

UNIVERSITY OF SOUTH ALABAMA



OFFICE OF TECHNOLOGY DEVELOPMENT

ANNUAL REPORT -- FISCAL YEAR 2003

The Office of Technology Development (OTD) actively pursued its mission of *delivering discoveries from concept to commerce* in FY2003. The professional staff of the Office was doubled with the hiring of the first Licensing Associate. This expanded capacity facilitated OTD's continued management of all aspects of technology transfer for USA and the South Alabama Medical Science Foundation (SAMSF) as well as its oversight of the development of the USA Technology & Research Park.

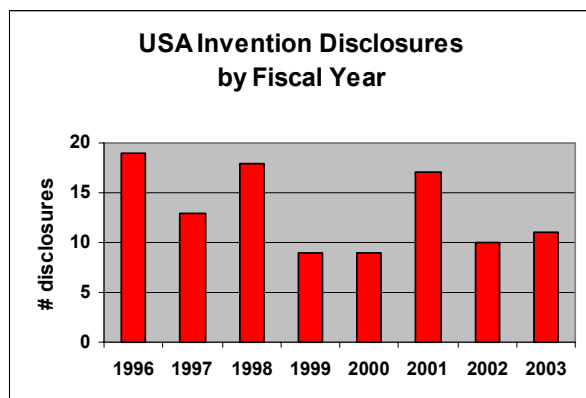
HIGHLIGHTS

- 1 new license/option agreement signed
- \$166,900 for 8 research awards associated with inventions & technologies
- \$148,114 in licensing income to USA & SAMSF generated by 7 of 15 active licenses
- 69% of patent & legal fees reimbursed by licensing partners
- 8 U.S. patents filed
- 6 U.S. patents issued
- 11 invention disclosures received from faculty in the College of Medicine, the College of Engineering and the College of Arts & Sciences
- USA TechPark opens first building, 70,000 square feet, fully leased
- Licensing associate hired with background in patent law

INVENTION DISCLOSURES

Invention disclosures continued at roughly the same pace as last year, with 11 new disclosures. National survey data indicate one invention disclosure can be expected for about every \$2 million in R&D expenditures. Based on USA's FY03 research expenditures of \$19.4 million, it is evident that USA's faculty are generating roughly the expected number of disclosures

The chart below tracks the annual number of invention disclosures from FY1996 to present. Just over 100 new disclosures have been made during this time period.



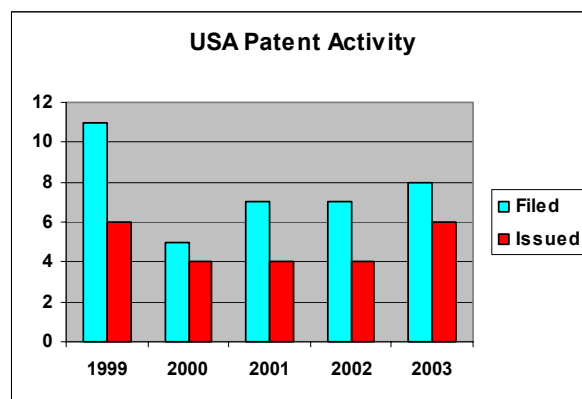
PATENTS

OTD continues to pursue a strategy of filing provisional patent applications to protect potentially marketable inventions. OTD regards patents as tools to secure commercial markets and as such the potential market impact of the invention disclosure is a significant factor in the decision to pursue patents.

In FY2003, eight patent applications were filed on the eleven invention disclosures received. Six U.S. patents issued to USA & SAMSF this year:

- **US 6,410,743** (M. Li)
Tetrahydronaphthalene Derivatives And Their Use
- **US 6,495,658** (S. Sikes)
Comonomer Compositions For Production Of Imide-Containing Polyamino Acids
- **US 6,512,799** (M. Al-Khatib)
Digital Communication System And Method For Increased Bit Rates
- **US 6,534,060** (J. Coggin, J. Rohrer & A. Barsoum)
Oncofetal antigen specific T-lymphocyte mediated immune response
- **US 6,562,564** (R. Honkanen)
Decreasing Cell Proliferation by Decreasing Levels of PP5
- **US 6,599,742** (R. Honkanen)
Antisense Oligonucleotide Inhibition Of Human Serine/Threonine Protein Phosphatase Gene Expression

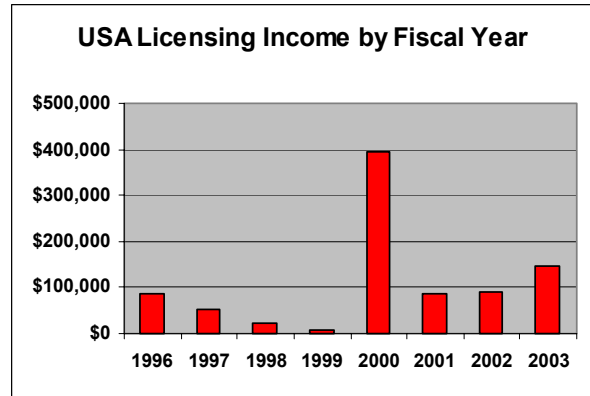
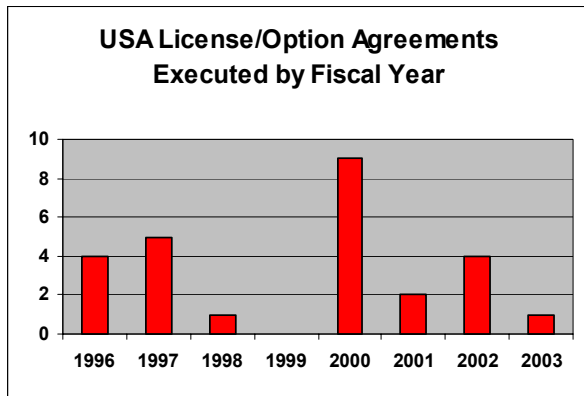
The chart below illustrates patent activity over the past five fiscal years.



