

Spin-off companies

- California universities and research institutes have spun-off 604 companies.
- Since 2001, 202 new spin-off companies have been established in the state.
- Stanford University, UC Berkeley, UCSF, UCSD, and The Scripps Research Institute together are responsible for two-thirds of all spin-off companies currently in California.
 - Stanford is associated with 117 spin-off companies.
 - UC Berkeley boasts the largest increase in spin-off companies, with 48 established since 2001.
- Of the companies responding to the PwC/CHI survey:
 - 58% say they have at least one clinical research or sponsored research agreement with a California public or private academic institution and virtually all plan to broaden or maintain their research agreements at present levels in the next two years.
 - More than a third (34%) have a patent license agreement with a California public or private academic institution and most plan to broaden or maintain their patent license agreements at present levels in the next two years.

Uncertain future for California biomedical R&D

California's continued position as the global leader of biomedical innovation hinges on careful consideration of several critical public policy issues:

- **NIH Funding:** The five-year doubling of the NIH budget between 1998 and 2003 enabled the development of new fields of science—genomics, proteomics, and nanotechnology—and fostered new drug development, filling California's biomedical product pipeline with more products than ever before. But 2004 marks the second year of much more modest increases, signaling increased competition for grant funding among the nation's and California's biomedical research institutions.
- **Drug Importation:** Moves by lawmakers to adopt a drug importation program also are casting a shadow on the industry: importing drugs from Canada or other countries with price controls would be tantamount to U.S. price controls and stifle biomedical research and innovation, negatively impacting both the development of new treatments for patients as well as job creation within California.
- **UC and CSU Funding:** California's budget deficit has prompted proposals to cut funding to both the University of California and California State University. This will exacerbate what UC provost M.R.C. Greenwood calls the "national disaster in higher education" already underway. An unstable system of higher education that cannot produce the highly educated and trained workforce critical to the success of the biomedical industry may lead to weakening California's and U.S. leadership in the global biomedical industry.
- **Continued Federal Strictures on Stem Cell Research:** Federal government restrictions on stem cell research have spurred top science institutions, including UCSF and Stanford, to break from traditional reliance on federal research grants by pushing for private- or state-funded programs. This creative financing in California could turn the state into a world leader in stem-cell research, but opposition to the research continues.

CALIFORNIA ACADEMIC INSTITUTION SPIN-OFF COMPANIES

Source: PwC/CHI Surveys, 2002 and 2003

| Institution | Biomedical Spin-off Companies | |
|---|-------------------------------|------------|
| | As of 2001 | As of 2003 |
| Burnham Institute, The | 7 | 12 |
| Cal State/CSUPERB | * | 3 |
| CalTech | 24 | 28 |
| Cedars-Sinai Medical Center | * | 7 |
| City of Hope | 1 | * |
| Keck Graduate Institute of Applied Sciences | * | 2 |
| Lawrence Berkeley/Lawrence Livermore Nat'l Labs | 7 | 12 |
| Salk Institute for Biological Studies | 16 | 22 |
| SRI International | * | 1 |
| Stanford University | 94 | 117 |
| The Scripps Research Institute, (TSRI) | 33 | 45 |
| UC Berkeley | 39 | 87 |
| UC Davis | 18 | 26 |
| UC Irvine | 9 | 16 |
| UC Los Angeles | 18 | 40 |
| UC Riverside | 5 | 3 |
| UC San Diego | 63 | 57 |
| UC San Francisco | 60 | 79 |
| UC Santa Barbara | 5 | 16 |
| UC Santa Cruz | 3 | 6 |
| University of Southern California | * | 25 |
| Total | 402 | 604 |