



One of the more hotly debated issues facing universities these days is the transfer of intellectual property to the private sector – meaning, the ability of these institutions to commercialize their students’ and faculties’ ideas and discoveries.

Some argue that teaching should be the main mission of a university, not making money. Others counter that incentives such as licensing fees and ownership in startups help push along scientific discovery. Would society really be better off without the Amgens and Genentechs of the world, which were created out of university research?

Kevin Cullen, director of Research & Enterprise at the University of Glasgow, describes this conundrum in his article (*see page 84*). He points out that much good can come from this knowledge transfer – but with caveats.

“The key here is an understanding of what universities are being asked to do,” he writes. “If you want them to advance economic development, that’s fine. Just understand that such projects require subsidies. If you want universities to make money from commercialization, that’s fine, too. Just understand that the commercial motive will often not align with regional aspirations.”

Just how much modern universities stand to gain from the commercialization of their intellectual property can be seen in a major study that the Milken Institute recently completed: “Mind-to-Market: A Global Analysis

of University Biotechnology Transfer and Commercialization.”

We found that research is increasingly shifting away from corporate labs (think Bell Laboratories) back to universities, and that the rewards can be substantial to those with the most valuable intellectual property and the ability to turn it into marketable private-sector products and companies. (If you want to know which universities do the best job at this, visit www.milkeninstitute.org and read our report.)

To quote from our study: “As the global economy grows increasingly dependent on the generation and dissemination of knowledge, universities are seen as natural partners for both business and government. With government sources of R&D funding often mandating in-kind private-sector investments, the university-industry relationship is growing more complex and entwined.”

We estimate that for every \$1 invested in an office of technology transfer, the university receives a little more than \$6 in licensing income. That’s a pretty good return, and reason enough why many universities worldwide are moving quickly to take advantage of their intellectual property.

Universities have become prime movers for economic development, and the knowledge they generate has become an important generator of funds. As long as they don’t lose sight of their basic research and teaching responsibilities, this can help all of us.

A handwritten signature in black ink that reads "Mike Klowden". The signature is fluid and cursive.

Michael Klowden, President and CEO