

Document 0975

[20975001]

A proposed conflict-of-interest policy for federally funded biomedical researchers may thwart many high-technology new ventures, say financiers, researchers and university administrators.

[20975002]

The National Institutes of Health policy would require researchers to cut financial ties with health-care businesses or lose their government money.

[20975003]

Among other concerns, the agency says researchers with business ties are more likely to falsify findings in order to tout new drugs.

[20975004]

As ties between academia and venture capital have blossomed in recent years, governmental fear of abuse has risen.

[20975005]

But the guidelines could make it impossible to commercialize research, says Kenneth Smith, associate provost and vice president for research at Massachusetts Institute of Technology.

[20975006]

The NIH is asking grant recipients and others for comments on the proposed guidelines until Dec. 15.

[20975007]

After that, it will make a final decision on the policy.

[20975008]

The guidelines could foil future arrangements similar to the deal behind Lithox Inc., a Salem, Mass., start-up, says Robert Daly, a managing partner of TA Associates, a venture-capital firm.

[20975009]

With \$ 2.3 million, he and other investors launched Lithox last year to market a gallstone cure being developed by researchers of the University of California at San Diego.

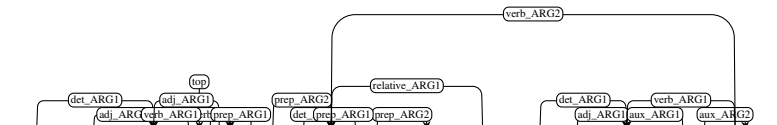
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The researchers, who are being financed by the Lithox funds, will receive a royalty, or percentage of sales, if their research yields a commercial product.

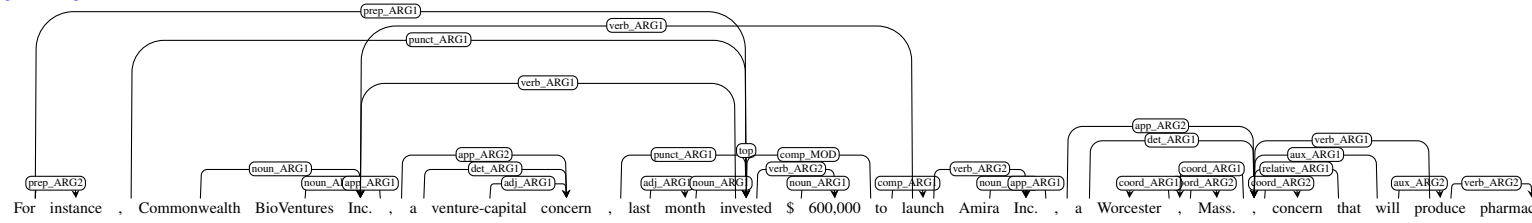
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But because the University of California, like many other universities, shares its royalties with researchers, it may disqualify itself from federal funds under the proposed guidelines, Mr. Daly says.

