

SOUTHWESTERN NEWS

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ROYALTIES RISE FOR UT SOUTHWESTERN INNOVATIONS

DALLAS — May 9, 1995 — UT Southwestern Medical Center at Dallas saw its royalties from licensed technologies nearly double during 1994, as the result of research advances that brought medical-related innovations to more hospitals, homes and businesses.

The gross income from UT Southwestern's technology transfer program in fiscal year 1994 was \$2,669,000, compared to \$1,425,000 the year before. The number of new inventions reported rose from 40 in 1993 to 43 in 1994 and the number of patents issued to researchers working at UT Southwestern totaled 12, one more than 1993.

Scientists are paying increasing attention to the revenue-generating possibilities of their research, said Dr. William Neaves, dean of Southwestern Medical School. They realize that the revenues from licensing their technology can mean the continuation of important research projects. "The generation of revenues from the licensing of new inventions is not a sure thing," Neaves said. "Without proper management, important new advances are often commercialized by industry without financially recognizing the input of university-based investigators, which hurts the investigator and the university."

Ray Wheatley, licensing associate in UT Southwestern's Office of Legal and Technology Transfer, said the number of patents issued has little to do with the royalty generation in a particular year. Several years usually pass between the disclosure of a new invention and introduction to the market.

The big jump in royalty profits was due largely to the success of a type of 3-D heart-imaging software developed in the radiology department. The technology was developed several years ago and it is difficult to predict how much money the heart software or other commercialized products will bring in next year, Wheatley said.

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"We also have a number of other very promising technologies in the pipeline," Wheatley said. Researchers at UT Southwestern are working on new vaccines, studying genes for use in the rapidly expanding area of gene therapy, and focusing on development of better drug-delivery systems.

The decision to file a patent application — an expensive process — is not easily made and is based on a number of factors, including whether the innovation addresses a market that is big enough to support commercial development and whether the work represents an obvious advancement over existing technology. "There's no book we can go to that says whether or not any given technology will be a success," Wheatley said. "The decision to file or not to file particular patent applications to cover new technologies with uncertain commercial potential is not necessarily a comment on the importance of the research."

When Wheatley and his team seek patents for technologies, they seek patent protection of broad scope, which adds to the patent's value. They also must approach potential licensees carefully. In many cases, an approach that would be successful with one company might fail miserably with another.

More than 100 patents have been issued to UT Southwestern investigators and approximately 40 percent are licensed. In addition, almost 50 patent applications and several copyrighted software programs and videos have been licensed.

"At any one time, we may be working on up to 20 to 30 different license and joint ownership agreements on everything from medical devices and biotech-related inventions to software programs and foreign broadcast rights of UT Southwestern videos. In some cases, the transfer of a technology for commercial development will require a series of several kinds of agreements between multiple parties," Wheatley said.

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