



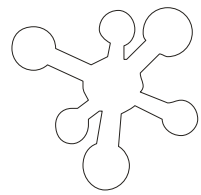
7TM PHARMA



*Working with Industry  
or*

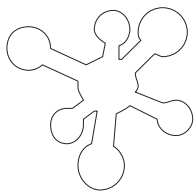
*“What do we want from you – TechTrans”*

*Biotech as an example*

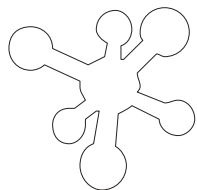


# My Reference Frame

- **Biologist**
- **Patent Agent – focus on academic inventions**
- **Business Development – for academic groups and before the “Tech Trans days”**
- **Entered Biotech**
  - Part of management team in public quoted biotech company
  - Responsible for licensing and business development
  - Co-founded spin outs from industry – with solid academic collaborations
  - Established a number of academic collaborations
- **Co-founded University spin out company**
- **Served several years on a “PoC board” for universities in the Copenhagen region distributing grants to move academic inventions towards proof of concept**



# The Interactions in Company Formation



# The University spin out

## - Learning from 7TM Pharma and others

### Start:

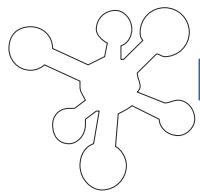
- Company established autumn 2000 as University spin out
- Operational early 2001

### Initial Strategy:

- Use of pioneering know-how and technology approach in drug discovery
- Strong international financial backing from the first day

### Learning:

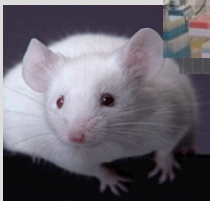
- Takes time – get the scientific group fully committed
- Stay clear of too many “consultants” taking ownership – get a few on fee for service basis
- Appreciate large gap from academic results to industry applicability
- Never make a company too narrow
- Working in industry is very different from academia – get industry people on board early



# Maintaining link between university and spin out

## 7TM Pharma A/S

Professionals in drug discovery  
drug development



Hørsholm

CSO

## Laboratory for Molecular Pharmacology

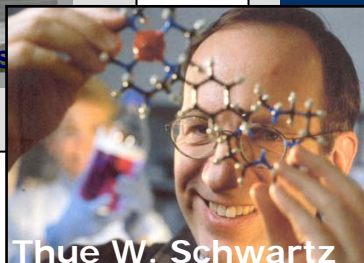
Postdocs, PhD studs.  
Master students, etc.  
Lab technicians.



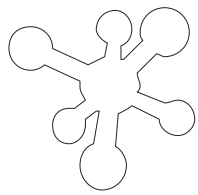
Panum Institute



Professor



Thue W. Schwartz



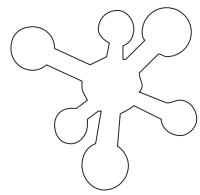
# Maintaining link between university and spin out

## Collaborative agreement - University of Copenhagen

- Research based within the overall frame of 7TM strategy:
- No 7TM management prioritization
- Allows close contact to basic research
- Enables alternative routes of communication to potential partners (the professor – not the CSO)
- Allows maturing of drug targets/technology which 7TM would not be able to prioritize

## Terms

- Annual renewal
- Restricted scope
- License to “what the company was pursuing”
- Payment as a share of company revenues



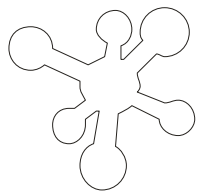
# Important ingredients moving technology/knowhow into spin outs

## Scientific basis – founders from the University:

- Get proof of concept if possible
- Ensure core knowhow is available
- High scientific profile helps
- Understanding of the biotech sector/industry conditions help

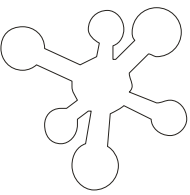
## Industry basis – founders from industry:

- Get experience with drug discovery and development
- Get experience with financing
- Get business development experience
- Ensure broad network within industry / among investors



