

**AUTM** U.S. Licensing Activity Survey

# **FY2012 HIGHLIGHTS**

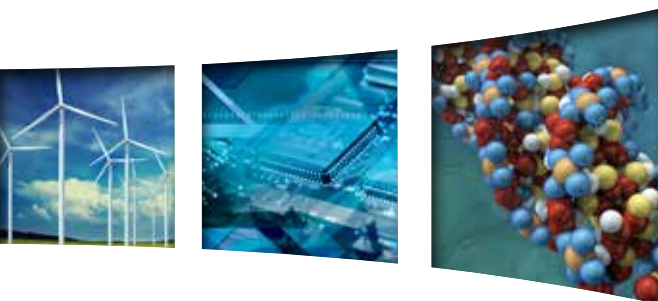
For two decades, the Association of University Technology Managers (AUTM) has been the leader in soliciting, compiling and publishing academic technology transfer data—making the AUTM U. S. and Canadian Licensing Activity Surveys some of the association's most valuable resources.



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The *AUTM U.S. Licensing Activity Survey Highlights* offers a preview of the data found in the fiscal year 2012 (FY2012) report and provides a glimpse into the current state of the field. The comprehensive *AUTM Licensing Activity Survey FY2012* will be published in late 2013.

For more information about the FY2012 survey—including sponsorship opportunities—and past surveys, please visit the [AUTM Website \(www.autm.net\)](http://www.autm.net).



# HIGHLIGHTS

Analysis of our FY2012 survey indicates that university and research institute licensing and startup activity remained very strong. The number of licenses and options executed showed healthy increases over FY2011, as did the number of startups that remained active at the end of the fiscal year. FY2012 also saw a modest increase in total research expenditures and another significant rise in the number of issued patents on top of last year's record numbers. License income, particularly that from product sales, was also up sharply. The resources committed by academic institutions to technology transfer—employment in technology transfer offices and legal expenditures—also started to grow again after having been essentially flat since the global financial crisis.

## Products, Startups and Licenses/Options

All areas of licensing activity increased strongly. The number of startups formed increased 5 percent to 705 and the number of total startups remaining operational increased 2 percent to 4,002. In addition, the number of licenses and options executed increased strongly by 5 and 8 percent, respectively, for a total of 6,372 new technologies starting development. The total number of active licenses and options, representing new products and those in the marketplace, increased 4 percent to 40,007. The number of new commercial products created was flat after a 10 percent dip last year.

- 5,130 licenses executed (+4.7%)
- 1,242 options executed (+7.8%)
- 483 executed licenses containing equity (+16.1%)
- 40,007 active licenses and options (+3.6%)
- 705 startup companies formed (+5.1%), 554 of which had their primary place of business in the licensing institution's home state (+13.8%)
- 4,002 startups still operating as of the end of FY2012 (+1.9%)
- 591 new commercial products created (0.0%)



# HIGHLIGHTS

## Research Expenditures

Research expenditures continued to increase from 2011 levels, with federal funding being essentially flat after the substantial increases during the stimulus years and industry-sponsored research increasing 2.4 percent after falling 5.9 percent last year. The largest increase in research funding was in the “All Other” category—i.e., from other than federal and industrial sources, which increased by \$1.8 billion or 10.7%.

- \$63.7 billion total sponsored research expenditures (+4.1%)
- \$40 billion in federally funded sponsored research expenditures (+0.3%)
- \$4.1 billion in industry-sponsored research expenditures (+2.4%)
- \$18.9 billion from all other sources (+10.7%)

## Intellectual Property Management

Invention disclosures received increased by 8.6 percent to 23,741. There was a 10 percent increase in issued patents on top of the 5 percent increase reported last year. The number of U.S. patents issued has increased by 56 percent since 2008. The number of non-U.S. new patent applications dipped 4 percent after a 22 percent increase in 2011. Patent/legal spending increased 5 percent and legal reimbursements increased 2 percent after being essentially flat in 2011.

### Disclosures

- 23,741 disclosures received (+8.6%)

### Patent Filings and Patent/Legal Expenditures

- 22,750 total U.S. patent applications filed (+11.3%)
- 14,224 new patent applications filed (+7.2%)
- 1,150 non-U.S. new patent applications filed (-3.6%)
- \$345 million external legal fees paid (+4.5%)
- \$158 million legal fees reimbursed (+2.2%)

### Issued U.S. Patents

- 5,145 issued U.S. patents (+9.5%)



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## License Income

Total income increased a strong 6.8 percent, driven primarily by running royalties (royalties earned on sales of products), which increased 30.2 percent after an increase of 5 percent last year. Cashed-in equity decreased 1 percent. All other sources of income (e.g., license issue fees, payments under options, termination payments, annual minimums not supported by product sales) increased 3 percent last year after being flat in 2011. The increase in running royalty is significant because it is an indication that university discoveries are making their way to the marketplace as important new products with significant sales. Reflecting this, the total number of licenses generating running royalties increased 5.4 percent to 9,640, meaning that close to 10,000 products are being sold which originated in academic research laboratories, while the number of licenses generating more than \$1 million increased by 5.7 percent to 224.

- Total income: \$2.6 billion (+6.8%)
- Running royalties: \$1.9 billion (+30.2%)
- Cashed-in equity: \$64 million (-1.0%)
- Other income: \$461.6 million (+2.7%)

## Test Survey Questions: Product Sales and Startup FTE

This year AUTM repeated two additional questions for a second year to better ascertain the economic impact of technology transfer. AUTM plans to build on these initial results and provide a more detailed analysis in the coming years. Based on this year's response, \$36.8 billion (+1.1 percent) of net product sales were generated last year as reported by 82 institutions, which was an increase response of 19 percent over our initial year. In addition, startup companies started by 70 (-16 percent response rate) of the responding institutions employed 15,741 (-36 percent) full-time employees.



# HIGHLIGHTS

## New Survey Questions: Patent Application Type, Disclosures Waived Back and SBIR Companies

Four new questions were included this year to stratify the responses to some of our base questions. In 2012, 141 respondents reporting waiving 737 invention disclosures back to the inventors. This represents only about 3 percent of the total number of disclosures received in 2012, implying that there is not a large demand by inventors to attempt to commercialize inventions on their own, once their institutions decide not to pursue them. In addition, of the new patent applications filed, 156 and 160 respondents reported filing 123 design patent applications and 53 plant patent applications, respectively. The relatively low number of plant patents filed is a little surprising given the large amount of plant breeding activity being conducted at our agricultural universities. However, as reported to us anecdotally, it may reflect the more common practice of securing other forms of intellectual property protection (e.g., USDA Plant Variety Protection (PVP) Certificates, plant trademarks) in lieu of or in addition to plant patents. We intend to investigate this further in future surveys. Lastly, 116 institutions reported establishing 43 SBIR/STTR companies in 2012.

## About the U.S. Survey

The 2012 survey was sent to 299 U.S. institutions (232 universities and colleges, 61 hospitals and research institutions, two national laboratories, and four third-party technology investment firms). Of these 299 U.S. institutions, 194 responded, for a response rate of 65 percent compared to 186 respondents in 2011 at a rate of 60 percent. The respondents included 161 universities, 32 hospitals and research institutes, and one third-party technology investment firm.

## About AUTM

The Association of University Technology Managers (AUTM) is a nonprofit organization with an international membership of more than 3,000 technology managers and business executives. AUTM members—managers of intellectual property, one of the most active growth sectors of the global economy—come from more than 300 universities, research institutions and teaching hospitals as well as numerous businesses and government organizations.



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