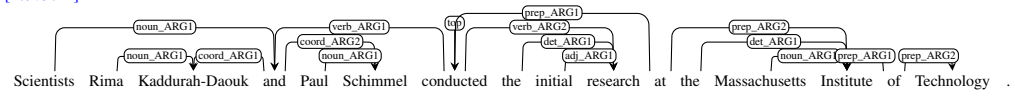
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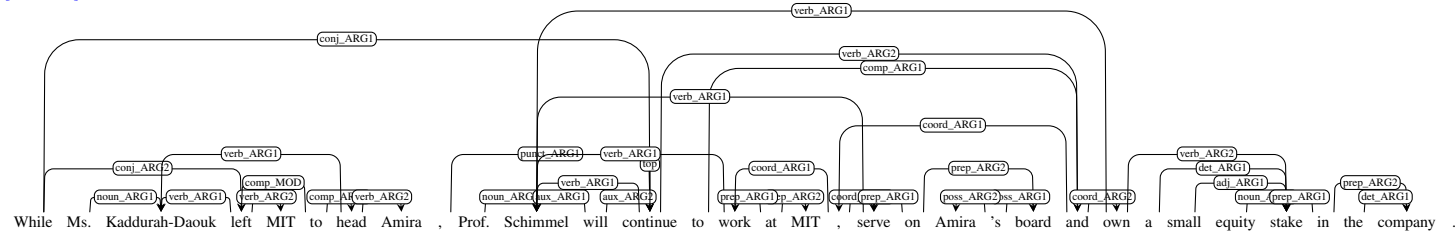
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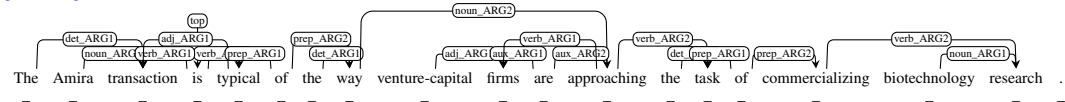
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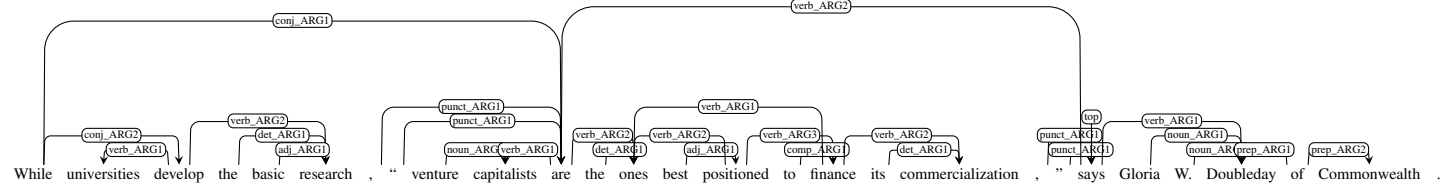
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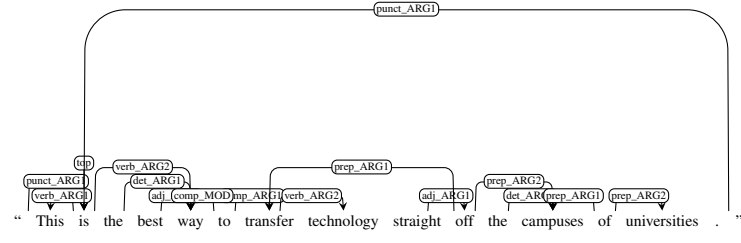
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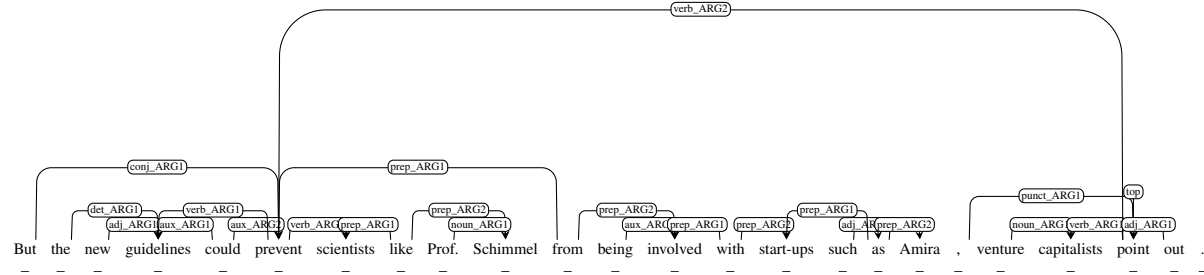
