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Contact:  
[NIH Communications](#)  
301-496-5787

**NIH launches program to facilitate drug, vaccine and therapeutic license agreements for start-up companies**

President Obama announced today an initiative that will facilitate the ability of start-up companies to license inventions for groundbreaking medical technologies for drugs, vaccines and therapeutics developed by intramural scientists at NIH. As part of this effort, the NIH is reducing both the cost and paperwork requirements for start-up companies to obtain an exclusive option agreement to license the extensive patents and patent applications from the intramural research laboratories at both NIH and the U.S. Food and Drug Administration. The project is part of the President Obama's [Startup America Initiative](http://www.whitehouse.gov/issues/startup-america) (<http://www.whitehouse.gov/issues/startup-america>).

"By making it much easier for startup companies to obtain license agreements for these new technologies, we can facilitate the transfer of research advances from bench to bedside. This is where the interventions can ultimately benefit patients," said Dr. Collins.

These new start-up license agreements have been developed by the Office of Technology Transfer (OTT) at NIH. Companies that are less than five years old, have fewer than 50 employees and received investment of less than \$5 million are eligible to use the new, short-term exclusive Start-Up Evaluation License Agreement and the new Start-Up Commercial License Agreement.

"By obtaining access to such inventions, a start-up company may be able to attract additional investments to develop the NIH and FDA inventions into marketable products," said Mark Rohrbaugh, Ph.D., J.D., OTT director.

Starting on Oct. 1, biomedical entrepreneurs will be able to apply for any of the available patents and patent applications relating to drugs, vaccines or therapeutics in the NIH/FDA portfolio by submitting a business plan for how they propose to use them. With this program, a start-up evaluation license can be obtained for \$2,000 which may be converted into an exclusive Start-up Commercial License Agreement within one year. In the Start-up Commercial License Agreement, typical royalty payments are deferred for three years or until the company experiences a liquidity event. Prior patent expenses for the license technology and one-half of new patent expenses are also similarly deferred. Performance milestones are required in these agreements but do not trigger royalty obligations. Royalty payments on product sales are limited to 1.5 percent of sales.

The NIH Office of Technology Transfer evaluates, protects, licenses, monitors, and manages the NIH and FDA intramural invention portfolios to carry out the mandates of the Federal Technology Transfer Act of 1986. For more information about OTT and its programs, visit [www.ott.nih.gov](http://www.ott.nih.gov).

**About the National Institutes of Health (NIH):** NIH, the nation's medical research agency, includes 27 Institutes and Centers and is a component of the U.S. Department of Health and Human Services. NIH is the primary federal agency conducting and supporting basic, clinical, and translational medical research, and is investigating the causes, treatments, and cures for both common and rare diseases. For more information about NIH and its programs, visit [www.nih.gov](http://www.nih.gov).