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we exist to stimulate, empower and enable others

COIN

connections

North Carolina
Center of Innovation Network

COIN:

Where connections are made and leveraged

JANUARY 2015
SPECIAL ISSUE

Welcome to our January "Special Issue" of COIN Connections:

Over the past few months while planning the upcoming COIN Conference "Protecting and Valuing Your Intellectual Property" we've been asked why we believe Intellectual Property is such an important topic in North Carolina. Here are a few of those questions and our answers:

Q: Why is COIN focusing on Intellectual Property issues?

A: The North Carolina Center of Innovation Network is missioned to foster innovation and therefore economic development across the State. As such, we believe that our responsibility to "educate and inform" this broad constituency of innovative industries and research institutions includes providing information regarding the laws and policies that provide protection of their innovations which are defined as intellectual property.

Q: Why is this Conference different?

A: The conference is different because the agenda includes legal experts to answer questions on laws pertaining to intellectual property and will feature speakers to address issues such as valuing intellectual property, and the importance of integrating intellectual property policies both the day-to-day operations and the strategy of any forward looking innovative organization.

Q: How is this Conference related to job creation and economic development?

A: The reality for North Carolina's companies and institutions is that innovations and inventions resulting from new processes or products they create do impact job creation. Jobs created from new, unique and innovative creations typically demand higher salaries, therefore the ability to protect and value intellectual property facilitates economic development.

Q: What can attendees expect to gain?

A: Along with hearing from legal experts, companies and investors; attendees will have a unique opportunity to network both with speakers and each other.

So, the answer to the question "Who should attend", it would seem that anyone with a company or institution with an interest in intellectual property whether pertaining to the law itself or their business would find the conference of value, is that correct?

YES!

REGISTER TODAY!
members, partners, non-members, everyone

<http://nccoin.org/events/>
or
[register here!](#)

COIN

The North Carolina Center
of Innovation Network

We still have a few more exhibit tables available for the conference: \$449 per table and includes conference registration for two. This is a great deal and will be going quickly and will be available on a "first come, first serve" basis.

For more information, contact: Karen Shank
karens@nccoin.org or 919-369-0380

TECH TRANSFER PERSPECTIVE

Kissing the frog first to find the “Prince”

Universities learning to balance risk-reward



The Bayh-Dole act created incentives for universities to protect and commercialize federally funded research findings by working with industry and entrepreneurs. According to Association of University Technology Managers (AUTM) data, since 1980 research from US universities has resulted in more than 4000 new companies, 153 new FDA approved vaccines, drugs, diagnostics, and significant number of jobs. In 2012, an estimated sale of licensed technology was approximately \$80 billion resulting in \$1.89 billion in revenue to universities. In 2012 alone, 705 start-ups were formed from universities research; employing 15,741 employees with two-thirds of the companies being in the same state as the university.

Despite these successes of academic technology transfer, there is a growing demand for universities to move more research from lab to market in an efficient manner. Like most transformative processes, technology transfers consist of a series of complex activities that are dependent on inputs, internal resources, and external customers. Twenty years of AUTM data indicate that a typical tech transfer office receives about 1 invention disclosure for every \$2.4 million in research dollars. Roughly 55% of disclosures result in patent applications with about 37% of applications granted a patent. In the end only about 1 in 6 inventions reported to a university is ever licensed and only 1 in 10 (1 in 100 for pharma) of those are ever a successful product in the market.

Although most tech transfer offices are responsible for several university administration activities, a recent paper looking at the efficiency of university tech transfer simplifies the process into two stages; Research Innovation (tech accumulation) and Value Creation (Tech dissemination) (Ho, et al). In the Research Innovation stage, universities attract funding and accumulate technology via patent and copyright protection. In the Value Creation Stage, the universities invest resources in marketing and expanding industry and entrepreneur relationships. The authors found very few universities are efficient in both. The reason for this is that possessing all the capabilities to reach a highly efficient performance is not easy and requires significant resources and a variety of skillsets to be successful in both stages.

University tech transfer offices function under federal and state laws that restrict some of their commercialization activities. Even with these restrictions, professionals in this field are constantly looking for better practices to improve their processes and outcomes. Still, universities must vet technologies under short time lines for inventors to publish their findings and these early stage technologies are difficult to understand their current or future value. Universities take on large risk to protect the technology for their faculty and sponsors, sometimes based on a moderate understanding, but often from fear of missing out (FOMO). It should be recognized that universities provide this critical component by being the first investment in the commercialization process. With limited resources, some universities adopt policies that set low hurdles for filing provisional patents, but require a licensee before moving forward. These policies can undermine early stage technologies that require time to reach full realization. Clearly universities need to balance risk-reward just like other investors in the commercialization process. But, unlike many high-risk investments that have to kiss a lot of frogs before they find their prince, universities are the first to kiss the frog.