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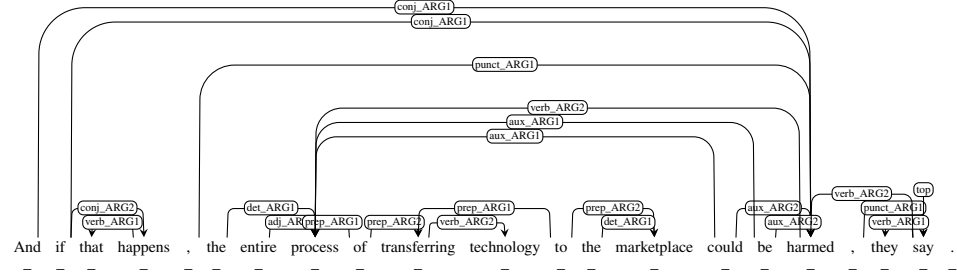
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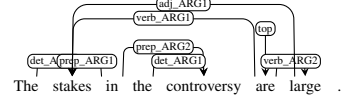
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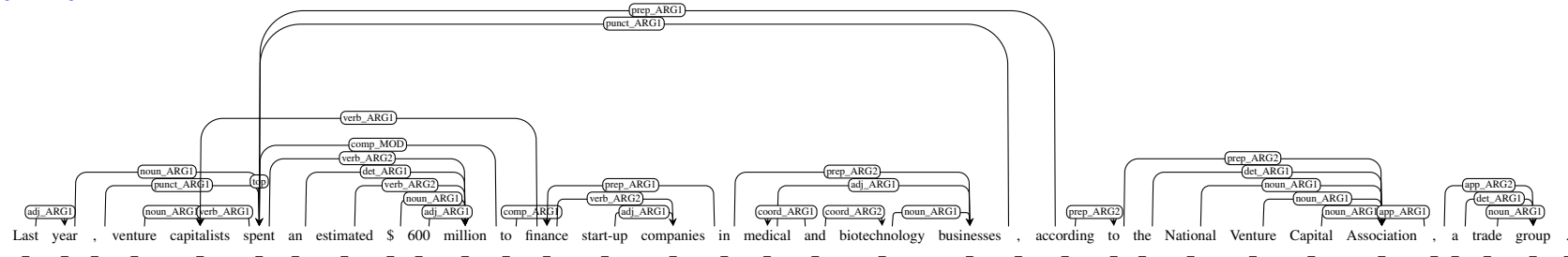
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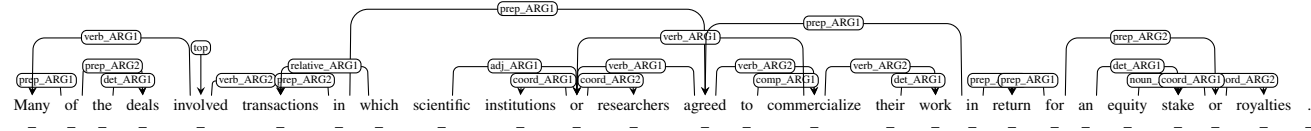
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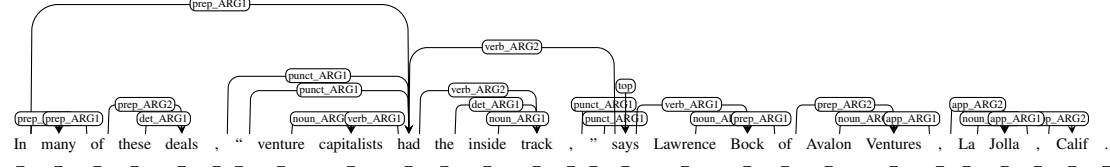
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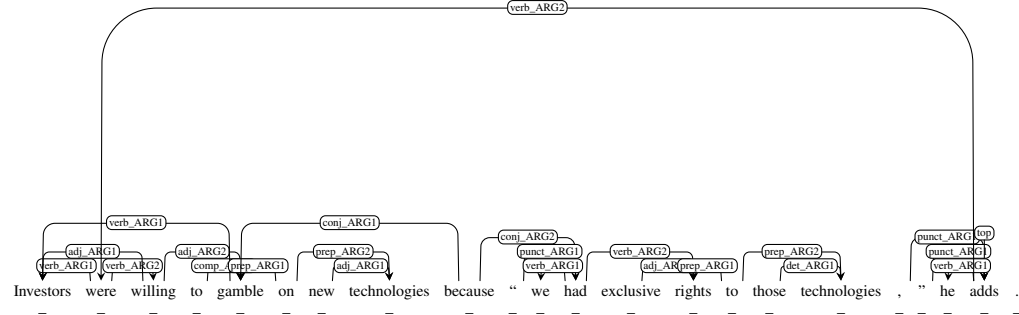
