

COLLABORATION

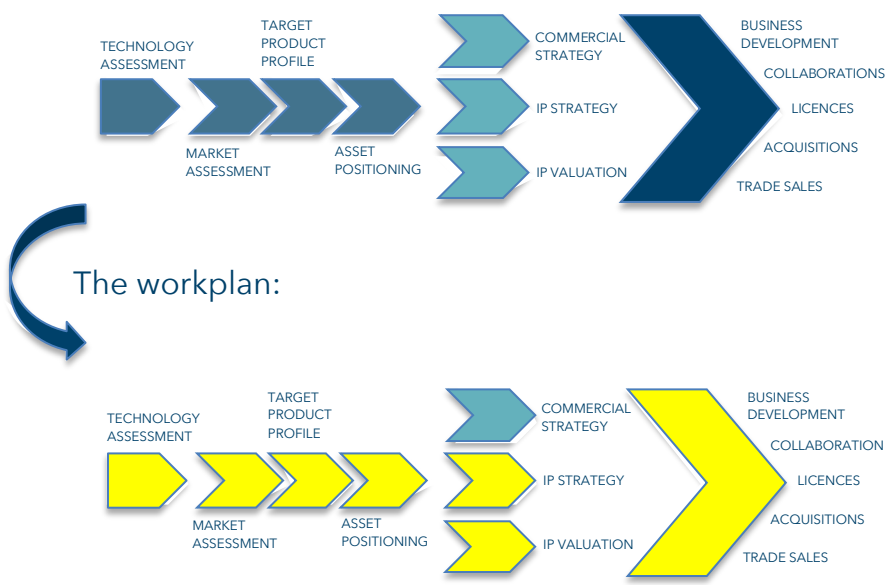


RESEARCH FUNDING AND EXCLUSIVE OPTION TO EXCLUSIVE LICENCE

A government-funded research organisation was approached by a major pharmaceutical company interested in accessing the output of 2 research programmes being conducted by a world-leading research group active in identifying genes involved in affective disorders.

The pharmaceutical company offered to provide 3 years’ funding for two students in return for exclusive commercial rights to use research data from both research projects for their own novel drug development programmes. This did not reflect the true value of the proposed collaboration. Instead, a deal in which the pharmaceutical company was restricted to supporting one, not two, programmes was negotiated. The level of financial support secured in the deal created 7 new research posts with funding for 3 years. The pharmaceutical company was granted an option to fund the other research programme and a further time-limited option to acquire, on commercial terms, any emergent IP rights (IPRs) that arose. Altogether this deal represented an 11-fold increment over the terms originally put forward.

This deal highlighted many of the issues common to academia/industry interactions. A sticking point, rights to publish, was addressed by defining “fields of publication” in the legal agreements in such a way that the academic group was not precluded from publishing in a timely manner, yet the company could protect information of relevance to its drug development programme.



CASE STUDY NOTES

Open innovation means University/industry collaborations are now common. Here, the pharma company undervalued the university’s IP. Once financial terms were agreed the deal nearly failed due to (solvable) differences about publication rights.

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