

# A Powerful New Metric: "Technologies Transferred"

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## Abstract

A key statistic reported in the AUTM annual survey is the number of licenses and options executed in that particular fiscal year, more commonly referred to as the number of "deals." Deals can be a good measure of the workload of a given office, since each agreement has a certain amount of overhead and effort attached to it. However, deal flow is an imperfect measure of our efficiency in transferring our inventions and discoveries to the marketplace.

Measuring disclosed technologies actually transferred for commercialization purposes is a more compelling measurement of how we are "moving the merchandise."

All deals are not created equally:

**"I did 4 deals!"**  
(1 invention disclosure licensed 4 times, non-exclusively)

**"I only did 1 deal."**  
(8 invention disclosures licensed in 1 exclusive license)

Clearly, if the 8 disclosures had been licensed under 8 separate agreements, they would have counted as 8 deals, but because of the deal structure, the volume of technologies being transferred is obscured.

It would be useful for TTOs to track the number of disclosures that are being transferred for commercialization purposes, regardless of how they are packaged.

**"What are the chances my invention will get licensed, and how long will it take?"**

Many inventors are interested in hearing your success rate for licensing new invention disclosures, and chances are, you might not know the statistic. If your office only tracks the statistics reported to AUTM, then you won't have that figure readily available.

## A New Metric is Needed

This new metric is called **"Technologies Transferred"** (or **"TT"**), which has the benefit of:

- ✓ providing an accurate measurement of how the office is moving the merchandise
- ✓ using the same unit of measurement (invention disclosures) to link the outflow to the inflow

A secondary metric, **"Technologies First Transferred"** (or **"TFT"**) could also be used to track the number of technologies that are being transferred for the first time, and:

- ✓ is a subset of TT
- ✓ can be used to indicate what part of the volume of TT is not from recurring business.

With these two new metrics, our previous example becomes:

**1 invention disclosure licensed 4 times, non-exclusively = 4 deals, 4 TT and 1 TFT**

**8 invention disclosures licensed in 1 exclusive license = 1 deal, 8 TT and 8 TFT**

Combining these scenarios, the office's report would include 5 deals, 12 TT and 9 TFT. The fact that many technologies were licensed under one deal is not hidden when all three metrics are reported.

## So What Counts As A "Transfer?"

Benchmarking programmatic success requires consistent reporting with clear definitions: Technology: distinct intellectual property disclosed, including all patentably distinct inventions, software and other copyrightable inventions, as well as antibodies and reagents. Therefore, the number of Technologies disclosed in a given year is the number of Invention Disclosures Received, as reported in the AUTM survey – so no additional tracking is required for this number.

Transfer: any transaction transferring property rights to a third party for the purpose of commercial exploitation.

Transactions that would be counted as Transfers:

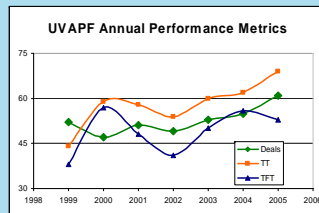
- exclusive licenses
- non-exclusive licenses
- assignments (other than return of rights to the inventors)
- amendments to existing licenses (where new technologies are added)
- technologies otherwise added to an existing license
- any license granted by another institution which includes rights owned by your institution, such rights having been previously transferred by an inter-institutional agreement (IIA)

Transactions that would not count as a Transfer include:

- option agreements
- IIAs
- amendments to existing agreements to change the scope of the agreement, but not add new technology
- return of rights assignments, which transfer the rights to the technology back to the inventor(s)
- MTAs

## Tracking Annual Performance

Tracking TT and TFT will give a clearer picture of how we are performing on an annual basis. TT includes the number of transfers of technology, but also takes into account multiple technologies in deals. TFT adds a dimension to this analysis by allowing you to gauge the number of technologies that were licensed more than once or have also been licensed previously.



When TT is high but TFT is low, several of your transfers were repeat business.

When TFT is almost equal to TT, a substantial portion of your deals were transferring technologies not previously licensed.

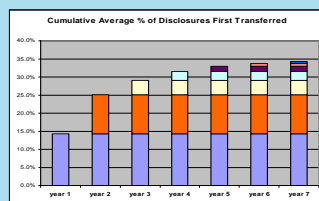
From this chart of Annual Metrics for UVAPF, TT tracks deals fairly closely, while TFT seems to be more variable.

## Tracking Efficiency Over Time

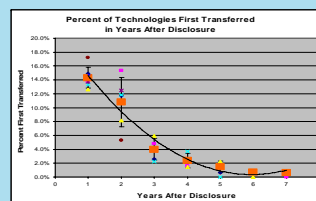
Another benefit of linking a metric to the technology, rather than to the transaction, is that it not only reveals how many technologies are being transferred, but also how long it takes for that technology to be transferred.

It is not uncommon for many of this year's licenses to cover inventions disclosed in prior years. The reported number of deals gives no information regarding the time lag between disclosure and transfer of technologies. The TT and TFT metrics provide an easier mechanism by which to track program efficiencies.

The following graphs, generated from TFT data from the UVA Patent Foundation, show the cumulative percent of invention disclosures transferred over time and illustrate how long after disclosure they are licensed.



Our internal statistics show that nearly 35% of inventions and discoveries disclosed to us are eventually licensed.



TFT statistics reveal that of the 35% of inventions we license, nearly three-quarters are licensed within the first two years after disclosure.

## Data Tables for TT and TFT

Keeping track of TT and TFT by Disclosure Year and Transfer Year is relatively simple using the following format. Highlighted fields indicate the number of transfers that occurred in the year of disclosure.

Disclosure Fiscal Year	Number of Disclosures	TT by Fiscal Year of Transfer					
		2000	2001	2002	2003	2004	2005
<2000		42	21	16	6	5	7
2000	124	17	20	6	3	4	6
2001	134	-	17	14	9	2	3
2002	135	-	-	18	19	4	9
2003	160	-	-	-	23	20	9
2004	151	-	-	-	-	27	8
2005	184	-	-	-	-	-	27
Totals		59	58	54	60	62	69

Tables tracking TT by Fiscal Year of Transfer quickly and easily show the numbers of disclosures from a given fiscal year that are transferred in subsequent years.

Disclosure Fiscal Year	Number of Disclosures	TFT by Fiscal Year of Transfer						Totals	% of Disc.
		2000	2001	2002	2003	2004	2005		
<2000		40	12	6	2	3	2		
2000	124	17	19	6	2	2	1	47	37.9%
2001	134	-	17	11	8	2	3	41	30.6%
2002	135	-	-	18	16	3	5	42	31.1%
2003	160	-	-	-	22	20	7	49	30.6%
2004	151	-	-	-	-	26	8	34	22.5%
2005	184	-	-	-	-	-	27	27	14.7%
Totals		57	48	41	50	56	53		

Tables tracking TFT by Fiscal Year of Transfer show the time lag between disclosure and the eventual transfer, and can demonstrate success ratio over time.

## Summary

•TT and TFT metrics provide information regarding a TTO's *efficiency* in licensing inventions – information not available from the deals metric.

•The TFT metric allows one to track the number of disclosures that are actually licensed by the TTO, as well as the average time between disclosure and transfer of technologies.

•Metrics that accurately represent the outflow of technologies may be useful in illustrating the impact of programmatic changes.

•These metrics can be used in annual performance appraisals to more accurately represent productivity.

•Faculty will appreciate knowing the statistical chance of success in your office for their new discovery.