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Biotech Buzz: Let's Make A Deal

PRINT EMAIL

Written by Cory Hopkins

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Buffalo, N.Y. , firm eyes UMass as potential partner

The University of Massachusetts took in more than \$27 million in licensing revenues in 2006, and spun off two companies based on technology and intellectual property discovered in part through UMass research funding, according to the Association of University Technology Managers.

That figure put UMass 12th in the nation in 2006 in terms of licensing revenues among major colleges and universities, ahead of such luminaries as Harvard, Cal Tech and Johns Hopkins University.

Return On Research

This year, the school will generate more than \$41 million in licensing money, due in no small part to more than \$9 million in royalties associated with RNAi technology licenses to Sirna Therapeutics, recently purchased by Merck, and Nobel Prize winner Craig Mello's company, RXi, which recently announced it will be going public.

The numbers are impressive, and indicate the UMass system's national research leadership position.

But Anthony Johnson, a founding partner of Buffalo, N.Y.-based Buffalo Biosciences, thinks the school could and should be doing even better, particularly as it relates to the lucrative biotechnology and life sciences technologies the school is currently researching.

Buffalo Biosciences is a biotech consulting, management and investment company dedicated to discovering and growing biotech opportunities in smaller, secondary markets such as Worcester, Buffalo and Cleveland, Johnson said.

The company specializes in taking a given technology or idea from a place like UMass and marketing it to a broad range of interested parties through an extensive network of industry contacts.

Using Mello's discovery of RNAi as an example, Buffalo Biosciences would have pursued a model that licensed the technology not only for pharmaceutical applications, but also to molecular diagnostics companies interested in studying the phenomenon, or to a medical device firm interested in RNAi delivery methods, Johnson said.

In this way, instead of getting only one revenue stream from the technology, UMass could bring in three times as much revenue, which could then be funneled back into more research, which could yield more discoveries, which could yield more revenues, and so on and so on.

"Instead of looking at a biotech innovation from just a licensing perspective, we try to look at it from a useful technology perspective," Johnson said. "We look at where it is in its life cycle, and try to find out if we should license it, start a company around it, or maybe do both? Can we use it simultaneously in non-competing industries?"

The idea, Johnson said, is to maximize a university or institution's return on investment. Johnson said he has had a few preliminary discussions with UMass on two or three very promising innovations the school is working on, and plans to begin a more formal working arrangement with the school in the New Year.

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Striking A Balanced Deal

Depending on how those discussions go, Johnson said his company will certainly consider engaging other local institutions, such as Worcester Polytechnic Institute and Massachusetts Biomedical Initiatives, a city incubator facility, in discussions to see how he can help their biotech innovations and innovators maximize their potential.

But the motto for the University of Massachusetts is, in part, "students first." Maximizing return on investment may make the bean counters happy, but keeping intellectual property accessible and available is more in line with the school's academic mission.

James G. McNamara, executive director of the UMass Medical School's office of technology management, a division of the University of Massachusetts Commercial Ventures and Intellectual Property office, which handles licensing and private sector partnerships between the school and the community, said that determining a technology's best public use takes priority over ROI.

"In the case of something like the original Craig Mello invention, we want as many people as possible to have access to that," McNamara said.

He continued, "Finding the best use of the technology for the public, that's our number one mission. While we may have had a possibility to make a more lucrative deal with one company exclusively for an innovation, sometimes that's not necessarily what's best for the technology."

Not that McNamara is totally opposed to maximizing returns, given the right partner and the right deal, which is what Johnson advocates.

"If someone approaches us and can make a connection that we otherwise couldn't have made, we'd certainly consider it," McNamara said.

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