

Emory sells anti-AIDS drug royalties for \$540 million

In late July, Emory closed the largest known intellectual property deal involving a university, receiving \$540 million in royalties for all rights to anti-AIDS drugs developed by Emory researchers.

The one-time cash payment from Gilead Sciences of California and Royalty Pharma of New York involves two drugs—Emtriva, which was approved by the Food and Drug Administration in 2003, and a newer combination drug, Truvada (which incorporates Emtriva). The drugs work by blocking an enzyme that is necessary for HIV replication and only need to be taken once a day.

“We feel privileged and humbled to receive such extraordinary recognition for the value of our intellectual property,” said President James W. Wagner. “These dividends will be plowed back into our mission of research and discovery for the benefit of our state, our nation, and the world, in accordance with the priorities we have identified in our Universitywide strategic plan.”

Emory’s current annual research budget is about \$350 million.

Gilead, a drug company that specializes in therapies to treat AIDS, and Royalty Pharma, a financial company that buys royalty streams, paid Emory \$525 million to acquire the rights to a compound that is used to make Emtriva and Truvada. The companies paid an additional \$15 million for the right to use the compound in hepatitis B research.

In return, Emory will forgo future payments on two drugs Gilead makes using Emtriva as well as royalties on future drugs that Gilead might make with the compound.

The three researchers who developed the compound—Professor of Chemistry Dennis Liotta, Professor of Pediatrics Raymond Schinazi, and Woo-Baeg Choi, who is now chief executive of the Atlanta drug-development company FOB Synthesis—will share 40 percent of the proceeds.

“What it’s all about,” says Schinazi, “is taking people who are dying, abandoned, and condemned, and with



Top: Professor of Chemistry Dennis Liotta and Professor of Pediatrics Raymond Schinazi. At right: Woo-Baeg Choi, CEO of FOB Synthesis.

these new drugs, allowing them to have normal lives.”

Executive Vice President for Finance and Administration Mike Mandl says it is probable that proceeds to Emory would have exceeded the lump-sum payment over the life of the drugs’ patents, but that University leaders decided “we could do more for Emory and the productivity of research if we took that money up front.”

According to the *Chronicle of Higher Education*, royalty purchases of this type are becoming increasingly common since the passage of the Bayh-Dole Act in 1980 which encouraged commercialization of university research.

Yale University sold its rights to royalties on the AIDS drug Zerit for \$125 million in 2001.—M.J.L.

EMORY TWENTIETH IN U.S. NEWS RANKINGS

Emory ranked twentieth among 248 national universities in the 2006 U.S. News & World Report college rankings. Emory’s Goizueta Business School was eighteenth in the rankings of undergraduate business programs. The University ranked sixteenth in student selectivity; ninth in faculty resources; fourteenth in overall financial resources; and twenty-second in graduation and retention rates.

Small molecules make powerful tools

The National Institutes of Health awarded \$9 million to Emory as part of a nationwide research network of centers that will identify small molecules that can be used as research tools. The grant will help to establish a Molecular Library Screening Center. Professor of Pharmacology Raymond Dingleline is the principal investigator.

Humanities can’t survive on thought alone

The Center for Humanistic Inquiry of Emory has received a \$2.5 million challenge grant from the National Endowment for the Humanities. CHI Director and Goodwich C. White Professor of English Martine Watson Brownley says the grant will provide additional funding for post-docs, a poetries fellowship, and public seminars.