legal fees.

The survey, which is being released today, tallies responses from 156 colleges and universities, including 94 of the 100 institutions that spend the most on research.

Although the revenue total is substantial, technology transfer does not necessarily produce big money for most institutions. Of the overall revenue reported for the 2002 fiscal year, two-thirds went to just 13 institutions, which each collected more than \$20-million. In 2001, 11 institutions reported revenues of at least \$20-million each. In 2000, 14 did. Fiscal years at most colleges run from July 1 to June 30.

While most universities own the rights to the inventions developed by their professors and graduate students, inventors usually receive about one-third of the income that institutions earn from licensing the new technologies. In some cases, the institutions create new companies based on the inventions, and the institutions and inventors receive equity in the start-ups in lieu of, or in addition to, royalty payments.

About 15 percent of the total licensing revenues reported in the survey for 2002, or about \$155.6-million, went to a single institution, Columbia University.

Columbia officials would not provide information about the university's 2002 revenue. In the past few years, Columbia has acknowledged that a key genetic-engineering technique that it had patented and licensed widely was the major source of its licensing revenue. Although that patent expired in August 2000, royalty payments could have come in well after that date, and be part of its revenue totals for 2001-2. Columbia is now being sued by a number of companies that accuse the institution of using unlawful means to extend its patent rights on that technique.

The University of California system, which reports results from all nine of its campuses collectively, ranked second, with \$82-million.

New York University, which has not historically earned such big amounts from commercializing its inventions, reported licensing income of \$62.7-million in 2002, placing it third in the revenue rankings. In 2001, it reported about \$25-million in revenue.

Abram M. Goldfinger, executive director of NYU's office of technology transfer, said most of the revenue, and the increase, was attributable to growing sales of the drug Remicade, which is used to treat

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rheumatoid arthritis and Crohn's disease, two autoimmune disorders. The drug, which was developed at NYU through a collaboration with the drug company Centocor, has been on the market since 1998. Centocor is a subsidiary of Johnson & Johnson.

A medical invention also proved lucrative for Emory University. Research conducted at the institution in the 1990s became the basis for a widely used anti-AIDS drug, known as Epivir, and the university says that about \$25-million of its \$29.6-million in 2002 revenue came from the companies that manufacture and sell that drug. Some of the money came as royalty payments. The rest was paid as part of a 2002 settlement of a lawsuit against GlaxoSmithKline and Shire Pharmaceuticals Group, makers of the drug. Emory had 2001 revenue of about \$3.6-million.

"We don't think it's just a little blip on the radar screen," said Emory's licensing director, Todd T. Sherer. While the 2002 revenue includes money from that one-time settlement payment, he said Emory expects to continue its strong earnings from Epivir and a new anti-AIDS drug, Emtriva. Gilead Sciences, the maker of that drug, also hopes to win approval for Emtriva as a treatment for hepatitis, said Mr. Sherer.

Drugs were not the only inventions that paid off for academic institutions. Vanderbilt University catapulted to a spot among the top 20 in revenue thanks to a license it has with a company developing one of its software inventions. Christopher D. McKinney, the university's director of licensing, said the company, which he declined to name, had paid about \$10-million to Vanderbilt in 2002. The software, which will be used in medicine, is not yet on the market. The company, therefore, is not yet paying royalties, but it did make a series of payments as it hit predetermined milestones in developing the software into a commercial product.

Vanderbilt, which earned \$11.8-million in 2002, also profited from nontechnological inventions. One of them was a reading curriculum for children, "READ 180," which the university has licensed to the Scholastic Corporation.

For all 156 institutions reporting, revenue for 2002 was \$997.8-million, about 15 percent greater than the \$868.2-million reported for fiscal 2001, but year-to-year comparisons can be misleading because the same institutions don't report each year. Also, in 2001, 14 fewer institutions reported than in 2002. In fiscal 2000, the figure for total revenues, reported by 141 institutions, was \$1.1-billion.

Five universities reported their data anonymously: Marquette, Rockefeller, and Yale Universities, and the Universities of New Orleans and of Wisconsin at Milwaukee. Their results are included in the totals but not identified in the tables that break down the data by institution.

The 2002 year was a busy one for licensing offices. The number of patent applications filed for new inventions was greater than in any previous year. The number of overall filings by universities at the U.S. Patent and Trademark Office -- 10,632, including such things as applications for separate patents on parts of an invention for which a patent had previously been filed -- was also greater than ever before.

Universities also reported receiving 12,638 "disclosures" of inventions from professors, graduate students, and other researchers in 2002, more than in any previous year. Faculty members are expected to file disclosures when they discover things that might have a commercial use. In 2001, with 142 institutions participating in the survey, disclosures numbered 11,259. In 2000, with 141 respondents, the number was 10,802.

