

**MSD ISRAEL & STOCKHOLM NETWORK INTELLECTUAL PROPERTY
ACADEMY - MEETING OF THE TECH-TRANSFER GROUP,
4 SEPTEMBER 2007, CHAMBERS OF THE MINISTER OF HEALTH**

Participants:

- Prof. Avi Israeli, Director General, Ministry of Health
- Adv. Yoel Lipschitz, Deputy DG, Ministry of Health
- Dr. Itzhak Zaidise, Deputy Director, Sheba Medical Centre
- Mr. Jacov Mulaem, Deputy Director of Wages and Labour, Ministry of Finance
- Adv. Adva Perry, Legal Council, , Israeli Medical Association
- Mr. Netta Cohen, Director, B.G.Negev Tech Transfer, The Ben Gurion University
- Ms. Nava Swersky Sofer, CEO, Yisum, Technology Transfer Company of the Hebrew University
- Dr. Michal Roll, Director R&D, Sorasky Medical Centre
- Mr. Pini Ben-Elazar, CEO, More Ventures, Technology Transfer Company of the Clalit Sick-Fund
- Dr. Sylvie Luria, Director of Sheba Medical Centre, Tech-Transfer Arm
- Ms. Rachel Diamant, PhD student University of Haifa
- Dr. Yoav Shechter, Director, External Relations, MSD Israel
- Dr. Meir Pugatch, Director of Research, Stockholm-Network and Senior Lecturer, University of Haifa.

At the opening of the session, Prof. Avi Israeli updated the forum regarding the status of efforts to settle the commercialisation of knowledge in governmental hospitals.

A draft of governmental resolutions was recently distributed, regarding handling, protecting and licensing the state's intellectual property. The draft also includes a proposed royalty distribution formula. This formula will apply only to governmental hospitals not to MHOs or private hospitals, such as Hadassa and Sha'are Tzedek in Jerusalem.

The participants were asked to outline the most important elements for building a successful technology-transfer model in Israel that involves collaboration between government owned hospitals and private bodies

1. After discussion the participants agreed that the share of royalties allocated to inventors in hospitals cannot fall far behind the nearby university. The gap can be up to 5%, otherwise technologies will simply not be disclosed to the institutes.
2. The participants came to realize that the 10% share of income demanded by the state is probably inevitable, and is acceptable in order to move legislation forward. One idea that was widely accepted was to utilize the governmental share of income to establish a medical research fund that is dedicated to the promotion of medical research, sort of a "small-size" American National Institute of Health (NIH) model.
3. The forum indicated that one major obstacle to medical research in hospitals is the lack of proper infrastructure, such as secure time for research.
4. There was agreement that a technology transfer program takes time and money to build before it becomes profitable. Skilled personnel and patent portfolios are expensive, but crucial to the success of the program. There was some debate regarding the question of funding the program in hospitals. As hospitals are usually running a budget deficit it is difficult to justify a large expense on an activity that is considered a "luxury" as opposed to medically necessary equipment, hospital beds and medication. This issue highlights the ideological differences between the Ministry of Finance and the Ministry of Health regarding the vision of and need for medical research in hospitals.

Prof. Avi Israeli summarized the main objections, posed by the Ministry of Finance regarding allocating significant shares of royalties to hospital inventors:

- The need to limit the income of state employed physicians in hospitals, and therefore limit their potential income from inventions
- The state is interested in regulating and limiting the amount of time devoted to research, and therefore demands that doctors sign timesheets detailing when exactly they are conducting research.
- Governmental hospitals are owned by the government, hence the income from commercializing knowledge is owned by the government.

Based on the above it the following was agreed:

1. The IP Academy will prepare a research document that will empirically examine the elements highlighted above concerning successful technology-transfer in hospitals. Special emphasis will be given to the comparative element, i.e. of providing examples from the world.
2. The tech-transfer group will re-convene later in the year to discuss and examine the paper.
3. The paper and group's finding will be presented by Prof. Israeli in the special plenary meeting of the IP Academy