AN INTRODUCTION TO USET

WHAT IS USET?

University Science, Engineering & Technology, Inc. (USET) is a service company engaged in promoting the development of patented and patentable new inventions and the commercial exploitation of these through licensing programs. In its role as the patent service and licensing agent for the inventor or owner of new technologies, USET arranges, on their behalf, for commercial organizations to undertake research and development, manufacturing, and marketing of such new technologies. USET's services include assistance in locating and identification of new inventions through on-site liaison with inventors by its patent staff, the evaluation of the economic and technical merit of the new inventions, arranging for the filing and prosecution of patents covering such inventions where appropriate, and licensing and administering the patents. USET's principal sources of technology are research universities and government laboratories, both foreign and domestic.

USET'S BACKGROUND

USET was formed through the acquisition of University Technology Company (UTC) and the technology transfer assets of University Patents, Inc. (UPI). These two organizations represented twelve universities and two government laboratories at the time of acquisition. In all but a few exceptions, USET has the right of first refusal with respect to any of the technology generated by its client's research activity. The combined annual budget for research of USET's clients exceeds $800,000,000.

Through UTC and UPI, USET has acquired a royalty interest in several substantial technologies currently under development by corporate licensees, both in the United States and abroad.

Since July, 1988, USET's headquarters have been located in Westport, Connecticut, with a Washington, D.C. liaison office. In addition, Technology Information Center (TIC), a development stage subsidiary company, is located in Houston, Texas. TIC is developing a technology transfer data base.

PROFESSIONAL STAFF

USET's staff includes professionals in many aspects of science and engineering, including electrical engineering, materials science, immunology, genetic engineering, nuclear engineering, chemistry and life sciences. In addition, several of its staff are attorneys with experience in both contract and patent law. USET's professional staff of 10 people is augmented by four full-time, on-campus representatives at major universities.

CLIENT LIST

University of Colorado
University of Illinois
New York University
University of Pennsylvania
Princeton University
University of Rhode Island
Medical College of Pennsylvania
New Jersey Institute of Technology
British Technology Group
Institut National de la Recherche Agronomique
University of Maryland
Kansas State University
University of Iowa
Georgia Institute of Technology
University of Connecticut
Smithsonian Institute
GKSS-Forschungszentrum Geesthacht GMBH

THE SECRETARY OF COMMERCE
Washington, D.C. 20230

14 DEC 1987

Honorable Richard E. Lyng
Secretary of Agriculture
Washington, D. C. 20250

Dear Dick:

On March 18, 1987, this Department published in the Federal Register regulations which set out the patent clauses to be used in funding agreements with small business firms and nonprofit organizations, 37 CFR Part 401 (enclosed). The authority for these regulations is contained in Title 35, Section 206 of the United States Code (enclosed).

The patent clauses contained in these regulations allow small business firms and nonprofit organizations to take title to any inventions arising under a funding agreement. These clauses ease technology transfer as set out in Executive Order 12591.

Subsection 401.1(e) of the regulations states that they shall take precedence over any other inconsistent regulations dealing with ownership of inventions made by small business and nonprofit organizations. Thus, where patent clauses set out in the Federal Acquisition Regulation (FAR) are inconsistent with the 37 CFR Part 401 patent clauses for small business firms and nonprofit organizations, the latter clauses must be used.

Accordingly, your agency should use the patent clauses for small business firms and nonprofit organizations as set out in 37 CFR Part 401. These clauses take precedence over the inconsistent clauses in the FAR.

Sincerely,

/s/
Secretary of Commerce

Enclosures

MEETING: UTC/USET/Technology Liaison Officers

TIME: 3:00 p.m.

DATE: Sunday, February 28, 1988

PLACE: Mr. Norm Latker's Suite at Hyatt Islandia Hotel

PRIOR TO: SUPA Conference

AGENDA ITEMS

Introduction:

1) Introduction of Individuals
2) Introduction of USET and USET Goals/Programs
   - Lines of Communication
3) Discussion of UTC Process
   a) Review steps of process from predisclosure to post licensing.
4) Concept/Implementation of USET Electronic Data base

Marketing Process: Everyone

5) Forms/Tools Used/Needed
   - "Form" letters
   - UTC TLO Office Management Software
   - UTC Company Database
   - Disclosure Forms
   - Evaluation Form
   - USET Database Input Form
6) Evaluation of Invention Disclosures
   - Prior to Input to USET Database
   - During Marketing
7) Activities Undertaken
   - by TLO - disclosure/licensing
   - by LE - disclosure/licensing
8) Patenting - Timing and Costs
9) Termination of Marketing and Informing TLO and Inventor
10) Expansion of USET
   - Services to University
   - Regionalization of Activities
11) Use of External Assistance
   - Lawyers/Legal Advice
   - Consultants
12) Other Items

Follow-up/Action Items

UTC DISCLOSURE PROCESS

I. PRE-DISCLOSURE

* TALKS AT DEPARTMENT MEETINGS
* CONGRATULATIONS LETTERS TO PI'S OF GRANT AWARDS
* ONE-ON-ONE WITH "PROMISING" INVENTOR FACULTY

