

# Harvard Marches Up Hill and Down Again

Under a storm of criticism from the faculty, Harvard president Derek Bok has abruptly backed off long-laid plans for the university to accept an equity position in a new gene-splicing company.

Owning shares in such a company "would create a number of potential conflicts" with academic values, Bok explained in a 17 November statement which closed a sharp and somewhat confused debate about the issue.

The mode of presentation was perhaps responsible for some of the furor. When Bok spoke to a meeting of the faculty on 21 October he asked them to consider the general issues of the university becoming involved in a gene-splicing venture. A discussion paper prepared by Harvard general counsel Daniel Steiner elaborated some of these general issues without mentioning the specific plan which was under consideration.

Set to debate the general principle of the thing, the faculty had no difficulty in envisaging scores of different ways in



**Derek Bok:**  
**No genes**  
**for profit**

which academic propriety might be affronted. Nor did the many other participants who joined in as the debate became nationwide. Harvard's plan "meets with scorn from other institutions," announced a headline in the *Wall Street Journal*. The *veritas* in Harvard's motto should be replaced by *cupiditas*, an editorial in the *Washington Star* suggested mischievously. Harvard's Walter Gilbert, a principal of the gene-splicing company Biogen, was as outraged as anyone. Gilbert, who was recently visited with the Nobel Prize, complained to the *Washington Post* that "I might be forced to push Harvard to the wall in some cases of competition. That shouldn't have to happen."

Bok publicly revealed the details of the specific plan under review only as he was abandoning it. Once unveiled, the plan seemed less immediate a peril to academic freedom than the debate had presaged. Harvard would not have lent its name to the proposed venture, it would not have invested any money, and it would have had no involvement in the running of the company. The university would have accepted, as a gift, a certain share of the equity, probably 10 percent. All the money for the company would have been put up by outside sources. A member of the Harvard faculty, biologist Mark Ptashne, would have been a principal of the company. Harvard would have re-

ceived a general royalty on sales and would have allowed the company use of certain patents taken out in Ptashne's name. These cover a fundamental method developed by Ptashne and colleagues for allowing the efficient expression of human and other genes in bacteria.

Despite the uproar, the proposed arrangement has close precedents at other academic institutions. Stanford University, which has had an active involvement with industry for years, often takes equity in companies in lieu of cash. "Biologists are just learning to contend with what chemists, electrical engineers and others at Stanford have contended with for years. As long as everything can be done openly, there is no necessary threat to academic values," notes Stanford patent officer Niels Reimers. The Institut Pasteur recently accepted part of the equity of Transgène, a French gene-splicing company involving its faculty.

Bok in his statement said that for the time being Harvard "will not own stock directly in such a venture but will rely on a traditional licensing arrangement for use of patents."

The trouble with the usual licensing arrangements is that the royalties from patents provide a very small percentage of the profits and generally no control, at least as compared with an equity position. The University of California, for example, stands to gain nothing from the so far spectacular success of Genentech, of which a faculty member is co-founder. Harvard's desire to reap more from the inventions made in its laboratories was not unreasonable.

Until recently, the university had never even taken out patents on inventions by its faculty. That policy was changed in 1975. At about the same time, Harvard entered into a deal with Monsanto whereby the company acquired patent rights to a putative antitumor substance under study on campus in return for donating some \$23 million to the medical school. This too was a new departure for Harvard in its attempt to develop different sources of revenue.

This spring, the Harvard administration decided to do something about gene-splicing. Contrary to a certain impression, it was not Ptashne who approached Harvard but vice versa. Harvard had already selected a venture capital firm when it mentioned the idea to Ptashne this March.

Ptashne agreed to cooperate in the venture. During the 8 months that negotiations were in progress, he rejected all outside offers. "People asked me to join existing corporations and to set up new ones. I turned down every one because I was not sure it was in the interests of the university," Ptashne says. With the Harvard plan abandoned, he may or may not set up a company of his own.

Colleagues of Ptashne wonder if the administration didn't put him in a false position by not making clearer that the plan was the university's idea. "It would be doubly unjust if Mark got painted as the guy who wanted to put this over on Harvard and Derek Bok was the one who stepped in and stopped it," says one. General counsel Steiner explains that the discussion paper presented to the faculty was not more specific because "we wanted to focus on what the issues were, not on recombinant DNA or professor Ptashne."

The Harvard administration certainly underestimated the strength of the faculty's opposition. If there were other reasons for its sudden change of heart, they remain obscure.—NICHOLAS WADE