

UNIVERSITY OF KENTUCKY BOARD OF TRUSTEES

Lisa A. Cassis, Vice President for Research



Institutional alignment for growth

Strategic Initiative 1: Improve the quality of the research infrastructure across campus.

Strategic Initiative 2: Foster an inclusive culture of research success to retain and develop outstanding faculty, staff and students.

Strategic Initiative 3: Invest strategically in UK's existing strengths and areas of growth in selected focus areas that benefit and enrich the lives of those in the Commonwealth.

Strategic Initiative 4: Strengthen engagement with communities and translate outcomes of research for the benefit of the citizens of the Commonwealth.

Planning and strategy drives success

- 2015 – Reorganized the Office of Technology Commercialization
- 2016 – Recruited a nationally recognized leader (Ian McClure) for UK intellectual property efforts
- 2021 – Launched UK Innovate to expand research, innovation and economic impact of UK technologies and talent
 - Corporate Partnerships
 - Innovation Training
 - Technology Commercialization
 - Social Innovation



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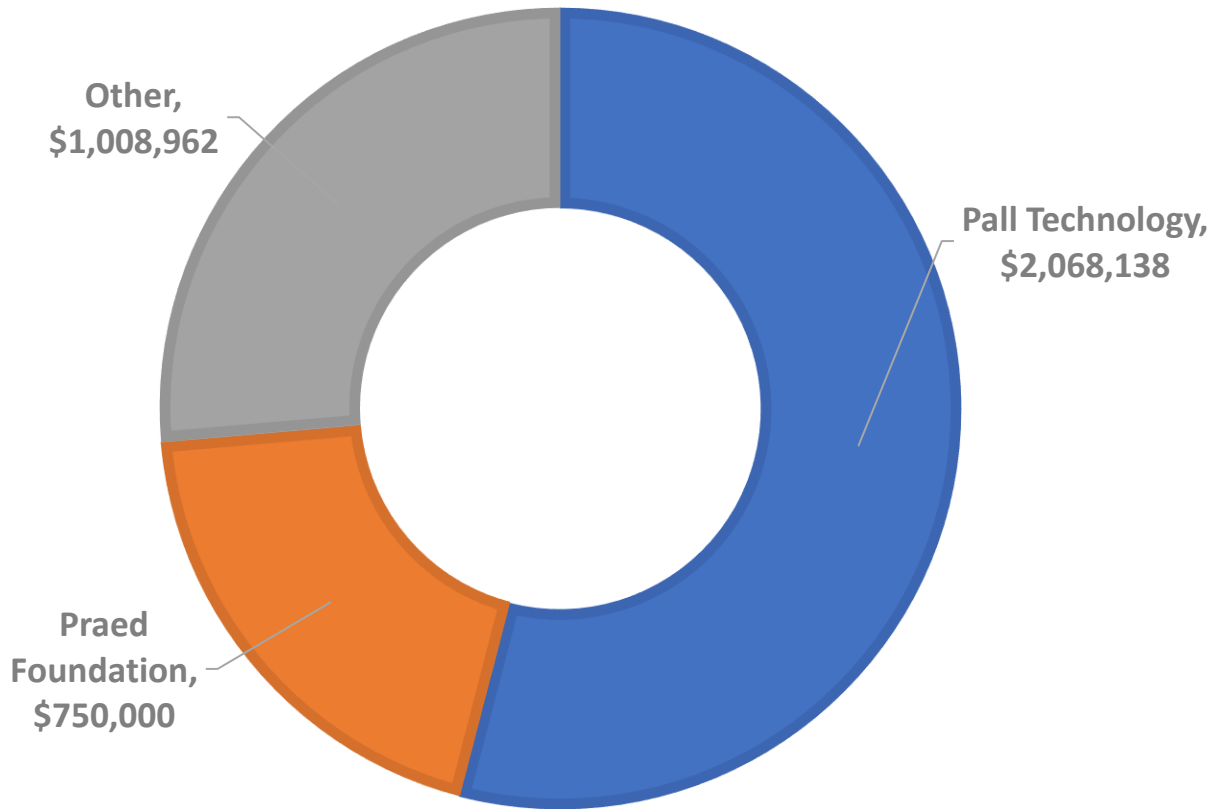
Taunya Phillips, Director Office of Technology Commercialization



AN EQUAL OPPORTUNITY UNIVERSITY

License income through Q2 FY24

\$3,827,100



- More than \$2 million from successful royalty audit of Pall Technology license.
- Largest license issue fee in UK history of \$750,000 from the Praed Foundation, a new Social Innovation licensee.
- Year-over-year, license income is ahead of the FY23 total by over \$200,000, even without the two major contributors.
- Completed an additional royalty audit on a separate license and expect to receive unpaid royalties from that audit soon.

License royalty audits

- Best practice for technology commercialization offices is to utilize patent license agreement audits, to ensure proper payment of royalty income.
- The importance of these audits is heightened for high-earning royalty-based licenses, and when the patent expires, ending the license agreement. Both situations occurred with the Pall Technology license.
- In 2001, Pall Technology (formerly known as both ATMI and LevTech) licensed a patent for a mixing system using a levitating magnetic element that was based on the research of Dr. Alexandre Terentiev in 2001.
 - The agreement ended when the patent expired in 2021.
 - Over the life of the agreement, the University of Kentucky Research Foundation (UKRF) received \$4,524,312, with 40% going to the inventor, 20% to the Department of Physics, 20% to College of Arts and Sciences and 20% to the UKRF (per UK AR 7:6).
- In fall 2023, an audit team from InvotexIP was sent to Pall's manufacturing plant in Europe. They discovered products using our patent were sold but not included in royalty calculations. The audit resulted in Pall payment of additional royalties: \$2,068,138.
- The cost of the audit was \$31,765.84 and was split with the college and department, while the proceeds from the audit were split according to AR 7:6.

License royalty audits

- A second audit with Crown Laboratories (formerly Niadyne Inc.) was completed for a niacin-based component technology used in skincare products, under the commercial name StriVectin®, and based on the research of Drs. Elaine and Myron Jacobson in the Colleges of Pharmacy and Health Sciences.
 - The patents expired in 2022, with UKRF receiving \$15,287,052 over the life of the agreement.
 - InvotexIP discovered inventory on hand, based on UK patents, that did not sell until after the license expired. Crown's reports to us had only included goods sold, so we would not have known about the unsold inventory without an audit.
 - We are waiting on the signature of a settlement agreement for \$194,559.51.
- As a practice, we will continue to do audit cost-benefit analyses on high-earning royalty-based licenses, and/or those nearing patent expiration to ensure we are collecting all royalty income that is due.

QUESTIONS

