

# UC Office of the President

## The Research University

**Title**

Industry-University Partnerships

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PLEASE NOTE: The letter reprinted here does not include the article from *The Atlantic Monthly*. It can be found online at <http://www.theatlantic.com/issues/2000/03/press.htm>

March 10, 2000

## **THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

I enclose for your information an article on industry-university partnerships from the March 2000 issue of *The Atlantic Monthly*. As you will note, it takes a largely negative view of such relationships and reflects a number of the criticisms that are sometimes leveled against them. The authors conclude with several recommendations they believe should guide industry-university collaboration; enclosed is a summary of what UC is doing in the areas covered by these recommendations.

UC has had a long history of cooperating with industry to advance research, instruction, and public service. Industry and research universities have always had an intellectual partnership in the United States, especially in fields like engineering and medicine. This partnership has generated a vital give and take between science and technology, research and application. A classic example of the productive relationship between basic and applied science is the work of Louis Pasteur, who made fundamental discoveries in microbiology while trying to improve the French brewing industry. A more recent example is the radio telescope, an invention that evolved from efforts to reduce static in microwave communications.

Cross-fertilization between academic and industrial research is what distinguishes science in the U.S. from that of most other nations and is one of the reasons that university scientific discoveries are so rapidly translated into new industries, companies, products, and services. It is also one of the reasons the U.S. is generating new companies, new jobs, new products and services that improve the lives of our citizens at a much faster pace than in the rest of the world.

It is certainly true, as the *Atlantic* article points out, that the number and scope of industry-university partnerships have expanded in recent years. Clearly, we need to be alert to the dangers in collaborative efforts between industry and universities, especially during this period of rapid growth, but we need to keep the significant advantages they offer in mind as well.

Because of its importance to the University, this is an area that we review carefully to see that our policies and practices serve UC and the public well.

UC has more patents issued annually than all of the Ivy League schools combined--a reflection of the high research productivity of our faculty and a reason why UC is sought out by industrial sponsors. Yet industry support for R&D, although valuable, is a small portion of UC's research budget. Excluding the UC-managed national laboratories, in fiscal year 1999 the federal government supplied 71 percent of all UC's external research funding, as compared to 9 percent from industry. Federally-funded basic research comprised almost two-thirds of all research conducted at UC.

Three years ago I convened a retreat to assess UC's interactions with industry and to consider changes in programs, policy, or structure that could improve research and technology transfer relationships while supporting the University's mission and values. If you wish further information about the retreat, UC's relationships with industry, or about our policies, you may wish to visit the Office of Technology Transfer's Web site at <http://www.ucop.edu/ott/>.

Yours truly,

Richard C. Atkinson  
President

Enclosures

cc: Chancellors

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**RESPONSE TO SUGGESTIONS ABOUT UNIVERSITY-INDUSTRY  
RELATIONSHIPS IN "THE KEPT UNIVERSITY"  
*THE ATLANTIC MONTHLY, MARCH 2000***

1. *Forbid professors from having direct financial ties to the companies sponsoring their research.*

The University of California has a longstanding policy under which faculty financial interest in companies sponsoring their research must be disclosed,

reviewed, and managed by objective third parties. In addition, in December 1999, a UC administrative task force co-chaired by Provost King and Senior Vice President Kennedy submitted its final recommendations concerning conflicts of interest and conflicts of commitment for faculty. The report proposes new policies in several areas, including prior approval to employ students in external projects, and a requirement that faculty inventors disclose any financial interests in potential University licensees. The report and its recommendations are currently being reviewed by the Academic Council.

*2. Ban universities themselves from investing in companies sponsoring their research.*

The University does not invest its own operating resources in companies that support UC research nor in companies that are built upon licensed UC technologies. The University's *Policy on Accepting Equity When Licensing University Technology* was developed in response to situations in which, for example, small or startup companies selected to develop and deliver the University's technology to the marketplace do not have sufficient funds to compensate UC for licensing. When UC accepts shares in a venture in lieu of funds, we generally do not accept more than a ten-percent ownership share in a licensee. The University also neither seeks nor accepts voting representation on the board of directors of a licensee in which it holds equity.

*3. Prohibit publication delays of more than 30 to 60 days and any other editorial constraints.*

UC's policies and guidelines require that in most cases research agreements with industry or others provide for no more than a 45-60 day delay of publication of research results. This publication delay is permitted to allow time for protection of University intellectual property rights and deletion of proprietary company information provided in confidence to the University. The policy also reaffirms the fundamental and longstanding tenet of the University that the freedom to publish or otherwise disseminate research results is within the jurisdiction of the University, not the sponsor of the research, and that it must be protected, both to transfer knowledge to others and to maintain an open academic environment that fosters intellectual creativity.

*4. Minimize proprietary restrictions on basic research tools.*

As both a creator and user of basic research tools, UC recognizes that broad sharing of biomedical and other basic research materials enhances research collaborations and the progress of science. The recently issued policy

*Principles Regarding Rights to Future Research Results in University Agreements with External Parties* states that agreements with external parties shall ensure the ability of University researchers to utilize the results of their research to perform future research. UC also has been working closely with the National Institutes of Health and national technology transfer associations to develop federal guidelines that will help ensure that the results of biomedical research conducted in government laboratories, academia, and industry are shared as widely as possible.

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