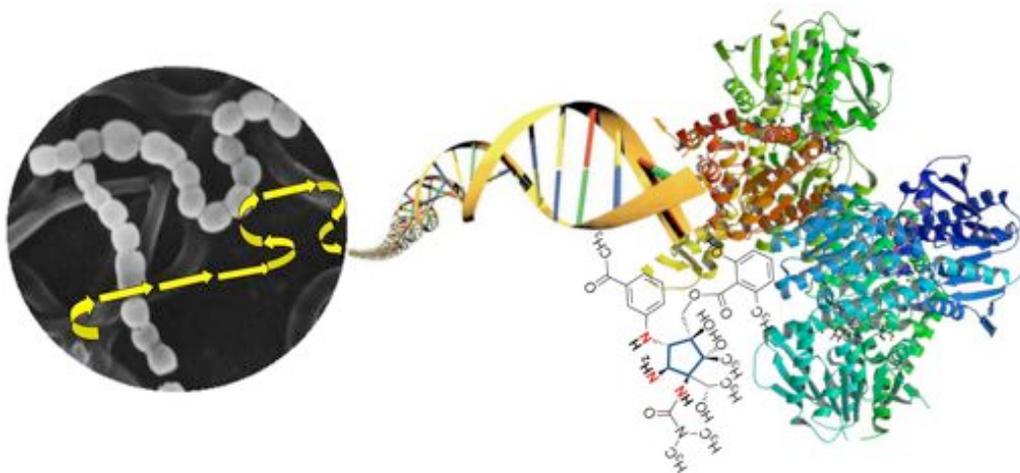
Reference; Ho, M., Liu, J., Lu, W., and Huang, C., (2014). A new perspective to explore the technology transfer efficiencies in US universities. *Journal of Technology Transfer*, 39, 247-275.



-L. Staton Noel III, MS, MBA, Director, Office of Innovation Commercialization at UNC-Greensboro

To hear more from Staton Noel
Come to the Conference on February 5th, you can register [here](#).

Natural Products: Patentable in the United States?



The USPTO recently released a set of guidelines for patent examiners to use when determining whether an invention is patent-eligible subject matter. Until recently, natural products purified from their natural environment were considered to be patent-eligible subject matter. However, in the *Myriad* case, a naturally-occurring DNA was held not to be patentable subject matter -- even in isolated or purified form. The guidelines are meant to be instructions for applying the Supreme Court's reasoning to other nature-based products.

The new guidelines describe a two-part general procedure: (1) determine whether the claim is directed to a law of nature, a natural phenomenon, or an abstract idea (i.e., the so-called "judicial exceptions" to patent eligibility), and if "yes," then (2) determine whether any element, or combination of elements, in the claim is sufficient to ensure that the claim amounts to "significantly more" than the judicial exception.

In short, an invention involving a nature-based product may or may not be patent-eligible subject matter, depending chiefly on how different the invention is from what is found in nature. "Products of nature" cannot be patented -- so patent claims that recite a nature-based product will be first analyzed to determine whether the recited product is "markedly different" than its naturally-occurring counterpart, for example, having different structure, function, activity or properties. If the nature-based product is "markedly different" from what is found in nature, then the claim is drawn to patentable subject matter.

If, however, the recited nature-based product is not "markedly different" from its naturally-occurring counterpart, the analysis moves to the next inquiry: whether the claim amounts to "significantly more" than the exception. Alright, but how much exactly is "significantly more"? Simply put, we do not know, exactly. The Supreme Court has given us some hints in the *Myriad* and *Mayo* cases, but none of them are particularly helpful with nature-based products themselves. The PTO, however, has provided helpful examples from which we can draw conclusions. The upshot is that a purified natural product itself is generally not patent-eligible subject matter. But non-naturally occurring forms (polymorphs, derivatives) of natural products can be patentable subject matter, as can compositions including the natural products with other ingredients to improve utility, and methods using natural products.

In summary, while it may no longer be possible to claim a natural product in isolated or purified form, there remains valuable patent protection for inventions involving nature-based products.



-Steven J. Sarussi, Partner



-James V. Suggs, Partner

Want to Know More?

Come to the Conference on February 5th, you can register [here](#).



REALIZING THE SECONDARY BENEFITS Provided by IP

Startups and technology-based companies are generally familiar with the direct benefits provided by obtaining intellectual property protection. For example, most businesses understand that a patent holder has certain rights to exclude competitors from using the given invention. Companies are becoming more familiar with the importance of developing an overall intellectual property plan and also creating a monetization strategy to more fully realize the financial opportunities provided by their intellectual property. What is less understood are the multiple second layer benefits that intellectual property can provide. The second layer benefits typically come when you use intellectual property as a tool in another part of your activities to help achieve a larger overall goal of the business.

One example of second layer benefits from intellectual property is that a well-developed intellectual property plan can be used to cross check your company's overall business plan. By cross checking your business plan and intellectual property plan with each other you can: (1) confirm the funding needs for international intellectual property filings; (2) confirm your personnel needs for intellectual property development; (3) ensure allocation of resources to support both technology and product development; and (4) improve the coordination of the development of your technology, products, and overall business model with each other. In each case the results from secondary layer use of your intellectual property should result in an improved overall business plan that has a higher likelihood of successful execution.