By contrast, the number of start-up companies built on university inventions declined in 2002, to 364. In 2001, with 142 respondents, 402 companies were formed; in 2000, with 141 respondents, 368

companies were formed. According to a report that accompanies the survey, the drop-off was due in part to 2002's being an "extraordinarily difficult period for raising early-stage funding."

As with revenues, start-up activity remained very concentrated. Six institutions or systems accounted for about one-quarter of all the start-ups in 2002. The University of California and the Massachusetts Institute of Technology formed 23 each, Stanford University formed 13, the University of Illinois and the University of Pennsylvania formed 12 each, and the University of Southern California formed 10.

Spending on legal fees, meanwhile, is becoming a far-more-commonplace activity, as increasing numbers of institutions devote more of their energies to filing patents and, in some instances, protecting their patent rights in lawsuits. Forty-four of the respondents said they had spent more than \$1-million on legal fees in 2002, and 18 said they had spent more than \$2-million.

Some of those costs are eventually recovered, typically after an invention is licensed and the commercial partner is asked to reimburse the institution for its patenting costs. In 2002, the universities reported legal-fee reimbursements of \$68.7-million, or about 43 percent of what they spent.

For a summary of the "AUTM Licensing Survey: FY 2002" or the full report, contact AUTM Headquarters, at (847) 559-0846, or see "Surveys" at <http://www.autm.net>

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My profound thanks for your article on the Bayh-Dole body of law, i.e. the 1980, '84 and '86 Acts. Some say that history is lost on must people. Hopefully your article will assist in putting things straight.

~~I don't give up loyalty on the American people lead by the New York Times and the Washington Post on reporting on the important history Bayh-Dole~~

~~There is~~

~~As you suggest~~

~~There has always been even~~

~~power to ~~Bayh-Dole~~ of funding~~

~~from the Bayh-Dole Act of 1980~~

~~started since ~~Bayh-Dole~~ government~~

~~research and development ~~domestic~~ ~~to~~ ~~the~~ ~~U.S.~~~~

~~that the U.S. Attorney General ~~to~~ ~~the~~ ~~U.S.~~~~

~~group who support government ownership of resulting inventions~~

~~and has argued that what the government paid for it should own~~

~~After what ~~was~~ ~~the~~ ~~U.S.~~ ~~Patent~~ ~~philosophy~~~~

~~renewed ~~and~~ ~~a~~ ~~large~~ ~~public~~ ~~interest~~ ~~in~~ ~~the~~ ~~U.S.~~~~

~~We must be available to assume non-ownership by the public~~

the U.S. High Commission
General
Not acceptance of this philosophy by
the U.S. High Commission
signed by the U.S. High Commission
General
the Federal Government
the performance of the U.S. High Commission
the performance of the U.S. High Commission

By the early 1960s, a significant element
of his heritage was being passed to
realize that the Federal investment
in research could not be
automatically supported because of
the inventive results were
cut off from commercial

development, for the next few
years, so eventually set out, but
the late 1960s, the Dept. Health
Education & Welfare
the 1969, the Department of Health
Education & Welfare
the 1969, the Department of Health
Education & Welfare

the policy for the semi-private university
and non-profit ownership of
inventions and the permit
the Dept. of Health, Education & Welfare
to give incentives to universities
began submitting the same
information to all the other Federal
agencies. The 1972 the National
Science Foundation followed the
DHEW lead, and itself, with DHEW
in continuing in moving to
allow the non-profit agencies
can be used for change.

The moving success of
NITELITE

agency
with

May 1976 ~~with~~ ~~for~~ ~~new~~ ~~to~~ ~~the~~ ~~public~~
adoption the NITELITE ~~public~~

~~and~~ ~~and~~ ~~adopted~~ ~~agreed~~ ~~to~~
by all the Federal agencies, ~~and~~
~~through~~ ~~the~~ ~~ad~~

~~For~~ ~~the~~ ~~same~~ ~~year~~ ~~a~~ ~~change~~
~~in~~ ~~president~~ ~~bring~~ ~~had~~ ~~a~~
~~new~~ ~~administration~~

~~and~~ published for public comment,
~~and~~

This precipitated a full blown
consultation with ~~the~~

A popular group

was also a big driver for supporters of government
to support a path to the future of the country
thinking

Hopeful you may write me
I will change that
to be

My profound thanks for your
article on the Bayh-Dole body
of laws i.e. '80, '84 and '86. It's been some
time that history is lost on most
people. I had grown up long ago
with the Bayh-Dole American process focusing
technology on the industry purchase
and success of Bayh-Dole. For
the extent that Bayh-Dole
was the last two decades

~~That is the contract, he last
two decades have been
in large part the press that
has been the Bayh-Dole a pre-empted
characterized Bayh-Dole as a
vehicle permitting a large number of
industry universities and endowments
to make unconscionable profits~~

