

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D.C. 20201

W. J. Latker
WARF
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OFFICE OF THE SECRETARY

October 11, 1973

TO: Holders of DHEW Institutional Patent Agreements

SUBJECT: Information Item No. 11

Enclosed for your information is a copy of the August 1973 issue of Biomedical News which contains information on various forums which are being conducted by Dr. Dvorkovitz and Associates. This is the organization which was the subject of our Information Item No. 7 dated November 20, 1972.

Sincerely yours,

Norman J. Latker
Patent Counsel

Enclosure

★ Biomedical News

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August 1973

Unique Operation Meets Challenge, Ties Campus Technology to Profit

by Jean McCann

ORMOND, Fla.—“It’s like making tiger soup” says Dr. Vladimir (Val) Dvorkovitz of his way of joining technology with a business which might like to license it. “First you have to catch the tiger.”

Dr. Dvorkovitz and his colleagues in Dr. Dvorkovitz and Associates, a unique business specializing in the transfer of technology, are currently hunting those tigers in hidden-away university laboratories.

Successful Hunt

There’s increasing success in the hunt, he reports. The computer in Dr. Dvorkovitz’s white stucco headquarters in this resort town just north of Daytona Beach is storing an increasing number of university products and processes. This technology is then matched by computer with thousands of listed needs of businesses in the U.S. and 22 other countries.

Best of all, there is no charge to the universities for listing by this company, which has worked out several hundred licensing agreements between businesses and researchers in its dozen years of existence, because business pays the tab for looking at the new technology.

Everything to Gain

“It sounds like we have everything to gain and nothing to lose,” commented Dr. Glen R. Driscoll, president of the University of Toledo, a recent Dvorkovitz-convert. “It sounds like a way to help stimulate more research here, and help our financial situation.”

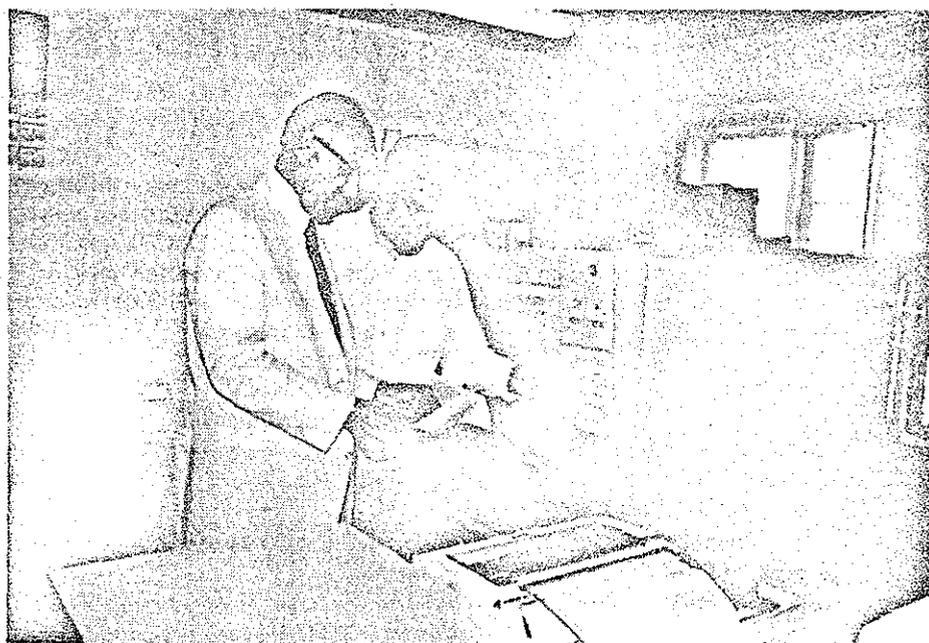
Some two dozen technologies from the University of Toledo are now listed on the computer in Ormond Beach, following a recent mini-forum in Toledo at which the heads of various university departments got together with representatives of some 30 area businesses.

This mini-forum followed an earlier forum in April at the Illinois Institute of Technology in Chicago at which 30 universities presented 300 products and processes to representatives of industry from the U.S. and nine foreign countries.

