

IP Management and Knowledge Transfer Symposium

Commercialisation Strategies and Technicalities: *What Works and Why?*

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- **Amrad and Academia**
- **Some Deal Types**
 - **A Strategic Alliance**
 - **A Cross License with Joint Licensing**
 - **50/50 Collaboration**
 - **Technology Package**
 - **Clinical Candidate**
- **General Deal Comments**

- **Amrad works closely with numerous Australian medical research institutes**
 - **Works collaboratively**
 - **Contributes in-house research**
 - **Provides expertise in intellectual property**
 - **Provides a “product” focus**
 - **Controls commercialisation**
 - **Shares commercial revenue**
- **Amrad has licensing expertise and experience**
 - **Numerous deals with Big Pharma partners and other Biotech companies**

- **Amrad secured an arrangement with a Japanese partner**
 - **Multi-year research funding to Amrad**
 - **An “option” to the partner on research programs**
 - **Key terms identified**
 - **License details to be negotiated**
 - **Freedom from the partner if the “option” not exercised**

Strategic Alliance – Did it work? Why?

- **Provided early income to Amrad**
 - **Assisted in funding academic collaborations**
- **Identified a partner with a mutual interest**
- **Showed our expertise in the science of interest**
- **Satisfied their commercial requirements**
 - **Agreements in place**
 - **IP protection strategy in place**
- **Used other leverage available at the time**

Cross License with Joint Licensing

- **Amrad and Ludwig Institute have overlapping patents on VEGF-B**
 - **Potentially very complex IP issues**
- **Signed a cross-license providing for joint licensing and effective sharing of commercial return**
- **Jointly licensed IP to a number of third parties**
 - **Good early stage deals**
 - **Field limited**
- **Collaborate on VEGF-B rather than compete**

Cross License – Did it work? Why?

- **Joint patents have been licensed to a number of parties**
- **Cross license avoided long period of uncertainty for both parties**
 - **Reduced patent issues**
 - **Pooled knowledge (scientific, commercial)**
 - **Ensured a share of profits for both parties**
 - **Removed uncertainty for potential partners**
 - **Allowed deals to be done when the technology was “hot”**

- **Both parties had independent technology; Amrad a target, CAT a platform**
 - **Either party could have licensed from the other to effectively conduct the project in-house**
- **Agreed to work in a collaboration**
 - **Jointly seek to develop a product which relies on background IP of both parties**
 - **New IP is jointly owned and subject to terms of agreement**

50/50 Collaboration – Did it work? Why?

- **The collaboration has rapidly produced product candidates and is proceeding well**
- **Subject to achievement of an agreed trigger, the parties agreed they were effectively 50/50 stakeholders**
- **Established patent portfolios allowed easier assessment of relative strengths**
- **Both parties confident the other party had something more to contribute**
- **Both parties happy to share the risk**
- **Collaboration is well managed**

Technology Package Deal

- **Amrad secured a patented target through CRC-CGF involvement**
- **Amrad secured a license to a platform technology and applied it to the target**
 - Collaborations as discussed above were available, but further internal development was preferred
- **Amrad produced a panel of potential product candidates**
 - Further patents and know-how
- **Partnered with Big Pharma**
 - Initial research collaboration
 - Product development with partner

Package Deal – Did it work? Why?

- **A greatly more valuable deal was done on the basis of product candidates, rather than target IP alone**
 - **US\$11M in first 14 months**
- **A solid package including key patents was available**
 - **We had options for moving the project forward**
- **Access to the platform technology was sublicensable**
 - **Some flexibility in the platform agreement to allow for partner issues**
- **Value of patents, know-how and platform agreement was recognised**

- **A deal on a clinical candidate will inherently be more valuable than an earlier deal**
 - **Secure a greater upfront, increased milestones and royalties.**
 - **Big Pharma willing to pay for reduced risk**
- **Amrad has taken a number of compounds into early Phase II studies**
- **Unfortunately, these products have failed to show efficacy in man**

Clinical Product Deal – Did It Work? Why?

- **Not so far – failure in clinical trials destroys/dramatically reduces value of project**
 - **Can't do a deal on the back of negative results**
 - **No matter how good your IP is!**
- **As a strategy trying to add further value remains sound**
 - **Subject to appetite for risk**
 - **Deals of increased size are possible**
 - **We had advanced negotiations of such a deal**
 - **Deals on more advanced projects are less likely to be returned**

General Deal Comments

- **Don't over promise**
- **Try and identify the key issues relatively early**
 - **Avoid rude surprises**
 - **Use a term sheet**
- **Think about**
 - **What strategies are in place for further IP**
 - **Third party IP**
 - **Royalty reductions - floor**
 - **What is the product?**
 - **How do you secure royalties**
 - **Sometimes need reach through deals**
 - **Scope of the License**
 - **Exclusivity**
 - **Need to control expectations and activities**
 - **Termination**
 - **What happens?/when?**