Another secondary benefit of intellectual property is that by not just having intellectual property, but also having an overall intellectual property plan that is integrated into the overall business plan will provide companies and the management teams with improved creditability with investors. Investors are more likely to support a company in difficult times or in a patent enforcement situation when the investor believes in the intellectual property of the company and also believes that the company's management team understands what to do with the intellectual property to generate positive financial returns.

Whether your company is going to use intellectual property to exclude potential competitors from the marketplace or develop an intellectual property-licensing program you will need financial resources. By properly taking advantage of the secondary benefits provided by intellectual property you can improve the likelihood of successful execution of your overall business plan and thereby realize the financial outcomes needed to support your long term goals and vision.

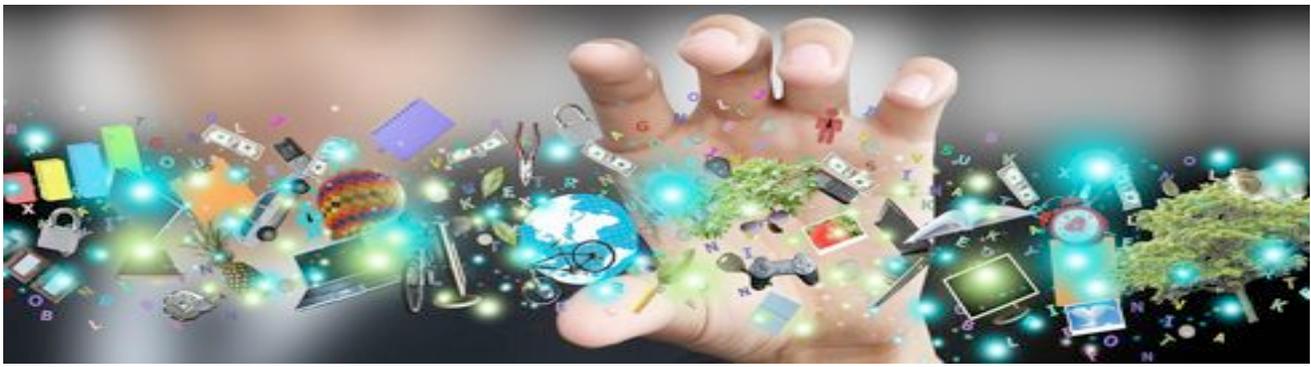


-Henry Kopf III, Manager, Revolution Law

*To find out how you can sponsor this event and represent your business with an exhibit table, please contact Karen Shank at **919.369.0380** or email <mailto:karens@nccoin.org>*

and

You can register for the conference [here](#).



AGENDA

For
Protecting and Valuing Your Intellectual Property

February 5, 2015
8:00 am – 4:30 pm

Embassy Suites Raleigh/Durham-Research Triangle
201 Harrison Oaks Boulevard
Cary, NC 27513

Thursday, February 5th

7:30-8:00 am	Registration
8:00-8:45 am	Welcome- Continental Breakfast and Networking <i>Sponsored by: TBD</i>
8:45-9:15 am	Welcoming Speaker: Dr. John Hardin, NC Department of Commerce
9:15-10:00 am	Patent Law Basics- Inventions, Patents and Trade Secrets: Erin Woelker and Steve Sarussi, MBHB
10:00-10:45 am	Trade Secrets, Patenting and Enforcement Worldwide-USA, China and India: James Suggs, MBHB, Richard Matthews, Williams Mullen
10:45-11:00 am	Break
11:00-12:15 pm	Basic IP Business Issues- Panel Discussion: Dr. James Ryan, JSNN to Moderate University Tech Transfer Perspective: Staton Noel, UNCG Strategic Alliance Partner Perspective: Dean Woodward, RTI International Intermediary Perspective: Joe Nixon, NCBC Investor's Perspective: Bob Creeden, Venture Capitalist
12:15-1:15 pm	Lunch and Keynote Speaker- Intellectual Property and University Tech Transfer/RTI International and Economical Development: Dr. Terri Lomax, PhD, Executive Vice President, Discovery Science & Technology, RTI International
1:15-2:00 pm	Open Forum Discussion- Valuing and Monetizing Your Intellectual Property: John Ciannamea, ipCapital Licensing Group and <i>additional guests to be announced</i>
2:00-2:15 pm	Break
2:15-3:00 pm	Open Forum Discussion- Understanding Natural Products and IP: Steve Sarussi, MBHB and <i>special guest</i>
3:00-3:30 pm	Integrating your Intellectual Property and Business Plan: Henry Kopf, Revolution Law
3:30-4:00 pm	Wrap-up-Where do I go from here?: JiNan Glasgow, NeoPatents
4:00-4:30 pm	Networking
4:30 pm	Departure