

Ivory Towers? Not

Israel's universities and institutes are all about developing and selling technology.

Nava Swersky Sofer heads Yissum, Hebrew University's technology transfer company, which, along with similar companies at Israel's leading academic institutions, is spawning hundreds of startups at high-tech parks all over the country.

This is the land of applied research, where researchers focus hard on commercializing their work. "The research has, over the years, led to revenues in the hundreds of millions of dollars for Israeli academic institutions—and billions of dollars in sales for the companies commercializing it," says Ms. Swersky Sofer, who took over as Yissum's CEO last year.

Ms. Swersky Sofer has deals in her blood, having been involved in 300 of them over the years, working in venture capital in Israel and California, not to mention doing a stint at Swiss drug giant Ciba-Geigy (now Novartis).

Despite Israel's socialist beginnings, the country's academic institutions began setting up tech transfer companies early, back in the 1950s and early 1960s—setting a pattern U.S. universities followed only decades later. Two of the country's leading academic institutions, Hebrew University, the country's oldest university, and the Weizmann Institute of Science, are among the world's top 15 academic institutions measured by revenues from intellectual property sales.

Yissum reported revenues of \$40 million last year, mostly from royalties, a 20 percent increase over the previous year. Biggest winners to date: Doxil, used in cancer treatment, and Exelon for Alzheimer's and dementia. The rights to the former were acquired by Johnson & Johnson, the latter by Novartis. Yissum gets around: In the agricultural area, for example, it's also enjoyed substantial revenue from long-shelf-life tomatoes.

Amir Naiberg, CEO of Yeda Research and Development, the Weizmann Institute's tech transfer company, won't discuss royalties or revenues. But some sources suggest company sales are at least double those of Yissum—an achievement pinned largely on Copaxone and Rebif, two drugs used for treating multiple sclerosis. The rights to Copaxone were acquired by local pharmaceutical giant Teva Pharmaceutical Industries; the IP for Rebif was acquired by Switzerland's Serono Group.



Nava Swersky Sofer runs Hebrew University's technology transfer company.

"One out of every two MS patients in the world is taking a drug developed at the Weizmann Institute," chirps Mr. Naiberg. Big wins aren't always drug-related, though. Yeda, for example, also scored with an encryption algorithm used for securing digital television and content. (The algorithm is licensed to U.K.-based NDS, the Rupert Murdoch-controlled company that's big on securing content transmissions—for companies like News Corp.'s own BSkyB pay-TV operation.)

But life sciences account for most of the patents filed annually by Israeli academics. "Israel is a virtual gold mine in the biotech field, with

hundreds of patents registered annually," says Raphael Hofstein, president and CEO of Hadasit, the technology development and transfer company set up in the late 1980s by the Hadassah Medical Organization in Jerusalem, one of the country's leading medical research institutions.

Hadasit has 100 projects on the boil right now, and it's in the process of building Israel's first medical research-oriented technology park—adjacent to the Hadassah hospital in Jerusalem's Ein Karem neighborhood.

The momentum only increases in Israel's academies. **RH** —N. S.

Reprinted with permission from Red Herring, December 2007.

© Red Herring. All Rights Reserved. On the Web at www.redherring.com.

