



Intellectual Property Rights

Presentation to the Joint Board-Senate Meeting

27 October 2008

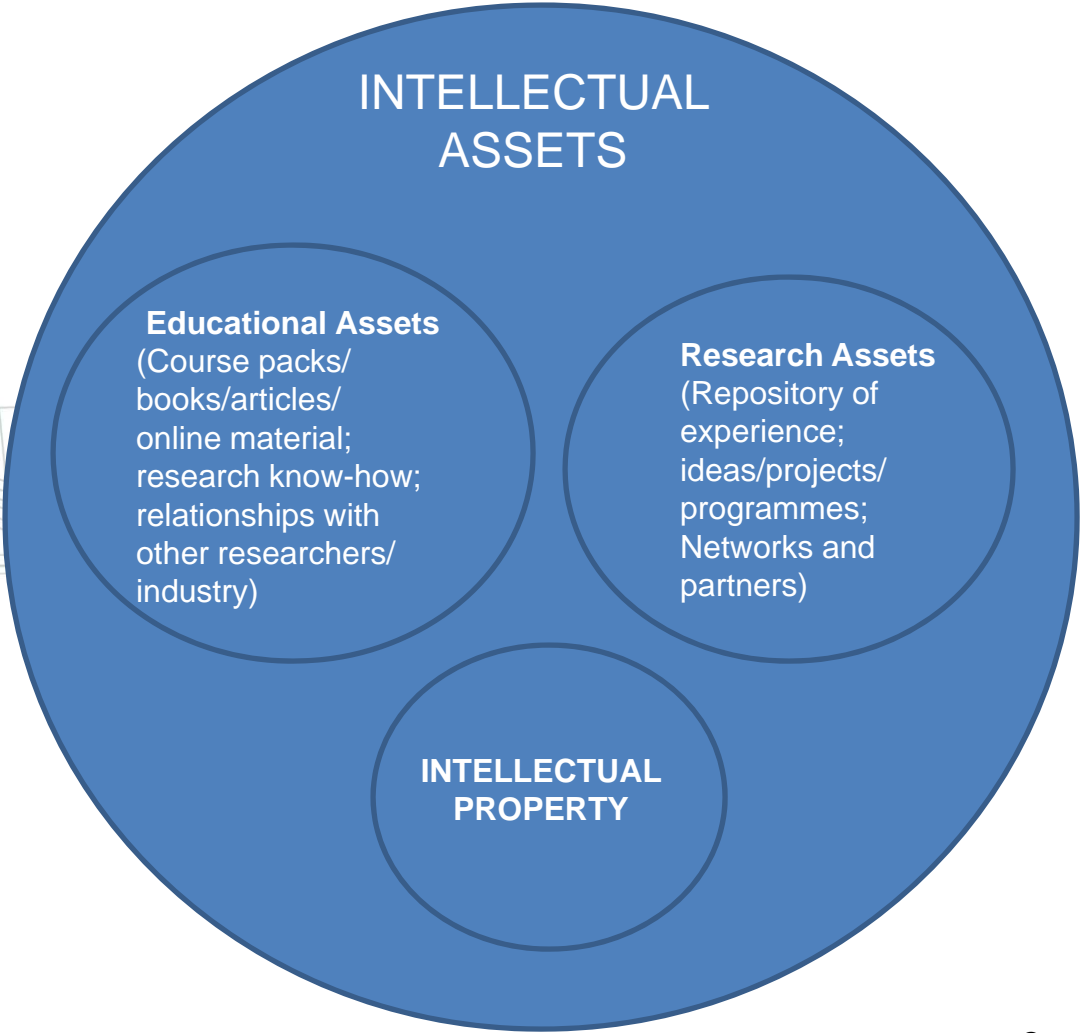


McGill

What are Intellectual Assets?



Intellectual Assets are pieces of knowledge with value such as know how, relationships and stock tips.



Defining Intellectual Property Rights

- **Intellectual property (IP) rights** are the ways in which a government gives power to a person – the IP holder – to control how certain bits of knowledge will be used.
- IP rights include patents, copyrights and trade-marks



Why care about Intellectual Property Rights?

