

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.

We consummated 102 new technology licenses and 20 option agreements. Twenty of these were to new start-up companies.

The total income to the TLO was \$46.0 million. The income before cash-out of equity was \$41.6 million—the highest non-equity-related income of the TLO in history. This total compares with \$32.0 million in FY03. 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 initial public offerings (IPOs). Three of the companies in which we received equity in licenses had IPOs in late FY04. Gains will be realized in FY05 after the lockout periods.

With over 650 active technology licenses in house, of which over 100 are extant startup companies (with equity in several dozen 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 (512 in this fiscal year), refilling the pipeline.

TLO staff are also active contributors to student activities at MIT. These include participating in the judging of the MIT \$50K Entrepreneurship Competition, lecturing on patents and licensing in a number of engineering, health science and technology, and Sloan School courses (undergraduate and graduate), and “open door coaching” for students thinking of starting a business, whether through an MIT license or not.

Members of TLO 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 Cambridge-MIT Institute program. Staff exchanges between the MIT TLO and the University of Cambridge Technology Transfer Office continue as does our involvement with Praxis Courses, Ltd., a nonprofit company that we founded with CMI funding and additional funding from the UK government to provide 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 Centre for the Management of Intellectual Property in Health Research and Development. 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/>.