



## Responsible Tech Transfer?

### The University's Responsibilities

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## Current Environment

Universities are under pressure to justify themselves and the funding they receive. Required to:

- Fulfil academic mission
  - excellent, objective research & teaching
- Fulfil a social mission
  - contribute to society and mankind
- Fulfil an economic development mission
  - driver of innovation in the economy

Now these are very big asks and some concerns that this pesky third one might undermine the others or even harm the academy.

...some questions (you will have heard before)

## Some questions

- Do commercial relationships harm our academic mission?
- Is our contribution to society limited by commercial relationships?
- Should we make money from licensing technology?

....let's look at these in turn – and let's assume that EVERYONE is telling the truth.

## Do commercial relationships harm our academic mission?

### Company 1

wants to fund \$1m research project, but insists upon review of all publications and the right to delay or veto.

- Should you take their offer?

### Company 2

wants to donate old lab equipment to the teaching lab, provide visiting speakers and take summer students on placement

- Should you take their offer?

Do commercial relationships harm our academic mission?

- **It depends!!**
- In the first case – yes. We lose our right to publish.
- In the second case – no. We can argue that they are helping the academic mission.

Next....

## Is our contribution to society limited by commercial relationships?

### Situation 1

Small local company says: you have IP that would be hugely useful to our competitors. We want an exclusive licence to protect our products, even though we are not ready to use it.

- should you licence it?

### Situation 2

Global Pharma says: you have IP which will be the basis of a life-saving drug. We can only justify the investment needed to make it into a drug if we have an exclusive licence. No licence, no drug.

- should you licence it?

Is our contribution to society limited by commercial relationships?

- **It depends!!**
- In the first case – yes. The company is suppressing knowledge – buying our silence.
- In the second case – no. We can argue that our contribution will be limited **WITHOUT** a commercial relationship.

Next.....

## Should we make money from licensing technology?

### Situation 1

- Global Pharma company says: we wish to licence technology from you to develop a drug which we estimate will generate \$1bn. They will pay you a very fair sum for the rights.

- should you do the deal?

### Situation 2

- Small local company says: we want to develop a new product line – highly risky and experimental for us. We will employ 50 new staff to work on the project right here in town, but we simply can't afford to pay for the IP you own and investors are saying no to royalties. We need a royalty free licence.

You have no other interested parties

- should you do the deal?

- Should we make money from licensing technology?
- **It depends!!**
- In the first case – yes you should do the deal and make money. The company is going to make money and we are entitled to a fair share.
- In the second case – you **SHOULD** do the deal, even though it will make you no money. We can argue that our contribution will be a local socio-economic benefit.

## Conundrums Abound

These are easy questions to ask and non-practitioners often think there are easy answers. They get very frustrated:

- Do commercial relationships harm our academic mission?  
**It depends**
- Is our contribution to society limited by commercial relationships? **It depends**
- Should we make money from licensing technology? **It depends**

....wouldn't you get frustrated?

...so why is it so complicated?

### And note that:

- It's not simply big companies vs little companies (big guys bad, small guys good – or vice versa).
- It's not simply about the money (are we licensing to save lives or to make money?)

These questions are difficult for the University because they are framed in ways that jar with our mission....

## University Mission

- Create Knowledge
- Disseminate Knowledge
  - Publication to Science base
  - Teaching to students
  - Knowledge Transfer to Business and the Economy

...we must think in these terms rather than 'commercial' terms.

**If we ask all of those questions again....**

....but frame our answers around:

‘ does the proposal help us achieve our mission of creating and disseminating knowledge?’

...then the answers are fairly straightforward.

Do the deal if it maximises knowledge creation and dissemination.

Don't do the deal if it stops knowledge creation and dissemination.

....and whether it makes money or not is, philosophically speaking, irrelevant (although practically speaking it can be very relevant).

## Being Responsible

For me, being responsible in TT/KT starts here.

