

## MEMORANDUM

March 28, 2003

To: Bob Cooke, Dean of the Faculty  
From: Bob Buhman, Chair, Local Advisory Committee  
Subject: Life Sciences Strategic Corporate Alliance Plan

At your request the LAC has reviewed and discussed the proposed Corporate Alliance plan. The consensus of the committee is to generally support this initiative. Certainly there were not any opinions voiced at our meeting that this would be a fundamentally inappropriate development for Cornell to undertake. In our discussion members of the LAC pointed both to the substantial success that some universities, e.g. Stanford and MIT, have had with their corporate alliances and to the problems that unwisely organized alliances can generate, such as the infamous Novartis case at U. Cal. Thus the LAC position is that the undertaking of corporate alliances is appropriate for Cornell **but** it is the details of any such alliance agreement that will make that alliance either a good or a bad undertaking for Cornell.

In reviewing the draft of the Strategic Alliance Plan, members of the LAC identified a number of phrases and statements in the document that do raise some concerns. These largely have to do with the issues of exclusivity and with “preferred access” to research results, faculty, students and research facilities, which are mentioned as possible components of an alliance agreement in several places in the draft plan document. Some LAC members think that agreeing to exclusivity is a fundamentally bad idea, and is indeed not even necessary to attract corporate interest and support. The basic point is that while corporate proprietary information clearly has to be held in confidence, if a company finds that a Cornell research group can provide valuable contributions to its objectives, lack of exclusivity is not a deal-breaking issue. This is currently the case both at Cornell facilities, such as the CNF, which have lots of corporate participation, and in individual faculty labs. Thus at least some LAC members argue that any Cornell faculty member or group of faculty should think very carefully before signing an exclusivity agreement. Certainly any such agreement should be undertaken only with the complete understanding and agreement of all the faculty members who are expected to be participants, and with the express agreement of the management of any facility or research center that might be materially involved in the alliance project.

Rather than trying to predict all the issues that might come up when negotiating any particular alliance agreement, the LAC thinks that the best response is to try to ensure that there is an effective mechanism for the community to monitor the on-going development of such alliances. We suggest that this could be effectively done by requiring that any proposed alliance agreement be submitted to an independent Faculty-Senate-appointed committee of Cornell faculty researchers for review and comment before the agreement can be finalized. This recommendation is made with the understanding that the committee would be expected to provide its comments to the administration in a timely manner, say within two or three weeks of receipt of a draft agreement. If this or some other effective mechanism is adopted to ensure that the development of corporate alliances at Cornell receive sufficient on-going oversight to ensure that the values of our institution are maintained, the LAC endorses this initiative.