II. DISCLOSURE PREPARATIONS

* REVIEW INVENTION IN PERSON WITH INVENTOR
* PREVENT DISCLOSURE IF NOT COMPLETE
* EXPLAIN DISCLOSURE AND MARKETING PROCESS
* HELP FACULTY COMPLETE DISCLOSURE FORM

III. DISCLOSURE RECEIPT

* DRAFT EXECUTIVE SUMMARY
* ASSIGN KEYWORDS (WITH INVENTOR)
* FORWARD TO UTC
* DISCUSS STRATEGY (MARKETING/PATENT OPINION) WITH LICENSING EXECUTIVE ASSIGNED BY UTC

IV. FOLLOW-UP ACTIONS

* PREPARE TECHNICAL PACKAGE
* FILE GOVERNMENT REPORTS AS APPLICABLE
* RESPOND TO TECHNICAL INQUIRIES FROM UTC
* ARRANGE CORPORATE VISITS AS NECESSARY
* ASSIST IN PREPARATION OF DEVELOPMENT PROPOSALS
* MONITOR PROGRESS OF DEVELOPMENT CONTRACTS
* CHECK INVENTOR TO DEFINE ANY PUBLICATION DATES

UTC MARKETING PROCESS

I. RECEIPT OF DISCLOSURE

* IN-HOUSE SCREENING FOR:
  * COMPLETENESS AND REDUCTION TO PRACTICE
  * MARKETING STRATEGIES AND FIELDS OF USE
  * ASSIGNMENT TO A LICENSING EXECUTIVE

II. MARKETING SEQUENCE

* SCREEN DATABASE WITH KEYWORDS FOR CONTACTS
* MARKET SEARCH FOR ADDITIONAL COMPANIES (S&P, ETC.)
* CONTACT BY TELEPHONE TO DESCRIBE INVENTION
* SEND EXECUTIVE SUMMARY AND CDA
* FOLLOW-UP FOR INTEREST
* SEND TECHNICAL PACKAGE ON RECEIPT OF CDA
* FOLLOW-UP FOR INTEREST
* ARRANGE TECHNICAL/LICENSING MEETING AT UNIVERSITY
* SEND OUTLINE OF OPTION AGREEMENT PRIOR TO MEETING
* SEND DRAFT AGREEMENT
* FINALIZE AND COLLECT OPTION FEE AND RESEARCH FEE

III. POST OPTION SEQUENCE

* MONITOR (WITH TLO) PROGRESS OF DEVELOPMENT
* INITIATE PATENT PROCESS*
* FINALIZE LICENSE AGREEMENT PRIOR TO END OF OPTION

IV. POST LICENSE ACTIONS

* MONITOR PERFORMANCE AND ROYALTY PAYMENTS

* THIS STEP COULD COME AT ANY TIME, DEPENDING UPON CIRCUMSTANCES

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Sincerely,

/s/
Secretary of Commerce

Enclosures

UNIVERSITY TECHNOLOGY CORPORATION
South Square Corporate Centre Suite 210
3710 University Drive Durham, North Carolina 27707
(919) 493-0101

January 28, 1988

MEMORANDUM

TO: Dr. Lowell Harmison

FROM: Carl B. Wootten

RE: UTC Marketing Procedures

As we discussed by telephone on the 24th, this is written to give you some of the details on how the marketing operation is done at UTC. In general, the sequence would go as follows:

1. The TLO and the campus would prepare documentation of the invention, including an Executive Summary and a Technical Package which we would use to get the initial interest of the targeted industry.

2. The documentation is sent to UTC where a Licensing Executive most familiar with the technical area involved is assigned to the case.

3. The key words assigned to the invention at the university are reviewed by the Licensing Executive, and are then matched against the potential corporate clients. As an example, I'm enclosing one page of an invention from Maryland showing how they come up on the computer.

4. The next step is to call the contacts listed at the target companies to confirm that the key word that they gave us was a match with the technology and to discuss, in nonconfidential terms, the concept and basis of the invention.

5. Assuming continued interest, an Executive Summary and two Confidential Disclosure Agreements are sent to the company for their review. Once the Confidential Agreement is signed, a Technical Package containing all of the details of the invention is then forwarded to the company.

6. Assuming review of the Technical Package is positive, a meeting is set up at the university with both the technical and business people from the company to discuss and detail the further technical work required and the basis of the Option Agreement.

7. An Option Agreement is drafted and forwarded to them, negotiated, and the work is commenced.

It usually takes 3-12 months to complete the necessary work at the university laboratory to prove that the lab model can be expanded to the prototype stage, at which time the License Agreement is negotiated and the company takes over for development and commercialization.

I'm sure that with our expanded data base we will want to modify this procedure, but that gives you a feel for how it is done presently.