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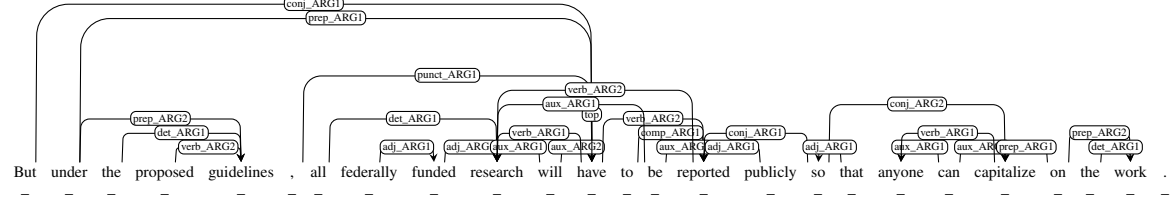
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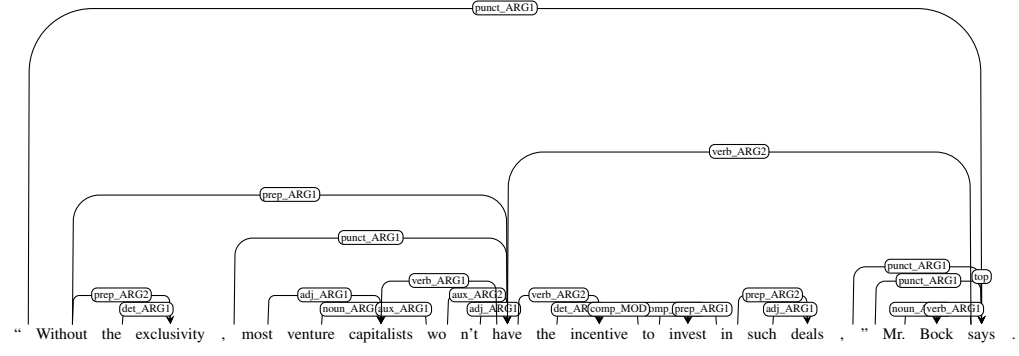
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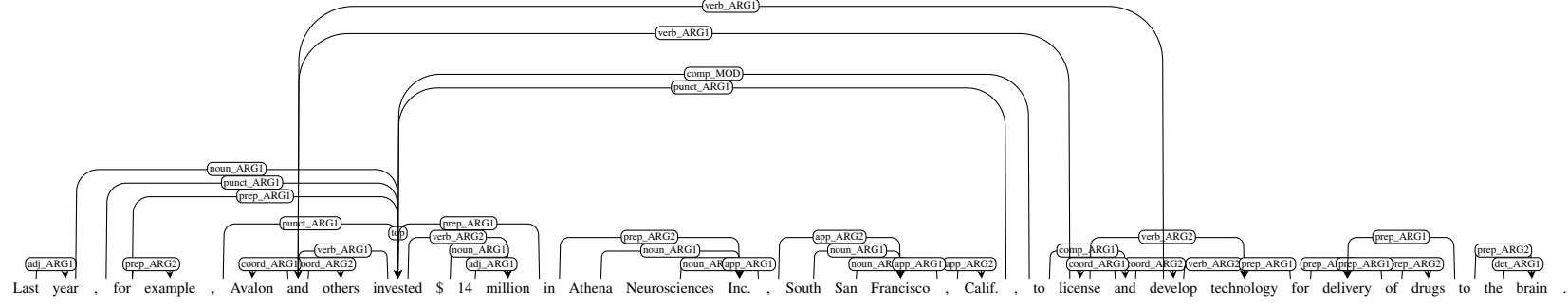
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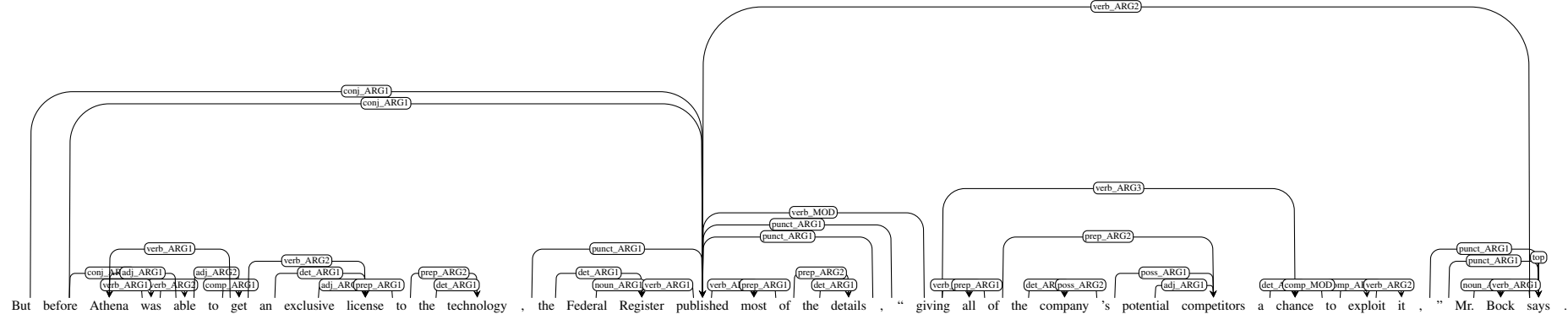
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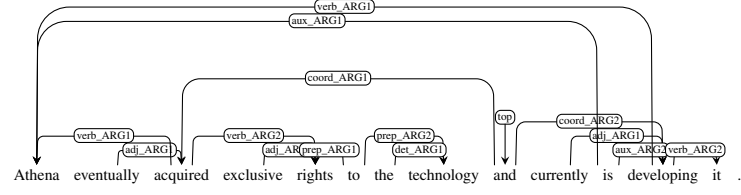
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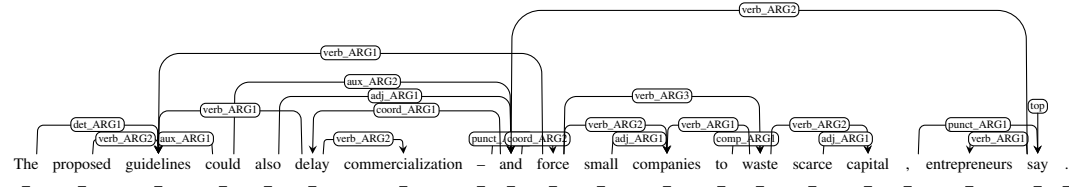
