

Fundamental Partnering Models in Pharma/Biotech

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Research Agreement

- Licensee obtains limited access to technology, tools, materials, expertise...for internal experiments and evaluation
- Licensor receives some cash (minimal)
- May include Option to License or License Term Sheet

License

- Access to something in exchange for cash/equivalents
- More throughout this course

M&A

- Complete ownership and control of entire company...all assets and liabilities...all employees, pencils, chairs, coffee, everything...

Basic Research Agreement

1. Technology company provides “Big Pharma” with x grams of drug
2. “Big Pharma” conducts internal experiments
 1. Usually comparison with internal candidate, or another candidate under consideration
 2. Usually a model(s) they like (animal, cell assay, etc.)
3. “Big Pharma” shares results (If not, No Deal!)
 1. Can data be shared with investors or other prospective licensees?
4. Next Step – Full License or End of Relationship

Key Features of a License

1. Technology owner providing a license (“permission”) to perform well-defined activities with the technology
 1. “Activities” means conduct experiments, manufacture, sell, etc.
2. Some activities may be *excluded* from a license
 1. Example: Licensee can only conduct experiments in oncology, not dermatology
 2. Example: Licensee can sell product in Country A, but not Country B
3. Control (governance), Financial Terms, Responsibilities, Breaches...all will be defined in final Contract.

Implications

	Out-Licensing	In-Licensing
Research Agreement	Revenue (small) Useful data & Validation Set stage for future License	Low-risk “real” due diligence Direct comparisons
License	Revenue & Future upside Enhanced prestige Valuation increase Attracts new investors	Less risky than acquisition See earlier & later slides
Acquisition	Exit for shareholders No longer exist as a company :-)	Complete control



Thank you

Interested to learn more?

- 🌐 Visit [Business Development & Licensing Course For Pharma & Biotech](#)
- ✉ Or contact [Inge Cornelis](#), Director Client & Product Projects at CELforPharma