# The Interactions in Different Agreements





# Types of interaction – and challenges

## **CDA:**

- Generally easy and standardized

## **Consultancy agreement:**

- Sometimes easy / sometimes difficult
  - Very valuable – perhaps the most valuable interaction
  - Leads to collaborations, licenses, increase mutual understanding
  - General lack of clarity/transparency:
    - Many scientists do not know what they can / cannot do – or wish to act independent of TechTrans
    - Many consultancy agreements are entered into only by the scientist and never reaches TechTrans – in particular when entered into by biotech having limited legal infrastructure
    - Unclear what the terms and prices as well as scope of commitment might be
- Educate the scientists – establish standard rules
- More transparency – also to demonstrate TechTrans involvement



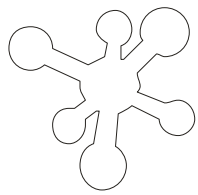
# Types of interaction – and challenges

## MTA request from industry:

- Getting more difficult
  - Industry has something that it wants tested (drug candidate) using academia knowhow and capabilities
  - Industry has likely developed IP – further IP potential often limited or dominated by IP already generated
  - In most cases – please just assign resulting IP to industry:
    - a drug candidate will be taken elsewhere if not (to contract research organization, other university, etc)
  - Accept industry can control publication - or get a “public / non valuable asset” included free of charge:
    - accept not to publish on drug candidate but get an earlier lead molecule or reference compound included

## MTA request from academia:

- Easy or difficult – that depends
  - Academia is interested in industry assets for scientific purpose (if agreed by industry, the value of the assets is often lower)
    - a real drug candidate will often not be available except to KOL for PR / profiling needs
  - Generally low priority in industry
  - Any legal interaction has to be very easy (take it or leave it)
  - Often, TechTrans has to deliver on speed and compromise on terms



# Types of interaction – and challenges

## Collaborations – with funding:

- No standard agreement
- Requires commitment from the scientific group as a start
- TechTrans to act as service / mediator
  - to ensure the scientific group understand milestones, commitments, reporting requirements, etc.
- TechTrans might offer support directly to manage collaboration, reporting, etc.
- TechTrans might liaise with “head of department” to ensure focus or take other measures
- TechTrans should not let a signed collaborative agreement out of sight until next payment



# Key challenges – industry requirements

## Making contact:

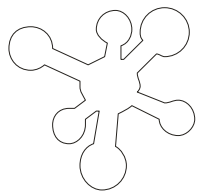
- High scientific quality (geography less/not important)
- Core competences and expertise with some understanding of / past experience with industrial requirements
- Visibility: easy to “identify” relevant scientific competences through publications, conference participation, industry interactions, etc

## Important for any interaction / collaboration :

- Flexibility and speed – in particular with paper work/legal exercises
- Deliverables and timelines as agreed – and managed between TechTrans and the scientific group
- Data handling and reporting has to be clear
- The university partner as a link to other scientific contacts in the same field

## Just a license agreement - a rare beast:

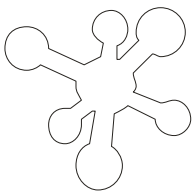
- A license to IP with no further interaction is mostly not of interest
- Most value for the industry partner remains the scientific team – can that be controlled by TechTrans?



# Key challenges – industry requirements

## The Value:

- How valuable is the university input/invention – a realistic view
- Investment requirement by industry: TechTrans often has limited experience with / understanding of entire value chain to product
- Main objective – is that to get science into industry or make money?



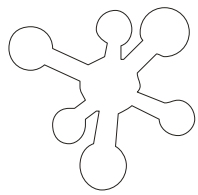
# Key challenges – industry requirements

## Publications and IP:

- Requirements to publications and IP is the main reason for a walk away
  - Scientists have to publish – but be flexible on how to get there
  - Too early publications can destroy IP / competitive edge
- Argue for a grant back of IP in case of lack of use by industry rather than upfront rights

## Other:

- Industrial perspective: for good reasons many TechTrans employees have limited industry experience
- Be realistic and do not cover any potential and theoretical situation in negotiations



# What should TechTrans expect from industry

## Understanding of the university position:

- Industry partner with understanding of the laws and principles around IP and publications
- Scientists do not have a reference to TechTrans and are difficult to “manage” – that is one reason why they are the university!

## Project management

- Clear objectives and realistic timelines
- Clear communication on purpose and expectations
- Project manager / contact person



**Realize that only a small percentage of any initiative or project gets to an agreement with money**

**That only a small percentage thereof gets further on to down stream payments**

**But science gets put to work  
- not just through publications**

**Thank you**



**7TM PHARMA**