Overarching Goal: TDG seeks to protect the intellectual property emanating from UCLA research programs and license those inventions to companies for development into commercial products that benefit society and bring income back to the UCLA, the inventors, their schools and other research programs at UCLA as outlined in the UC Patent Policy.

License Agreement Basic Structure:
UCLA files patents on UC inventions and licenses those patents to the company. UCLA retains title to the invention and manages the patent prosecution. In consideration for the license, UCLA receives a negotiated combination of: upfront fee, equity, royalties on the sales of licensed products, milestone payments and a percentage of sublicensing income. The company pays for patent prosecution, past and ongoing. The company must also agree to diligent development of the technology and adhere to a specific diligence timeline, which calls out specific stages of development. The license agreement does not commit the inventor to engage with the company. If the company needs assistance from the inventor they may sponsor research in his lab or hire the inventor as a consultant.

Explanation of Specific Deal Points in License:

Ownership of Patents: UC retains ownership of the patents so that we may ensure that the patent rights are developed for the public benefit. Additionally it is not uncommon for a company to change strategic direction and decide that they no longer have strategic need for the patent. Retaining ownership allows us to re-license the patent to another party.

Management of Patent Prosecution: UC works in close collaboration with the licensee to obtain meaningful patent coverage for the products envisioned by the licensee.

Equity: UCLA takes equity as partial upfront consideration from startup companies so that the startup may conserve cash and use less cash for an upfront fee. It also aligns UC with the licensee so that UC shares in the future success of the startup.

Royalties: UC looks to share a percentage of the net sales to end users of each licensed product which is protected with UC patent rights. Our philosophy is that we should win alongside the licensee. We do not cap royalties.

Diligence Timeline: Diligent development of the patent rights is extremely important and core to our mandate. We will sometimes seek input from the inventor to help us determine the appropriate timing for the technology development, particularly for the near term. Without a diligence timeline, companies can shelve the technology. With bright line diligence terms we have the ability to take back technology which is not being developed and put it in the hands of another party who might be able to develop it.

Inventor Role in License: Licenses give the licensee access to the patent rights and possibly related ancillary information, but do not grant access to the inventor or place any affirmative obligation on the inventor. We see to keep the inventor informed when a company is interested in licensing and most often seek input on the diligence time line and the fields of use for the technology.

On the other hand we encourage our licensees to sponsor research in our inventor’s labs and for that agreement the inventor does have clear obligations and involvement. If a company is interested in sponsoring research we will work closely with the inventor on that agreement—term, scope and budget.