

Technology Licensing Office

The mission of the Technology Licensing Office (TLO) is to facilitate the transfer to industry of technology from MIT, Lincoln Laboratory, and the Whitehead Institute, and thereby to benefit the public good through the development and subsequent sale of commercial products.

A secondary goal is to generate unrestricted funds to motivate inventors and to support research and education at MIT. The TLO staff of 29 (14 licensing professionals and 15 administrative and support personnel) are responsible for identifying marketable technologies, managing the patenting and copyrighting of these technologies, finding licensees to develop the technologies, and negotiating licenses.

The cash income of TLO this year was \$36.1 million. This is the highest figure to date in TLO history, excluding earnings from cashed-in equity. This total compares with \$32.0 million in FY2003. As always, most of our income resulted from patents filed and licenses signed five to 10 years before. There was no revenue from liquidated equity reflecting a very poor market for IPOs. Three of the companies in which we received equity in licenses had IPOs in late FY2004. Gains will be in FY2005 after the lockout periods.

One hundred fifty-nine new US patents were issued to MIT in FY2004. TLO consummated 95 new technology licenses and 29 option agreements. Twenty of these were to new startup companies. TLO also granted 35 end-use software licenses and dozens of Open Source software licenses. A total of 74 trademark vendors are licensed.

With over 650 active technology licenses in house, of which over 100 are still-extant startup companies (with equity in about 50 of them), we can expect that royalty streams will continue to mature and companies will reach equity liquidity, but the timing is unpredictable. Studies by others have shown that the average university license that matures into products takes eight years to do so. The stream of new inventions continues at over 450 per year (510 in this fiscal year), refilling the pipeline.

Another notable milestone this year was completion of a three-year project to migrate our management database (inventions, licenses, financial management, billing, royalty distribution, etc.) from the Ingres platform (a database built in 1981) to Oracle. The new system has introduced email automation for invention and license correspondence, and has partially tied the TLO financial system into SAP. The system, named Forrester, went live in May 2004 and is running well. Other universities have shown interest in licensing the Forrester system.

TLO staff are also active contributors to student activities at MIT. These include judging in the student "50K" business plan contest, guest lectures on patents and licensing in a number of engineering, management, and HST courses, both graduate and undergraduate, and open door coaching for students thinking of starting a business, whether through an MIT license or not.

Members of the TLO staff are actively involved in disseminating our technology transfer and entrepreneurship policies and practices to the University of Cambridge and other UK universities as part of the CMI program. Staff exchanges between MIT's TLO and the University of Cambridge Technology Transfer Office continue, and as part of this project we have established a new entity, Praxis Courses, Ltd., a nonprofit company providing training seminars for UK university and industry technology transfer professionals.

Senior TLO staff also served pro bono on the boards or senior committees of a number of national, state, and local entrepreneurial and technology transfer organizations.

They have served, usually pro bono, as advisors to over a dozen university or governmental technology transfer offices in a number of countries and to the International AIDS Vaccine Initiative, and the Center for the Management of IP for Health Research in Developing Countries. The TLO also hosts dozens of visits from other such organizations, government agencies, other universities, and corresponding company departments.

Lita Nelsen
Director

More information about the Technology Licensing Office can be found online at <http://web.mit.edu/tlo/www/>.