University Mission

- An appropriate understanding of IP rights can help the university attain its mission
 - Education and research
 - Knowledge generation, dissemination, and transfer/translation
 - Return to society for social investment in the university

Respond to Pressures

- Obtaining funding
 - Respond to the desire of private funders to acquire IP rights over research they support
 - Respond to granting agencies that call for commercialization (e.g. Genome Canada) or that limit who can hold IP rights (e.g. Natural Science and Engineering Research Council)

IP and Dissemination

- Positive effects of some IP rights
 - Provides a single holder of rights so that downstream development can take place
 - Maintains the university's ability to participate in future innovation
 - Provides the framework for open access and humanitarian uses
- Negative effects of some IP rights
 - Costly to the university and to downstream users
 - Provides an incentive to deviate from university mission by concentrating on revenue rather than dissemination
 - IP often not necessary to develop downstream applications
 - IP may block downstream innovation

Return to Society

- Positive effects of some IP rights
 - Provides a mechanism to transfer knowledge to partners
 - Provides an incentive to retain researchers
 - Provides a tangible way to demonstrate social return
- Negative effects of some IP rights
 - Increases the burden on downstream companies, making it more expensive to do development
 - Undermines transparency and public mission of the university by fostering secrecy rather than openness
 - Establishes perverse incentives for universities and technology transfer offices



Facts and Figures

Facts about Technology Transfer at McGill

- Must disclose invention to the Office of Technology Transfer only if intend to commercialize
- First stage
 - initial due diligence by the Office of Technology Transfer
 - obligatory disclosure to MSBi / iNovia (right of 1st refusal, 90-day obligation)
 - decision whether or not the Office of Technology Transfer will pursue commercialization
- Next stages, if invention retained by the Office of Technology Transfer for commercialization
 - Full assignment of IP rights to McGill
 - File for protection, as determined by the Office of Technology Transfer
 - Promote the technology and seek licensees
 - Seek further financing from public and private sources
 - Create spin-off company, if warranted
 - Negotiate license agreement

Some Indicators of Technology Transfer Performance

| McGill Quick Facts | 2007 |
|-----------------------------------|---------------|
| Research Funding | \$376M |
| Principal Investigators | 1,600 |
| Reports of Invention | 114 |
| Patents Filed | 118 |
| Issued Patents | 30 |
| Licenses & Options | 37 |
| Active Licenses (revenue) | 156 (\$1.5M) |
| Spin-offs created in 2007 | 2 |
| Active Spin-offs | 38 |
| Research Contracts signed (value) | 171 (\$14.1M) |

The Range

- 2 spectra:
 - What intellectual assets you deal with
 - Why you deal with those assets
- Policies range from conservative to 'pushing the boundaries'

