

PATENTS

CETUS FIGHTS THE PATENT CURRENT

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REASONS

NEW YORK—Cetus Corp. (Emeryville, CA) has decided not to renew its license to the Stanford Cohen-Boyer patents. Albert Halluin, general patent and trademark counsel for Cetus, notified Stanford's patent technology licensing office of this decision on January 25. The following Tuesday Harold Wegner made a similar announcement at the mid-winter meeting of the Chemical Practice Committee of the American Intellectual Property Law Association. Cetus feels that the gene-splicing patents do not cover all recombinant DNA techniques; in fact, a licensee is already marketing a product—a vaccine for porcine scours—which Cetus developed without recourse to the patented technology.

Experts have long predicted a challenge to the patents, and some observers say Cetus has flung down the gauntlet. Halluin says no: the relationship between Cetus and Stanford is still excellent and there is nothing to stand in the way of continued dealings between the two. Cetus' pronouncement is strictly a business decision. Possible future licensing of the patents, says Halluin, will depend on whether the products Cetus manufac-

tures fall within the scope of enforceable claims.

Reactions from members of the industrial and academic communities varied widely, but all shared one thing in common: not one of them was willing to go on record. A University of California professor of genetics, who has a long-standing involvement in the development of genetic engineering, cheers Cetus' decision. He sees Cetus as the champion of the many (smaller) biotechnology companies that in principle believe the patent is unenforceable but in practice cannot afford to enter into a lawsuit. In contrast, the director of development of a relatively young company interprets Cetus' announcement as a display of extreme arrogance. The corporate communications officer of a large Eastern company labels Cetus' move as "brave," and an industrial senior research scientist feels that Cetus must have spotted a loophole or developed a new technique. Overall, corporate officers, legal departments, and research scientists alike are cautiously curious, waiting for the next development.

Cetus was one of the original licensees to the patents, and as such re-

ceived certain credits (as did the 72 other "charter members") against future royalties on products. Cetus will give up these credits when it drops the license. Whether other companies will follow suit remains to be seen. Annual license fees of \$10,000 were due and payable February 1. Katherine Ku, associate director of patent licensing at Stanford, says that the 1985 "members" list will be available shortly.

Controversy has surrounded the Cohen-Boyer patents since the initial filing. The original patent was filed in 1974 and split in two in 1978. The first patent covers the process of incorporating foreign genetic material into microbial plasmids. The second patent claims all engineered plasmids and their hosts. The process patent was granted fairly quickly; the product patent, however, has faced obstacles. In its present scope it covers bacterial plasmids and their bacterial hosts. These claims are narrower than those of the previous version. Stanford continues in its struggle with the Patent Office: whether the Cohen-Boyer patent battle will be joined on two fronts remains to be seen.

—Jennifer Van Brunt