

# Wellcome Trust to launch transfer company

**London.** The Wellcome Trust is planning to set up a technology-transfer company to help the scientists it funds to find commercial outlets for the results of their research.

According to Bridget Ogilvie, director of what is expected to become the largest private medical research foundation in the world (see below), the decision has been prompted by anticipated guidelines from the Charity Commissioners emphasizing that charities have a duty to ensure that the research they finance is properly exploited.

But Ogilvie says that the move has also been prompted by complaints from many Wellcome-funded scientists in universities about the lack of adequate support from the technology-transfer mechanisms set up by the universities for which they work.

Although the details of how the new company will operate are still being worked out,

Julian Jack, the chairman of the trust's scientific committee, told a parliamentary committee last week that its goal is "to stop the work it supports from being buried."

Jack was answering criticism by Sir Gerard Vaughan (Conservative, Reading) that the trust was seen in some quarters as concentrating excessively on fundamental research, and neglecting the follow-up needed to make the results of the research it funds available to society.

"We have been rather slow off the block," admitted Jack. "We now accept that we have a responsibility to help scientists get their discoveries patented and exploited, and intend to do this by setting up our own technology transfer company; but we are not doing this to make money."

Various possible mechanisms have already been discussed within the trust. At

one point, for example, detailed consideration was given to an agreement with CRC Technology (CRCT) — the licensing arm of the Cancer Research Campaign — under which the company would carry out licensing arrangements on behalf of the trust.

More recently, an alternative plan has been explored that would involve a joint venture between the trust and CRCT. According to Jack, the role of any such body would be essentially "to act in an advisory capacity". Moving in this direction would require the trust to make some constitutional changes. "But we hope and expect that we will have no difficulty with that."

Wellcome's move has been widely welcomed in both the academic and industrial research communities who have been wanting it to take a more active role in promoting the applications of its research. This pressure has been increasing over recent years with the realization that much of the fundamental research that Wellcome funds in human genetics, for example, has potentially wide-ranging (and profitable) applications in developing new diagnostic and therapeutic techniques.

Ogilvie says that, until recently, the trust's position on patenting and intellectual property was that this was a matter for the universities. "We changed this because the scientists we funded in universities were begging us to help them," she says. "They found that the local support was not there."

Not all universities, however, are happy about Wellcome's plans. Some claim that,

by making more explicit demands about the way in which its scientists should handle intellectual property, the trust is treading on the universities' toes, ignoring the experience they have built up in technology licensing over the past ten to 15 years.

"We are concerned that Wellcome's attempts to take greater control over patent rights is likely to restrict the freedom of universities to use research results in the way that they see fit," says Adrian Hill, director of industrial liaison for the University of Bristol, and chairman of the University Director of Industrial Liaison.

But Ogilvie says that the amount of money required to operate successfully technology transfer is such that many universities (like most charities) are not in a position to do so. Wellcome is in the fortunate position of being able to provide the necessary level of funding, she says. **David Dickson**



**Ogilvie: Reacting to scientists' requests**

## Glaxo move seen as 'unavoidable'

**London.** The Wellcome Trust — the UK charitable body set up to hold the shares of the Burroughs Wellcome pharmaceutical company on the death of its founder, Sir Henry Wellcome in 1936 — was told by its lawyers that it would be "virtually illegal" not to accept an offer for its outstanding 40 per cent holding in the company to Glaxo, according to the chairman of the trust's scientific committee, Julian Jack.

The decision was taken even though the sale of the company now known as the Wellcome Foundation will inevitably lead to substantial job losses among its research and other staff, whose interests the trust is required to protect in Wellcome's will, as well as a reduction in spending on pharmaceutical research in Britain.

"We had to take advice, and it was clear what our fiduciary duty was," Jack said last week in the trust's first public statement on the proposed take-over since Glaxo's bid was announced on 23 January (see *Nature*, 373, 271; 1995). "Whatever our regrets, we were persuaded that we would be behaving virtually illegally if we did not accept."

Jack was presenting evidence to the House of Commons Select Committee on Science and Technology, whose members expressed concern at the net reduction in research and development spending likely to result from a rationalization of the two companies that has been promised by Glaxo's chief executive (and former research director) Richard Sykes.

"Our worry is over the impact that this move could have on the overall science base of the country," said the chairman of the committee, Sir Giles Shaw.

The chief executive of Wellcome, John Robb, who said that he had been "surprised" by the Glaxo bid when it arrived on

the morning of Monday, 23 January, told the committee that he shared its concern.

He pointed out, for example, that the increased funding for biomedical research through the Wellcome Trust — estimated at between £50 million a year — was likely to be more than offset by cuts Glaxo is planning to eliminate duplication in research and development by the two companies.

"The consequence [of] narrowing of the UK science base will not only have a devastating effect on those scientists who lose their livelihood, but is likely to have an additional negative impact on those currently considering a career in the biomedical sciences," said Robb.

Sykes, in contrast, defended the planned merger, and subsequent rationalizations, as essential if the new company, which will become the largest pharmaceutical company in the world, is to remain successful. Sykes did not deny that the savings he is planning to make by merging the research staff of the two companies are likely to lead to significant redundancies. (Wellcome calculates that up to 4,000 research and development staff may lose their jobs.) "But the reason for doing it is to create a situation in which there may be more jobs at the end of the day and not less," he said.

Speaking on behalf of the Wellcome Trust, which as a result of the new injection of capital will become the largest private medical research foundation in the world, Jack said that the trustees had discussed the likely impact of Glaxo's bid on Wellcome's employees. "We were told that it would be outside our fiduciary duties to set any conditions, and we had to accept that advice," said Jack. "But when Richard Sykes came and talked to us [about Glaxo's plans], we did discuss our concerns with him." **D. D.**