~~ON the other hand, what was government
intentionally used in the
would have been the original
without an with 1. He is only a
This, industry decided these
was reflected in the
the country in the early stage of
the Act.~~

Over but two decades I
have received a number of calls
from the press soliciting

This has been driven in most
part by popular support of
of government. Since she ~~was~~
~~that part~~ who have not
changed their

This of course ~~was~~ is the
same kind of argument used
by opponents supporters of
government expansion before
~~on the part of the~~ ~~opposition~~ ~~opponents~~
~~who have not with B.A.H. take~~ ~~that~~
~~work~~ ~~how~~ ~~find~~ a sympathetic

can from the press
Over the ~~last~~ ~~years~~ ~~decades~~

calls I have received a number
of calls from supporters ~~of the~~ ~~to~~
to ~~involve~~ ~~in~~ ~~a~~ ~~major~~ ~~project~~

Consequently ~~successful~~ ~~intervention~~ ~~in~~
government ~~policy~~ ~~on~~ (usually life-saving
drugs) on medical devices

soliciting my viewpoint on the
propriety of the ~~new~~ ~~initiatives~~
~~of the~~ ~~industry~~ ~~industry~~ ~~out~~

that under prior policy ~~there~~
it would be most ~~beneficial~~
the intervention would not ~~be~~
available that ~~basic research~~
the ~~fundamental~~ investment is
basic research should not be
fundably ~~needed~~ ~~part~~
the ~~product~~ of the ~~substitution~~
of

the ~~substitution~~ of ~~investments~~ with
the ~~substitution~~ of ~~new~~ ideas
the failure of a government
ownership policy ~~is~~ because it
undermines support for
basic research with ~~no~~
funds ~~to~~ ~~result~~ ~~in~~ ~~research~~
it produces ~~less~~ ~~feasible~~
results. ~~It~~ ~~would~~ ~~be~~ ~~of~~ ~~major~~
concern ~~if~~ ~~basic~~ ~~research~~
the ~~substitution~~

how ~~Stigler~~ ~~made~~ ~~his~~ ~~conclusion~~
~~clearly~~ ~~by~~ ~~his~~ ~~independent~~ ~~development~~ ~~of~~
interview ~~of~~ ~~the~~ ~~fundamental~~ ~~government~~
by ~~Stigler~~ ~~and~~ ~~technology~~ ~~development~~
the ~~public~~ ~~and~~ ~~the~~ ~~NP~~ ~~Research~~
public ~~and~~ ~~the~~ ~~NP~~ ~~Research~~
of ~~the~~ ~~equities~~ ~~of~~ ~~all~~ ~~the~~
constituting ~~public~~, ~~gov't~~, ~~investor~~,

environment and industry sectors
diverted attention away from
the reporter,

From: "Richard Latker" <pristine@netvigator.com>
To: "Norman Latker" <NJL@browdyneimark.com>
Date: 5/8/04 11:32AM
Subject: Re: Sen Bayh's statement

I'm reluctant to make any changes.

There are a few editorial weaknesses. In the passage about the NIH tech transfer policy that the Carter administration suspended, for example, "this policy" should probably be replaced with "the NIH policy" so listeners/readers can follow more easily. There are some other minor rough spots I'd smooth over if I had time, permission and a clear sense of how the text was to be presented. The Economist quote is probably too long.

But I would nonetheless leave this text alone, lest I rob it of its authoritative voice and personalised style, both of which come through quite effectively. The reader is escorted through the salient arguments in a comfortable, gentlemanly way -- who will care about the occasional limp in the syntax?

This is especially true if the text is to be delivered orally.

Sen Bayh's presentation will be judged by a wholly different standard than your piece, which had to be much more thorough, "technocratic" and hard hitting in its approach, or, frankly, it would probably have been ignored.

A retired US senator needs to worry less about the precision of the contents and more about the flavour of the presentation. I think the man knows what he is doing -- or whoever is writing for him knows.

I, not knowing Senator Bayh, am not going to touch it.

R--

----- Original Message -----

From: "Norman Latker" <NJL@browdyneimark.com>
To: <pristine@netvigator.com>
Sent: Saturday, May 08, 2004 6:26 AM
Subject: Fwd: Sen Bayh's statement

Richard

Here is Bayh's statement for the May 25 NIH hearing that I contributed to. I would like you to read it over and if you see any editorial problems please advise. I do not want you to add any new concepts unless you feel strongly that they would enhance the product. I also do not expect you to spend much time on it especially because I would I told Joe Allen that I would talk to him about some of the minor problems I found on Monday. If you can advise over the weekend at home I would appreciate it. If you don't have time that's O.K. too.

Thank You