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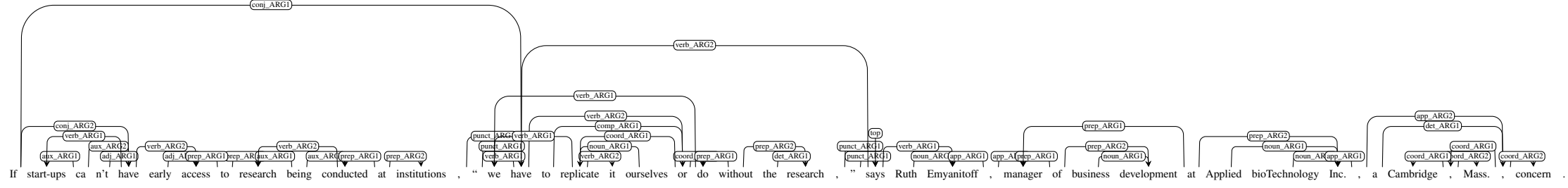
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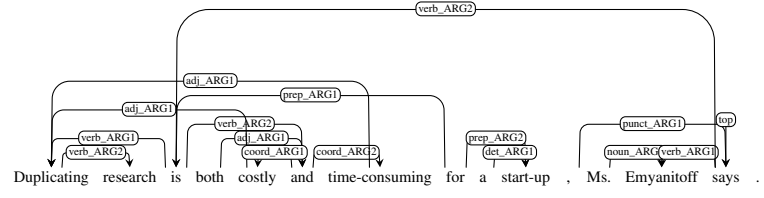
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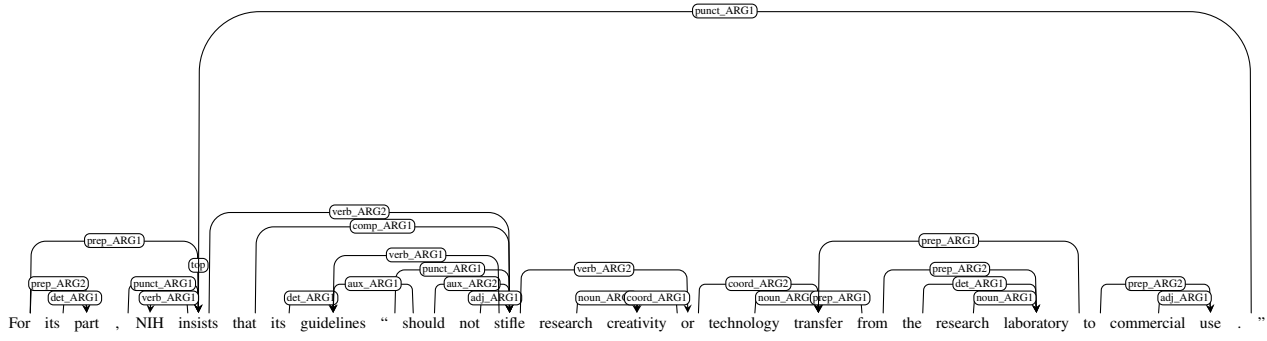
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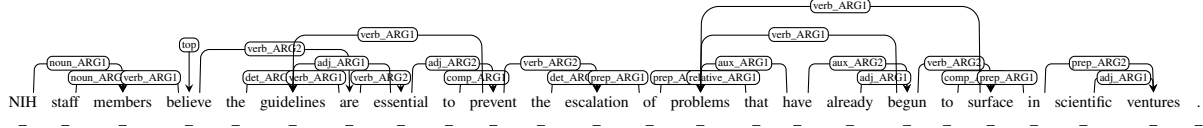
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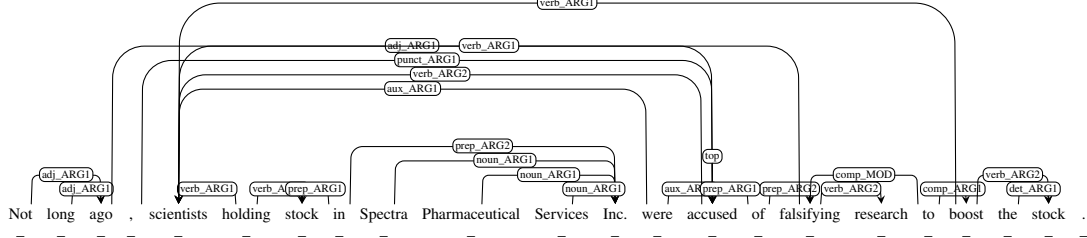
