

EIE National Workshop I - Malaysia

Using Separate Entities For University Technology Transfer

for University Technology Transfer

What are “separate entities”?

- Organizations outside the university’s administration
- Various degrees of separation

University office with separate reporting structure

Separate corporation governed by university

Separate corporation not governed by university but bound by charter to its interests

Corporation linked to university by mutual business contract

for University Technology Transfer

What is their purpose?

- Provide buffer between university and commercialization activity and LIABILITY
- Allow freedom from bureaucracy that hinders IP management/technology commercialization
- Offer business options for commercialization strategies and tactics not available to university
- Avoid financial limitations on IP management, licensing
- More business minded, responsive, and “friendly”

for University Technology Transfer

What are the key issues?

- To what extent is the entity obligated to receive and process all university disclosures?
- Can the entity refuse disclosures?
- To what extent is university obligated to send all university disclosures to the entity?
- What is the business model of the entity and how does that effect its selection of disclosures?
- Does the entity prioritize revenue generation over other concerns of importance to the university?
- Is the entity for-profit or not-for-profit?
- Does entity funding affect the university TT mission?

for University Technology Transfer

What are the key issues?

- If the entity selects only disclosures that can make money, what about the majority of disclosures?
- What effect will that have on faculty/staff inventors?
- What about philanthropic and humanitarian concerns
- University's mission to develop and disseminate technology for the public good?

for University Technology Transfer

Some key advantages

- Hiring and HR practices often much more conducive to the IP management and technology commercialization enterprise
- Business practices also more conducive (travel, marketing, pilot studies, etc)
- Allows various types of partnering structures with various types of partners

for University Technology Transfer

Carefully constructed entities may be the answer

- Separate entity that has freedom in IP management commercialization and embraces university's tech transfer values
- Examples

Wisconsin Alumni Research Foundation

Cornell Research Foundation

for University Technology Transfer
Wisconsin Alumni Research Foundation (WARF)
Cornell Research Foundation (CRF)

- Both separate corporations
- WARF is 501(3)(c)
- CRF is 501(2)(c)
- University is sole beneficiary and shareholder
- WARF has separate governance (President is COB)
- CRF governed from within university (with external advisors)
- Both act like an internal TTO in policy and practice

for University Technology Transfer

Summary

- Separate entities can have significant advantages
- Too profit-minded may distort the technology transfer mission
- Careful design and construction of the governance, university link, policies, practices, and hiring of right-minded people is necessary