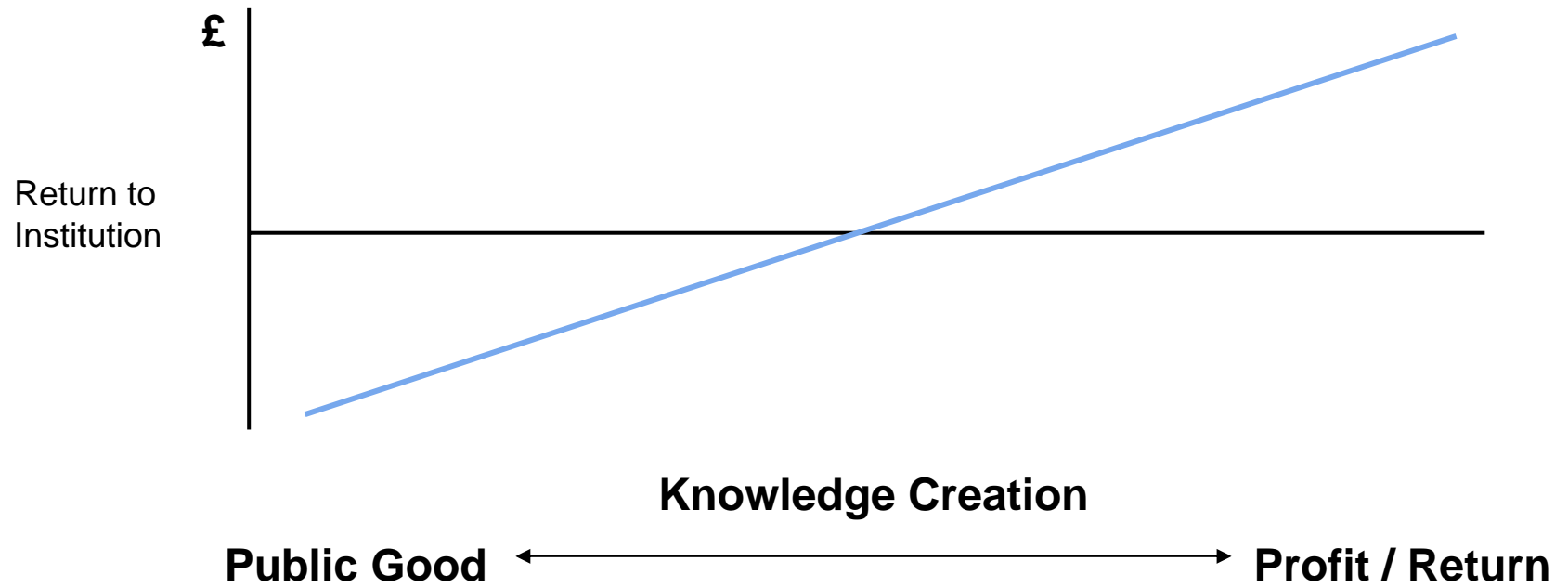
When faced with an opportunity we must ask:

- Does it help to create and disseminate knowledge
- Then AND ONLY THEN do we ask:
- Does it make any kind of financial sense to do it??

....let me give some examples of the types of activities we get involved in:

	Outreach Activities	Research & Technology Dev. Contract Research	Licensing	Venturing
Reasons for doing / Costs	<ul style="list-style-type: none"> <li>• Public good, economic dev., profile</li> <li>• People, events, Travel</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge creation, IP creation</li> <li>• Research, tech dev, IP costs</li> </ul>	<ul style="list-style-type: none"> <li>• Financial returns</li> <li>• IP protection, marketing &amp; legal costs</li> </ul>	<ul style="list-style-type: none"> <li>• Financial returns</li> <li>• IP protection, marketing &amp; legal costs</li> </ul>
Financial Returns	None – covers costs at most	Funding for research & tech development, overhead recovery (cost-plus)	Licence income, up front payments; can be significant	Equity gains, dividends, royalties; should be significant
Financial Risks	Negligible	Low/Modest	Modest/Significant	Significant
Examples	Student placements, SME networks etc.	Charity or company funded research	Licences with companies	Spin-out companies, Start-up companies

The cost profile changes across this spectrum as well



## Knowledge Transfer Mechanisms

- Economic Development
- Student placements
- Contract Research
- Collaborative Research
- Consultancy
- Licensing
- Spin-outs

...all of these involve relationships with companies.

...some cost money, some make money.

...in all cases our 'responsibility' is to ensure knowledge creation and dissemination.

## So when it comes to ‘responsible Tech Transfer’

We are **responsible** for fulfilling the University mission – create and disseminate knowledge.

What about the 9 Points?

- Fantastic!
- We will look at them all in detail in this session
- I am jealous that the US got to this sort of ‘guidance’ first.

...to my mind they are hints and tips to ensure that we don’t drift from fulfilling the University mission. They are not....

## ...they are not

....the Nine Commandments.

They are ‘things to consider’, but are not exhaustive

If I had been writing them I would have started with:

- The University mission is to create and disseminate knowledge.
- There are some areas of licensing where this mission can be inadvertently or deliberately hampered.
- The following nine points provide guidance in 9 of these key areas.

- I applaud the authors
- I do not think we can we can write the exhaustive list of points to consider
- The questions at the beginning of my presentation showed how subtle some of this area can be
- We cannot write a process flow chart for what we do.

SO...

Hopefully we now have a framework to think within and some hints and tips to consider.

But, we still have to ask the same question of every opportunity we look at:

“What is the responsible thing to do?”

And our answer, every time, is likely to be....

It depends!

But that's what makes our  
job interesting.

I hope that has been of some use.

Thank you for listening

Dr Kevin Cullen

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