Sincerely,

Carl

Carl B. Wootten
President

CBW/ce

CBW 071

7 University Technology Corporation 01/26/1988

Durham, N.C. (USA)

02-86-019 Assigned CBW Select Companies Select Companies

Deter. Of Microbial Sens. To Antibiotics Use ALT-F10 to Process

9 7 X 3841303 DIAGNOSTIC TEST KITS & REAGENTS

8 X 3841333 CULTURE-BASED TESTS

9 X 38413331 ANTIBIOTIC SENSITIVITY TESTS

18 1 X ___ Cambridge BioScience Corporation

No. 2 X ___ Isolab Incorporated

Comps 3 X ___ Pall Bio Support

Found 4 X ___ Behring Diagnostics Behrens, Fritz

5 X ___ Connaught Laboratories Cockrane, Dr. W.

6 X ___ Seward Laboratory Crawford, Graham L.

7 X ___ Difco Laboratories Dermody, Dr. W. Chris

8 X ___ Behring Institut Dr. Zwisier

9 X ___ Cambridge Research Lab. Kamentsky, Louis A.

10 X ___ Diagnon Corporation Landon, Dr. John

11 X ___ Clinical Science Inc. Lehnus, Gary

UNIVERSITY TECHNOLOGY CORPORATION
South Square Corporate Centre Suite 210
3710 University Drive Durham, North Carolina 27707
(919) 493-0101

F A C S I M I L E T R A N S M I S S I O N

from

UNIVERSITY TECHNOLOGY CORPORATION
3710 University Drive, Suite 210
Durham, North Carolina 27707

DATE: February 24, 1988

TO: Mr. Norman Latker

FAX NO: USA (301) 738-0212

FROM: John A. Fraser

FAX NO: USA (919) 490-1414

ATTN: Mr. Norman Latker

RE: San Diego Meeting

Susan Sgibara
This invitation extends to you also.
Norm Latker

Telefaxed 2-24

Dear Norm:

Following is a Memorandum that has been faxed to all the TLO's along with the Draft Agenda. Please give me a call if you have any questions or comments.

Sincerely,

John A. Fraser,
Executive Vice President

JAF:pv

PLEASE NOTIFY MR. NORMAN LATKER IMMEDIATELY UPON TRANSMISSION

TRANSMITTING HEADER PLUS 2 PAGES

UNIVERSITY TECHNOLOGY CORPORATION
South Square Corporate Centre Suite 210
3710 University Drive Durham, North Carolina 27707
(919) 493-0101

February 24, 1988

MEMORANDUM

TO: Dr. Charles Goodwin
Dr. Robert Kyle
Mr. Wayne Swann
Mrs. Julie Watson

FROM: John A. Fraser

RE: San Diego Meeting

It is our pleasure to invite you to the meeting outlined on the attached sheet. Please note the change in time to 3:00 p.m. You will need to inquire at the reception area shortly before 3:00 to locate Mr. Latker's suite.

We are taking advantage of people attending SUPA to get together to discuss a range of items as well as having people swap experiences.

Mr. Norm Latker will attend on behalf of USET, together with UTC personnel.

I look forward to meeting with all of you in San Diego.

Yours sincerely,

John A. Fraser
Executive Vice President

JAF:pv

Enclosure

DRAFT AGENDA

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Structure for database: C:\DBASE\INVENTS.DBF , index = INVTNUM.IDX
Number of data records: 3
Date of last update : 10/26/87

Field	Field Name	Type	Width	Dec	
1	PATNUM	Character	10		← patent # if patented; otherwise invention # for index
2	TITLE	Character	150		← descriptive title
3	INVENT1	Numeric	10		← inventor #'s from PERSON1.DBF
4	INVENT2	Numeric	10		
5	INVENT3	Numeric	10		
6	INVENT4	Numeric	10		
7	ETALII	Character	64		← names of misc inventors if needed
8	APPLNUM	Character	10		← patent application #
9	APPLDATE	Character	8		← " " " date
10	CMPLDATE	Character	8		← date patent granted
11	ATTYS	Character	80		← patent attorneys
12	ASSIGNEE	Character	64		← patent assignee
13	KEYWD1	Character	40		← key words for indexing / lookup
14	KEYWD2	Character	40		
15	KEYWD3	Character	40		
16	KEYWD4	Character	40		
17	KEYWD5	Character	40		
18	STAGE	Character	80		← stage of development
19	NOTES	Memo	10		← misc. comments
20	INVTCLASS	Character	60		← kind of invention
21	INTLCLASS	Character	60		← international classification
22	USCLASS	Character	60		← American "
23	SRCHFLD	Character	60		← patent searching codes
24	CONTACT	Character	60		← person to contact re: "deals"
25	TERMS	Character	220		← "deal" desired
26	SUMMARY	Character	230		← informal description of invention
27	OPINION1	Character	240		← scientist's opinion: what technology will this research aid?
28	OPINION2	Character	240		← scientists' opinion: what new lines of research will result?
** Total **			1955		

patented
pending
invention
software
chemical/drug
organism
etc.

METHODS
FEATURES
COMPONENTS
OPERATION

ABSTRACT
REFERENCES
BACKGROUND ART
CLAIMS, etc.