

Inventor Relations Are Complicated! Developing and Maintaining Good Inventor Relationships Is Key

Katharine Ku, MS

Former AUTM President and Bayh-Dole Award Winner Katharine Ku, MS, is director of the Office of Technology Licensing at Stanford University.

Know Your Inventor

In the Office of Technology Licensing (OTL) at Stanford, we believe that the inventor is the most important client, our customer. She is the source of our raw material, the person who gives us inventions to find homes for. Therefore, we need to establish good relationships with inventors who sometimes don't really understand the commercialization process. Other inventors do not want to be bothered or educated with the legal and commercial details—especially prior to having inventions; some want to be very closely involved. Still other inventions are, frankly, not of commercial interest, but the inventor, as the creator with little objective perspective, often has unrealistic expectations.

The ideal inventor is someone who is involved and interested in giving input but is willing to rely on, and learn from, the experienced judgment of the licensing professional. On the other hand, sometimes the inventor has important insights that can help the licensing office make a better decision. The inventor, understandably, wants the technology developed and usually wants the licensing office to “get the best deal possible.” Inventors often think we undervalue their technology.

Inventors come in all flavors! They do not always speak with one voice. Inventors are faculty, staff scientists, graduate students, post-docs, or undergraduate students.

Sometimes, one inventor wants the technology to be licensed nonexclusively but his joint inventor wants to start a company. Sometimes inventors don't get along with their co-inventors. Sometimes student inventors are afraid to speak their mind. Sometimes an “inventor” is not really an inventor in the patent sense and appears on invention disclosures because she is the principal investigator (or worse, a chairperson). Sometimes

inventors are at different institutions. The licensing office must be aware and sensitive to all these relationships to make reasonable decisions for all the effected parties.

The biggest challenge, but the greatest requirement for good inventor relationships, is to keep *all* inventors informed, not just the faculty inventor. This can be very difficult when the number of inventors is high and their status is different. We try to meet with all inventors for the initial meeting to explain the process and set realistic time, patenting and/or licensing, and monetary expectations (another important aspect to maintaining good inventor relationships). Although often one inventor is more interested than the others, or speaks for the others, we try to keep all inventors informed on general patenting and marketing correspondence so that they each have the opportunity to have input.

Lastly, sometimes inventors actually do know best. We have had inventions that we clearly thought were unpatentable and unenforceable but around which a company was created. We have wanted to drop inventions for good reasons, but inventors have persuaded us to continue with patent applications that eventually led to licensing activity. So, inventors' opinions should always be given serious consideration. We get their input on licensing strategies (nonexclusive/exclusive, startup/existing company) and their perspective on pricing (so as to see if our expectations are similar to theirs). Inventors do not dictate licensing to the licensing office, but we are very generous with asking for their input and reactions.

In general, our licensing teams work very closely with inventors—students and faculty alike—and are in regular communication with them. Working well with inventors ensures that the office will have repeaters whose second and third inventions may end up to be more valuable than the first. If a first-time inventor has a bad experience, the office may not get the opportunity to work on those second and third valuable ideas.

Outreach to New Inventors

Like other university inventors, Stanford researchers vary tremendously with regard to commercialization of their inventions—from disinterested inventors to very interested researchers, from experienced inventors to inexperienced. We have various informal activities to reach to new inventors: taking faculty to lunch; participation in new faculty orientation, attending speaking engagements at the laboratory or departmental level; hosting seminars for students, grad students, and post-docs as well as for faculty only; and exploiting speaking opportunities at Stanford entrepreneurial organizations. We have had barbeques and box-lunch occasions to attract student interest in the licensing office. But the OTL has been in business for long enough (more 37 years), that we are fairly confident that a new inventor will be encouraged by colleagues to contact us if there is a discovery that is has commercial potential.

For universities that are trying to build their technology transfer program, we believe that inviting successful inventors who can share their stories with colleagues is a good way to generate positive publicity. Often university researchers are more interested in hearing from external “experts,” such as patent attorneys, venture capitalists, and well-known entrepreneurs, about the their roles in the commercialization process. Any kind of interesting seminar on aspects of technology transfer is a chance to educate the community about the opportunities and challenges of university licensing.

We also caution, however, against overselling technology transfer because disillusioned inventors can be a very negative influence on colleagues. The best way to encourage disclosures is to have a good reputation among researchers.

We believe in providing abundant information via many sources: the Internet, brochures, pamphlets, annual reports, a newsletter, and an *Inventors Handbook*. We are willing to meet with new inventors (or potentially new recruits to Stanford) whenever they call so that we can establish a relationship early on. We find that it helps to calibrate future inventions if we can start to understand an area of research before inventions are disclosed to the office, when at all possible. If the OTL is aware of large research grants that may produce inventions, licensing staff can easily meet with faculty and staff to encourage disclosures.

However, if an office is swamped, getting new disclosures/the best disclosures may not be a priority. You have to prove yourself with what you get, not what you don't get.

Outreach to Current Inventors

As mentioned in the first section on our philosophy, we try to maintain regular communication with our inventors. We have an Inventor Portal, which is one of the most effective ways to allow the inventor to keep abreast of her invention activity without having to call/write the office all the time. The Inventor Portal, a Web-based, confidential system, provides a real-time, continuous status report on all invention disclosures, all patents filed, expenses associated with the filings, all licenses, and all royalty income past and current.

We also survey our inventors, six months and one year after the disclosure is submitted. The questions, about 8 to 10, are specific to the events related to the timing of the survey. For a new disclosure, we ask the inventor if she has met with the licensing staff and understands the process. For an older disclosure, we ask if he has been kept informed. If the customer survey indicates that there is an issue or unanswered questions, we respond right away to the inventor. The customer survey is a great way to keep in touch with inventors and resolve issues as soon as possible. The most common complaint, if there is one, is that an inventor is not kept as informed as she would like to be so it is very important to keep inventors informed. If we discover this, we call him right away.

We assign inventors to various licensing professionals based mostly on technical area of the invention. For repeat inventors, we try to keep the same licensing representative to enable people to establish a relationship, but there are times when the invention involves a different discipline or there are several inventors who have worked with different licensing staff so it's not a hard-and-fast rule. Very rarely, an inventor does not get along with a licensing person and we will change assignments, but inventors do not generally get to choose the licensing person.

Summary

The ability of office staff to manage inventor relationships well is one of the most important keys to success. Regular communication with and respect for the inventor will go a long way to contributing to good inventor relationships, some of which may last for years and many inventions and licenses.