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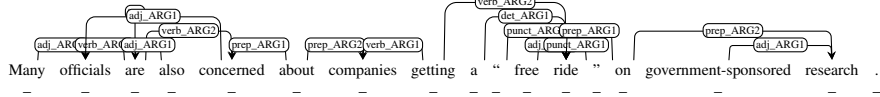
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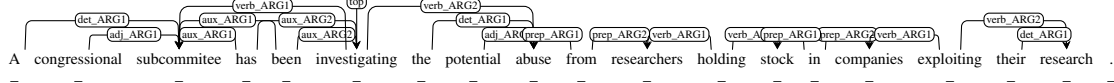
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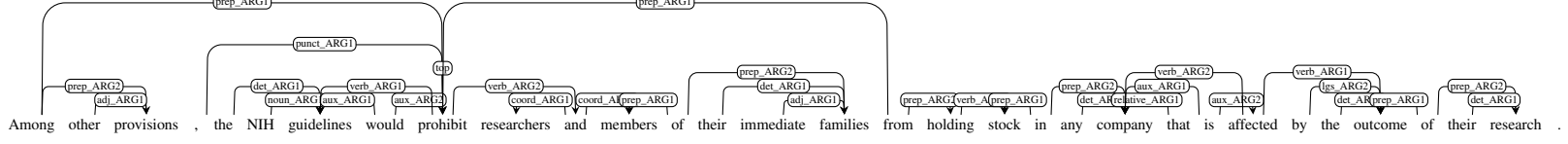
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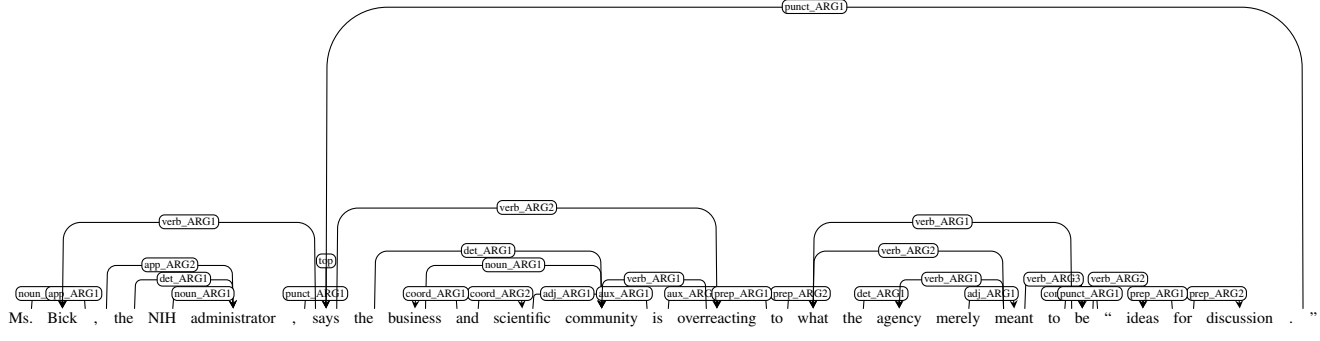
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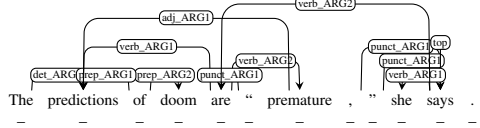
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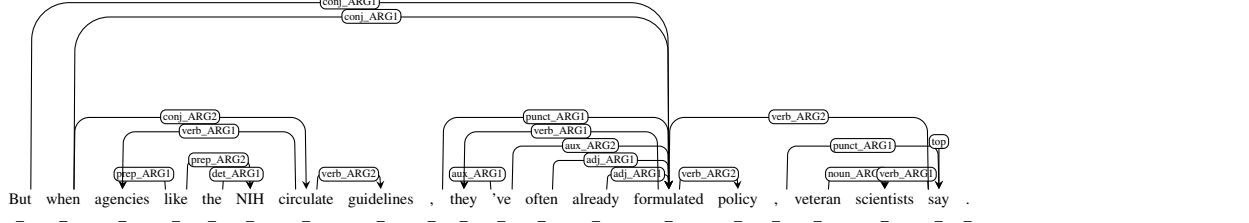
