



University
of Glasgow

Paul Philips
request-22380-1abd3522@whatdotheyknow.com

1 December 2009

Our Ref: FOI 2009/188 – F0077131

Dear Mr Philips,

Re: Freedom of Information (Scotland) Act 2002 – Request for Information

Thank you for your email which was received by the University on 2 November 2009 timed 22:00 hours, requesting the following information:

In response to a previous enquiry regarding spin-out valuations (<http://www.whatdotheyknow.com/request/18453/response/51180/attach/html/2/RESPONSE%20F0072089.pdf.html>) it was stated that two of the companies with a base outwith Scotland, Pathfinder LLC and Cara Therapeutics, were created and financed by US based groups, not the University of Glasgow.

In relation to the US-based spin-out companies Pathfinder LLC and Cara Therapeutics:

- 1) Can you please provide information on whether the US-based groups financed the research and development work that led to the creation of the companies?
- 2) If not, who funded the research work, e.g. other sources such as UK Research Councils?
- 3) Did the University incur any legal fees in the creation of these companies?
- 4) If so, how much and were these paid from University funds, or did the US-based companies pay these too?
- 5) Why is the Scottish taxpayer funding the creation of companies that will never create jobs in Scotland?
- 6) In the current economic climate, surely the taxpayers' money should be used to benefit Scotland rather than wasting it on US-based spin-out companies?

DATA PROTECTION AND FREEDOM OF INFORMATION OFFICE

Main Building, University of Glasgow, Glasgow G12 8QQ

Data Protection: Telephone: 0141-330-3111 E-Mail: data.protection@gla.ac.uk

Freedom of Information: Telephone: 0141-330-2523 E-Mail: foi@gla.ac.uk

The University of Glasgow, charity number SC004401

University's Response

CARA Therapeutics

- 1) Can you please provide information on whether the US-based groups financed the research and development work that led to the creation of the companies?

CARA Therapeutics was formed, by its US-based founders, to commercialise Intellectual Property (IP) from a number of sources including the University of Glasgow. The founders did not fund the research and development work at the University that generated the Intellectual Property that was licensed to the venture for equity.

- 2) If not, who funded the research work, e.g. other sources such as UK Research Councils?

The IP licensed to CARA by the University was created with funding from the Scottish Enterprise Proof of Concept Fund.

- 3) Did the University incur any legal fees in the creation of these companies

The University did not create CARA Therapeutics. Legal fees were incurred in reviewing the agreements in relation to the licensing of the University's technology for equity and a research and development contract was established between the company and the University, which allowed research staff to be hired at the University to support further development of the University's technology in Scotland.

- 4) If so, how much and were these paid from University funds, or did the US-based companies pay these too?

The legal fees referred to in response to question 3) were paid for by the University. These costs were:

Review of Scots Law documents: £11,243.47

Review of US documents: £3,430.91

VAT £2,568.20

Total: £17,242.58

- 5) Why is the Scottish taxpayer funding the creation of companies that will never create jobs in Scotland?

The CARA Therapeutics company was not created by the University of Glasgow, rather the company took a licence for equity at formation from the University.

- 6) In the current economic climate, surely the taxpayers' money should be used to benefit Scotland rather than wasting it on US-based spin-out companies?

The University of Glasgow does not hold the information that you have requested and is not aware of any other public authority that could respond to your request. Section 17 of FOISA states that where public authorities receive requests for information that they do not hold, they must issue a notice advising that they do not hold the requested information.

Pathfinder LLC

- 1) Can you please provide information on whether the US-based groups financed the research and development work that led to the creation of the companies?

Pathfinder LLC was formed by its US-based founders. The founders did not fund the research and development that generated the Intellectual Property, subsequently licensed to the company.

- 2) If not, who funded the research work, e.g. other sources such as UK Research Councils?

The Intellectual Property licensed to Pathfinder by the University was created with funding initially from the Darlinda Renal Research Charity and subsequently the Scottish Enterprise Proof of Concept Fund.

- 3) Did the University incur any legal fees in the creation of these companies

Legal fees were incurred in reviewing the agreements in relation to licensing the University's technology for a sign-on fee, equity, a royalty return, and a research and development contract was established between the company and the University, which allowed research staff to be hired at the University to support further development of the University's technology in Scotland.

- 4) If so, how much and were these paid from University funds, or did the US-based companies pay these too?

The legal fees referred to in response to question 3) were paid for by the University. These were offset from the licence sign-on fee paid by Pathfinder. The costs involved were:
Review of Scots Law documents: £17,941.50 plus disbursements (£63.71) plus VAT (£2,843.63).
Review of US documents: £8,756 plus VAT (£1,313.40)

Total: £30,918.24

- 5) Why is the Scottish taxpayer funding the creation of companies that will never create jobs in Scotland?

Pathfinder LLC was not created by the University of Glasgow, rather the company took a licence for access to University Intellectual Property.

- 6) In the current economic climate, surely the taxpayers' money should be used to benefit Scotland rather than wasting it on US-based spin-out companies?

The University of Glasgow does not hold the information that you have requested and is not aware of any other public authority that could respond to your request. Section 17 of FOISA states that where public authorities receive requests for information that they do not hold, they must issue a notice advising that they do not hold the requested information.

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Breach of copyright law is an actionable offence and the University expressly reserves its rights and remedies available to it pursuant to the CDPA and common law. Further information on copyright is available at the following website:

<http://www.ipo.gov.uk/copy.htm>

Your right to seek a review

Should you be dissatisfied with the way in which the University has dealt with your request, you have the right to require us to review our actions and decisions. Please refer to the Review Procedure (<http://www.gla.ac.uk/services/dpfoiooffice/policiesandprocedures/foisa-complaintsandreview/>) for further information. All complaints regarding requests for information will be handled in accordance with this procedure.

Yours sincerely,

Data Protection and Freedom of Information Office