

## **New Guidelines Suggested for Licensing of Academic Inventions**

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Eleven of the universities that are the most active and successful in commercializing their inventions issued a series of suggestions last week for how institutions can best license their patents while serving the public good.

Among the suggestions: sue only when necessary; avoid licensing patents to companies that do not seriously commit to developing the inventions; be more stingy about exclusive licenses; and, particularly for inventions related to human health, find ways to carve out protections in licensing deals so that poor people and those in developing nations are not barred by patent rights from gaining affordable access to life-saving cures.

The ideas grew out of a meeting held here, at Stanford University, in the summer of 2006 with top technology-transfer officers and deans of research from the 11 institutions, and are contained in a white paper, "In the Public Interest: Nine Points to Consider in Licensing University Technology."

Along with Stanford, the universities signing on to the statement are: the California Institute of Technology; Cornell, Harvard, and Yale Universities; the Massachusetts Institute of Technology; the University of California system; and the Universities of Illinois at Chicago and at Urbana-Champaign, and of Washington. The Wisconsin Alumni Research Foundation, the patenting arm of the University of Wisconsin, and the Association of American Medical Colleges also signed.

Katharine Ku, director of technology transfer at Stanford, said the group decided to publish the principles because more and more universities are becoming active in licensing and "there is no clear guidance of what leaders in the profession think is good practice."

Ms. Ku said she hopes other universities will use the guidelines as models, and that perhaps the Association of University Technology Managers, an organization of people involved in the profession, will encourage other institutions to sign on as well.

Ms. Ku said the proposals were not meant to imply that there was a problem now in university licensing. The suggestions are both broad, such as the one about suing over intellectual property, and specific.

"Litigation is seldom the preferred option for resolving disputes," the document states in a section on enforcing patents. While it does not recommend that universities not sue, it does advise that if they decide to, "it should be with a clear, mission-oriented rationale for doing so," such as cases where the institution is ethically or contractually obligated to enforce its rights or where an infringer shows "blatant disregard" for the university's patents.

### **Think Before You Sue**

Some of the parties that endorsed the document are among the most vigilant in filing infringement lawsuits — notably the Wisconsin foundation and the University of California. Ms. Ku said the advice was not meant as criticism of them or others that have sued. It is not a problem "as long as they're thoughtful about it," she said. "But it would be worrisome if there was a perception that universities were suing a lot."

The document also provides specific advice to institutions on how and when to license inventions exclusively, and how to ensure that institutions have a way to reclaim those rights if their licensee fails to develop the invention in a timely way.

"Universities need to be mindful of the impact of granting overly broad, exclusive rights and should strive to grant just those rights necessary to encourage development of the technology," the paper says.

It also warns universities to be wary of licensing to companies that aggregate patents, because some such firms, known as "patent trolls," do little more than buy up rights and then use their patent portfolios to sue companies for infringement.

The document also urges institutions to include provisions in their licensing deals that will guarantee their own researchers and those at other institutions unfettered rights to use patented technologies and products to conduct research.

The paper's developers decided to include the advice on reserving rights for "neglected patient populations" because that is a topic of growing interest. "Universities should strive to construct licensing arrangements in ways that ensure that these underprivileged populations have low- or no-cost access to adequate quantities of these medical innovations," it says.

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