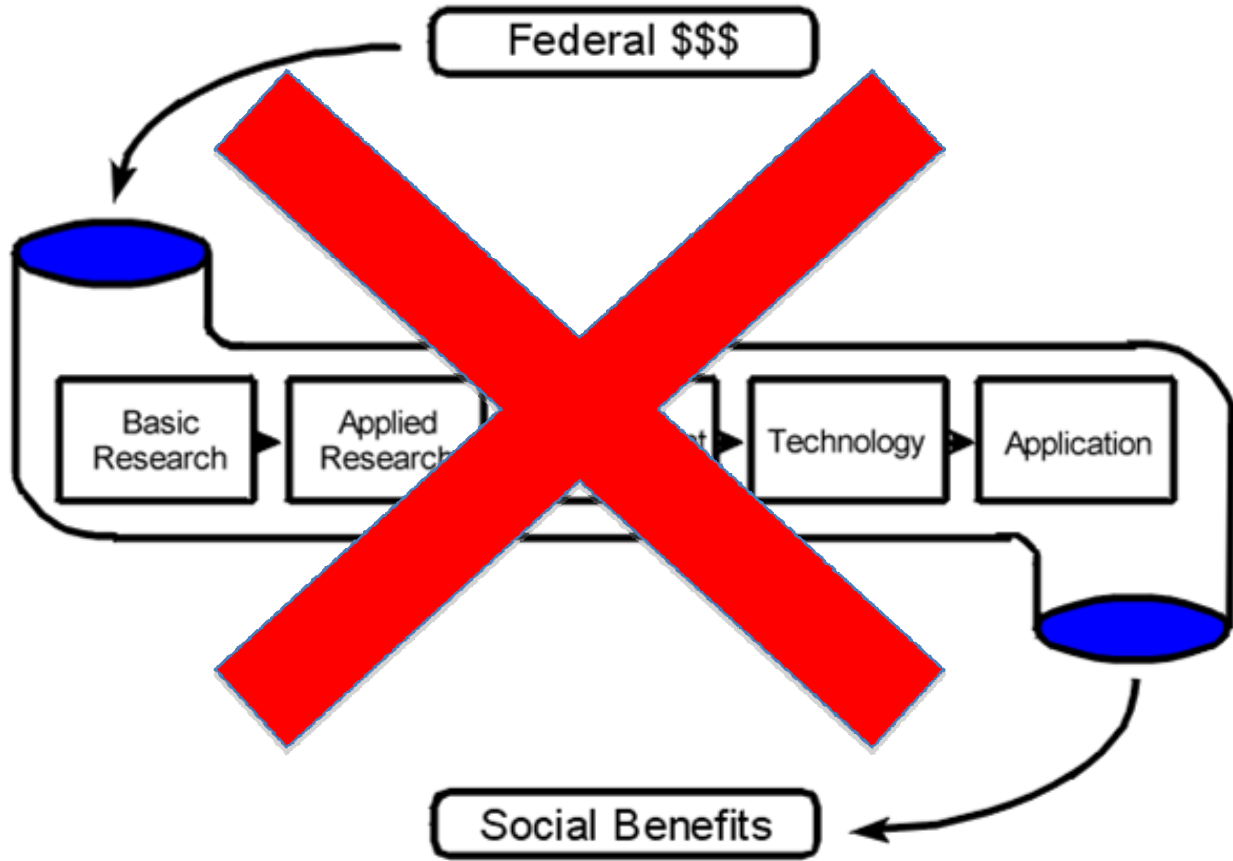


Measuring Success

The Problem with Innovation Metrics

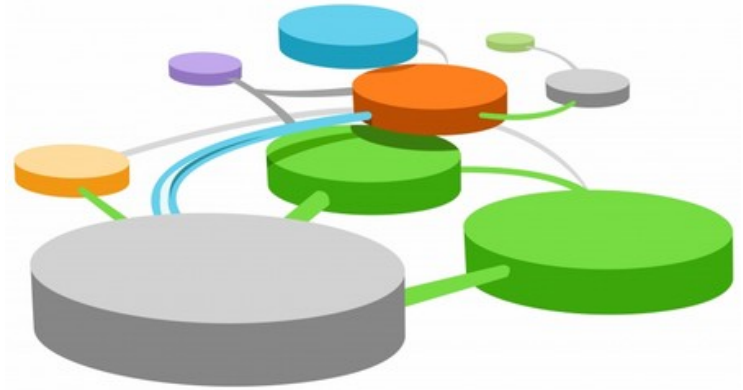
- Policy demands to encourage innovation AND access to the products of innovation.
- Depends on proper tools to measure the social benefits arising from research.

Linear View of Innovation



Innovation is Complex

- Innovation is circular and iterative
- Diffused in space and time
- Innovation depends on networks of public and private sector actors



We Measure What is Tangible

- % disclosures protected
- # patents filed
- % of disclosures licensed
- # licenses / M\$ in research grant income (excluding infrastructure grants)
- Royalties and other license income
- # of viable spin-offs
- # of Material Transfer Agreements, Collaborative R&D grants, sponsored research contracts [any research activity requiring a Research Agreement]

What We Don't Measure

- Is what we measure a good indication of what we care about?
- Other measures require investments in data gathering
 - Graduate students trained and where they go
 - Collaborations (measured through joint publications)

Key Questions for Discussion Period

- 1) What are the most important intellectual assets?
- 2) What role should IP rights play in promoting and advancing these assets?
- 3) Who should own IP rights? Who should have responsibility for protecting and managing IP rights?