All-University Forum

Mini-forums at Case Western Reserve University in Cleveland and Northwestern University in Evanston, Ill., are planned. Next February, another all-university forum is planned for the Pick-Congress Hotel in Chicago, at which potential licensees, from the universities, and licensors, from business, will be able to make contact.

At the meeting in Toledo, Dr. Dvorkovitz noted that “the federal government alone spends \$4 billion a year on research at American universities, and



Bruce E. Dahlbo, left, Northeastern United States representative, and Lloyd D. Patterson, Midwest representative of Dr. Dvorkovitz and Associates, pictured above, discuss transactions in the computer room at the firm’s international headquarters office in Ormond Beach, Fla.

At right is Dr. Vladimir Dvorkovitz, founder of the business which provides a much-needed link between university researchers and private enterprises.



the royalty income only runs about \$1 million. So you can see why the government thinks it's not getting enough return on its investment.

"There's no question but that the federal government as now constituted is going to continue to be more restrictive with the research dollar unless more effort is expended by the universities to gain money from their research."

Basic Research a Luxury

Dr. Dvorkovitz also remarked that university researchers would "not lose their reputation by soiling their fingers in practical problems." He pointed to the example of the Weizman Institute in Israel, "which up to eight years ago did nothing but basic research, until the government said this was a luxury we can't afford." He asserted that the fact that the institute is now "80 percent of the time working on problems of industry" had not harmed its reputation.

Universities also have an advantage in selling their technology right now, "because today the cost of research is so great that companies can't afford to keep people around just to be sure they're not scooped on something," said Dr. Dvorkovitz, an organic chemist who is a former director of research for the Diversey Corp. in Chicago, and a former president and general manager of the Jensen-Salsbery Laboratories, a division of Richardson-Merrell, Inc.

Need for Organization

Dvorkovitz told BIOMEDICAL NEWS that he realized the need for an organization to bring research products and processes to prospective buyers after travelling Europe for several years, seeking out the new in pharmaceuticals. "This was the hard way to do it," he said. He added that licensors also wish to know of new technology when it first becomes available, usually at about the time a patent is applied for, rather than waiting years (in the U.S., at least) for a patent to be issued, and then reading about it in the literature.

Lloyd Patterson, who covers the mid-west, mid-Atlantic and southeast states for Dr. Dvorkovitz, explained that the company has four basic licensing arrangements with businesses. One is a priority service under which a company has the "first right of refusal" on all items in a selected field, for an annual retainer fee of \$30,000. A subscription

service under which the client receives information on all international licensing opportunities in one or more categories costs \$3,000 per category per year. The monitoring service is less costly, but if a company does license a product, it agrees to pay a 10 per cent commission "on successful arrangements," he said. Non-businesses, on the other hand, he stressed, pay nothing, "because we don't take money from both sides." The sole exception is in the case of the Soviet Union, which insists on paying for its exclusive representation by Dvorkovitz in the pharmaceutical area.

Transfer of "Know-How"

Bruce Dahlbo, who covers the northeast for the firm, also noted that when licensing agreements are consummated, they call for transfer of "know-how" by the individual researcher. "You can't do much with just a paper patent."

Dvorkovitz also has Ralph Miller as its representative in the western states. Other representatives are in offices in West Germany, Austria, Italy, France, Israel, Spain, India, Australia, Japan, Korea, England, Mexico, and Canada, but cover other countries besides these.

While the company began with heavy emphasis on pharmaceuticals, it has broadened its computerized list of almost 100 categories to include such biological orientations as strain improvement of plant and animal life, food additives, agricultural chemicals, veterinary pharmaceuticals, and instruments for medical treatment and diagnosis.

Strictly an Intermediary

Dr. Dvorkovitz said that his firm differs from such companies as the Research Corporation of New York in that it is international, and acts strictly as an intermediary in bringing potential licensors and licensees together, rather than investing funds itself in research and development.

He also noted that patent rights are retained by the licensor. In many cases royalties are split by the researcher himself and the university.