

AUTM U.S. LICENSING ACTIVITY SURVEY HIGHLIGHTS: FY2009

For nearly two decades, the Association of University Technology Managers (AUTM) has been the leader in soliciting, compiling and publishing industry data – making the *AUTM Licensing Activity Survey* one of the association's most-sought-after publications. This year, in response to the membership's request that this information be made available on a more timely basis, AUTM is pre-releasing some of the key findings. As you will see, these highlights, presented below, offer a glimpse into the current state of the industry – including data that indicate that universities continue to spin out startups at the same pace despite the economic downturn.

In addition, for the first-time ever, AUTM plans to release the *Licensing Activity Survey Summary:* FY2009 by the end of the year. This detailed report will be available free of charge to all FY2009 survey participants. It will also be available to nonparticipants and non-AUTM members for a fee.

U.S. HIGHLIGHTS

Some highlights from the U.S. survey include the following (all comparisons are to the previous fiscal year):

Even in the midst of one of the greatest economic downturns the United States has ever seen, universities maintained their level of startup company creation. In fact, universities and institutions started almost 600 new companies in 2009.

While startup creation and some other licensing activities remained very strong, universities were not immune to the downturn in the economy. The data showed total license income declined 32.5 percent year over year. This could be attributed to the economic downturn or it could simply reflect that no large royalty buy-outs occurred in 2009. The previous two surveys each reported on institutions that had negotiated extraordinary partial royalty buy-outs that boosted overall royalty income significantly. This did not occur in 2009.

About the U.S. Survey

The FY2009 survey was sent to 322 U.S. institutions (249 U.S. universities and colleges, 69 U.S. hospitals and research institutes, and 4 third-party patent management and investment firms). Of the 322 U.S. institutions, 181 responded, for a response rate of 56.5 percent. The 181 U.S. respondents included

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153 U.S. universities, 27 U.S. hospitals and research institutes, and 1 third-party patent management and investment firm.

Looking to the future, AUTM is investigating the possibility of conducting the survey closer to the close of the fiscal year. Toward that end, one of the questions it asked its members on this survey was how soon after the close of the fiscal year would they have their data compiled for reporting.

Economic Impact

The number of licenses executed increased 5.6 percent, whereas the number of options decreased 3.4 percent. Total licenses and options increased 3.8 percent. The number of startups was essentially unchanged.

Products, startups and licenses/options:

- 658 new commercial products created
- 5,328 total licenses and options executed, 4,374 of which were licenses
- 596 startup companies formed, 435 of which had their primary place of business in the licensing institution's home state
- 3,423 startups still operating as of the end of FY2009

Technology Transfer Pipeline

Research expenditures continued to increase; total research and development spending increased 4.2 percent, federal expenditures increased 1.9 percent, and industrial spending increased 8.2 percent.

Research expenditures:

- \$53.5 billion total sponsored research expenditures
- \$33.3 billion in federally funded sponsored research expenditures
- \$4.0 billion in industry-sponsored research expenditures

Intellectual Property Management

The number of disclosures received increased 1 percent.

Disclosures:

20,309 disclosures

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For the first time, AUTM analyzed in greater depth the areas within which the disclosures fell and was able to categorize 66 percent of the disclosures or 13,376. Table 1 provides a breakdown of these findings.

Table 1. Categories for FY2009 Disclosures

Field	Number	Relative Percentage
Computer science (e.g., software)	1,284	9.6%
Environmental science	128	1.0%
Agrochemistry	348	2.6%
Biological/life science (e.g., research tools)	1,388	10.4%
Medical (e.g., therapeutic, pharmaceutical)	3,272	24.5%
Veterinary	225	1.7%
Other life sciences	698	5.2%
Physical sciences	1,177	8.8%
Electrical engineering	1,045	7.8%
Mechanical engineering	680	5.1%
Biomedical engineering	1,899	14.2%
Other engineering	668	5.0%
Finance, education, art, music	207	1.5%
Other	357	2.7%

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Total U.S. patent applications filed decreased almost 4 percent while new patent applications declined almost 1 percent. However, the number of foreign filings increased significantly, up almost 56 percent.

Patents filed:

- 18,214 total U.S. patent applications
- 8,364 new U.S. patent applications
- 1,322 non-U.S. patent applications

The number of patents issued increased nearly 4 percent.

Patents issued:

• 3,417 issued patents

License Income

Total license income decreased 32.5 percent in 2009. The decrease was across the board; running royalties dropped 29.7 percent, cashed-in equity dropped 45 percent and other income dropped 35.5 percent:

Total income: \$2.3 billion
Running royalty: \$1.6 billion
Cashed-in equity: \$24.4 million
Other income: \$362 million