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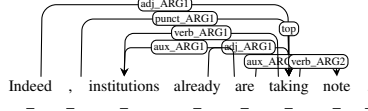
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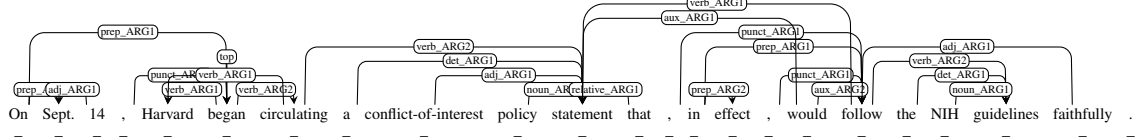
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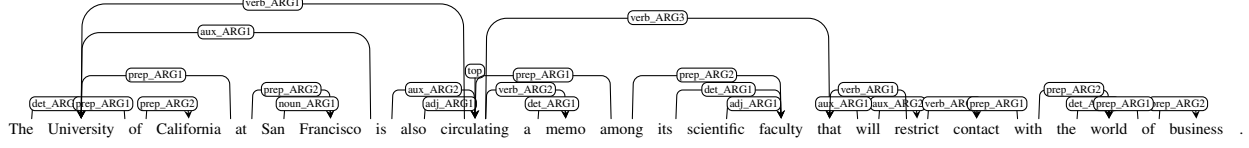
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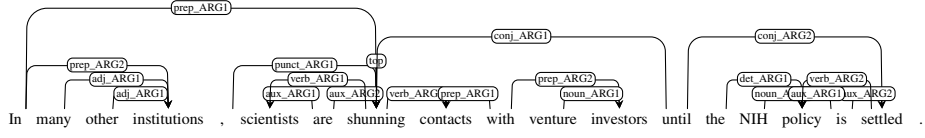
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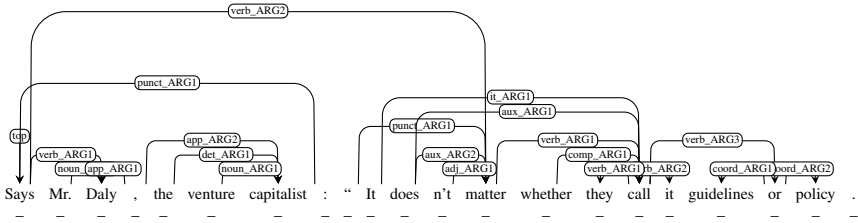
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