LICENSE AGREEMENTS

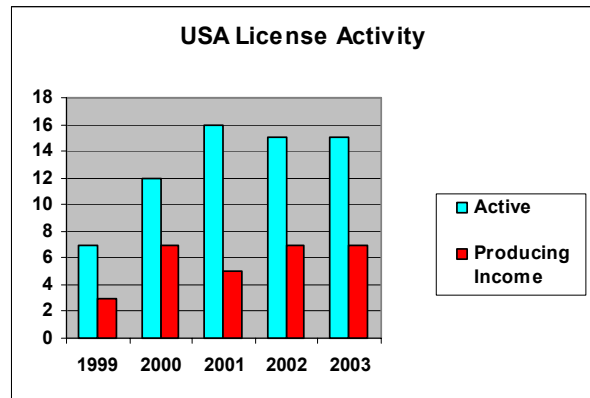
USA seeks commercial partners to license its patents and to develop, market and sell products based them. During FY2003, OTD negotiated one new license option agreement.

The chart below tracks the number of license agreements signed each year since FY1996.



LICENSING INCOME

In FY2003, OTD collected income of **\$148,114** from licensed inventions. This income was generated by a combination of upfront licensing fees, ongoing royalty payments and milestone payments.

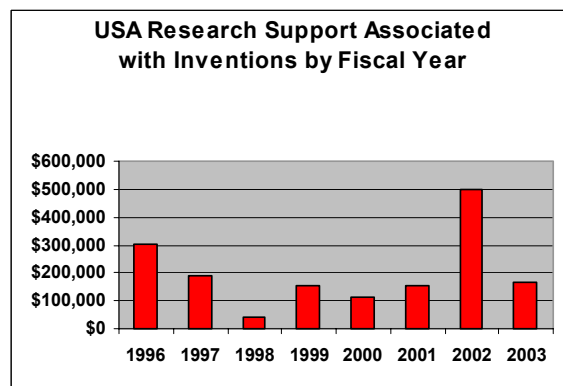


Licensees of USA & SAMSF inventions reimbursed **69%** of legal fees expended by in FY2003. Roughly one-half of the reimbursement was direct re-payment by the licensee for patent expenses; the other half was reimbursed by deduction of outstanding expenses from gross licensing income.

RESEARCH SUPPORT

OTD assists faculty researchers with attracting corporate research. In FY2003, **\$166,900** in industrial support was generated through OTD. The chart below tracks annual research support associated with inventions generated by OTD since FY1996; the cumulative total in that time span is over **\$1.6 million**.

The charts below track annual licensing income received since FY1996 as well as the number of licenses which actually generate revenue. USA & SAMSF currently have 15 active license agreements, of which 7 produce income. Cumulative technology licensing income to USA and SAMSF since FY1993 exceeds **\$915,000**.



USA OFFICE OF TECHNOLOGY DEVELOPMENT

SUMMARY STATISTICS

The Office of Technology Development provides new avenues for support of USA's tri-fold mission of research, education and public service. The transfer of USA technologies to the marketplace benefits the public as well as the individual inventors and the University community.

Specific details about OTD's overall operations are shown in the summary table below. The cumulative total column reflects all activity since FY1999, except as indicated (*), where a summary is not an accurate measure; those measures instead reflect the most current fiscal year activity.

	1999	2000	2001	2002	2003	CUM TOTAL
Gross Licensing Revenue	\$7,178	\$395,186	\$86,125	\$89,953	\$148,114	\$726,556
Licenses/Options Executed	0	9	2	4	1	16
Licenses Generating Revenue	3	7	5	7	7	7*
Total Active Licenses	7	12	16	15	15	15*
Invention Disclosures	9	9	17	10	11	56
US Patents Filed	11	5	7	7	8	38
US Patents Issued	6	4	4	4	6	24
Start-up Companies Formed	0	3	0	0	0	3
Legal Fees Expended	\$131,031	\$312,363	\$95,955	\$78,976	\$169,229	\$787,554
Legal Fees Reimbursed	\$0	\$170,300	\$68,100	\$62,878	\$116,257	\$417,535
Percent of Legal Expenses Reimbursed	0%	55%	71%	80%	69%	53%*
Research Agreements Executed	0	3	1	7	8	19
Research Agreement Income	\$152,000	\$111,500	\$153,100	\$498,752	\$166,900	\$1,082,252
Material Transfer Agreements	0	10	16	23	10	59