Elimination of lab share from the licensing program

6.20.09 | Michael Falk

News for WARF Inventors:
After an assessment of the 10-year practice of allocating a portion of initial royalty revenue to inventors' laboratories, the WARF Board of Trustees has decided to eliminate “lab share” from the foundation’s income distribution structure. This change is effective for any license agreements signed on or after July 1, 2008. All license agreements signed prior to July 1, 2008 will be “grandfathered” from this change with labs continuing to receive revenue shares from these licenses up to the established maximum of $70,000 per license. The funds previously allocated to lab share will continue to benefit university research as part of WARF’s annual unrestricted gift to the Graduate School.

Lab share began in 1998, when the university asked WARF to add inventors' labs to the distribution of royalty revenues. It called for 70% of the first $100,000 generated by each license agreement to be distributed to the inventor’s lab and was capped at a total of $200,000 per year, per lab.

- Inventor Share – 20 percent of gross royalty revenue
- Department Share – 15 percent of gross royalty revenue (again beginning at dollar one and allowing investigators more explicit direction in determining the department or center receiving this share)
- Graduate School Share – remainder following distributions of inventor and department shares

For more information:
More information about the elimination of lab share is available by contacting Michael Falk, general counsel; Craig Christianson, director of licensing; or any of the intellectual property or licensing managers with whom you regularly work.