



Collaborating With Industry

Benefits of Collaborating With Industry

<i>University Benefits</i>	<i>Industry Benefits</i>
Expanded research capacity	Campus research collaborations
Research or project funding	Lower research overhead
Access to 'cutting edge/ real world' projects	Access to world class expertise
Students; Experiential Learning opportunities	Future employees/recruiting
Equipment/facility fees	Access to specialised equipment
Licensing revenue	Licensed intellectual property
Academic publication opportunities	Publicity for sponsorships

In the Beginning.....

- What is an NDA?
 - NDA (Non-Disclosure Agreement) and CDA (Confidential Disclosure Agreement) are two names for a legal document which restricts disclosure of information covered by the agreement.
- One sided or Mutual?
 - Mutual is preferred, which allows for sharing of information in both directions.

Timing

- When should an NDA be established?
 - As early in the conversation as possible, and certainly **before** any details of the university's work be shared, as there could be IP concerns.
- Who has authority to negotiate and execute NDA's?
 - Your TT Office is the primary office for negotiating and executing NDA's

Agree and Cost the Work Programme

- Include:
 - Name of PI
 - Period of Performance
 - Additional Staffing if needed
 - What will the project accomplish - objectives
 - Where will the work be conducted
 - Measurable activities and tasks
 - Estimated milestones
 - Special resources required
 - Meetings and reporting requirements

Collaboration Agreement

- Given the opportunity, it's preferable to start the negotiations with University templates
- Many Industry agreements read like procurement contracts and often contain language not applicable to or appropriate for educational institutions (require significant mark-ups)
- TTO employs agreement templates that have been vetted to include standard higher education terms, and have also proved useful as a starting point for industry negotiations.
- TTO offers the flexibility to negotiate with our own templates, or using industry template, as is sometimes necessary

The Issues That Come Up

- Publication rights
- Confidentiality (if not handled by NDA)
- Intellectual Property
- Data rights
- Representations & Warranties
- Indemnification
- Payment Terms

Publication

- Freedom to publish is critical element in research agreement, as it furthers university mission to create and disseminate knowledge. Freedom to publish is essential for researchers to advance their careers.
- Publication rights also protect student works, so that dissertations are not unreasonably delayed
- For Research projects, industry ‘review and comment’ in a reasonable timeframe is fine prior to university publication, but ‘review and approve’ is too restrictive
- The biggest challenge is that industry, in general, seeks to limit disclosure of information to gain competitive edge in the marketplace

Intellectual Property

- Types of IP:
 - Inventions – patentable: can be device or methods
 - Works of authorship – copyrightable
 - Know-how – non-patentable
 - Trade secrets – confidential forever
- Inventorship determined by patent law
- Ownership determined by answering: “Who is the Inventor legally obligated to assign/transfer ownership of their invention to”?
- Inventorship and/or ownership can be sole or joint

Introducing Background IP (BIP)

Establish what BIP is required for the research

Use of BIP for the purposes of the research itself is free

Company can have access through separate license to the extent that they absolutely require it to commercialise the Foreground after the project

Maintain a register of BIP including the available commercial rights

New BIP only entered on the basis of mutual agreement

Licensing Intellectual Property Arising

Definition: owner granting permission to another to use owner's property

- ***Types of licenses:***
 - » *Exclusive or non-exclusive*
 - » *Revocable or irrevocable*
 - » *Worldwide or not*
 - » *Limited to fields of use*
 - » *With or without right to sublicense*

Intellectual Property – Frequently Discussed

Who will own the IP that may result from the research?

- The company's interest is often that they must own resulting IP, but not always. It'll depend on how often they've worked with universities in the past

How might this view conflict with university interests?

- Research collaboration does not buy IP resulting from research:
 - » Consulting/work-for-hire model not appropriate for research
 - » Issue is that a for profit company cannot acquire assets from a non-profit made using state monies for free, or below fair market value
 - » Cannot place a market value on IP that hasn't yet been created

Intellectual Property – Frequently Discussed (ii)

University Interests:

- University should own IP it creates
- University should be paid fair market value for its IP
 - License terms can only be negotiated after IP is created, if any.
 - University can grant company 1st option to negotiate exclusive license with university
 - University can grant a non-exclusive, royalty-free, non-transferrable license to company

Note: Research agreements that are 'silent' on IP; inventors & ownership will be determined by Law

Payment Terms

- University and Industry typically agree on a schedule (i.e. – payments based on milestones or calendar date schedules).
- Budget is developed using cost basis plus fixed overhead, so is reasonable and grounded in reality
- Typical payment schedule is:
 - 30% payment up front, upon agreement execution
 - 60% due at interim point (could be progress report or other milestone)
 - 10% due at project end (could be with *delivery* of final report)

Warranties

- University should include a disclaimer of warranties regarding its IP:
 - Disclaimer of merchantability, fitness, and non-infringement
 - ***Key point: There are no guarantees with research!***
- Industry initiated agreements will often contain warranty information, similar to that which you'd see when purchasing a product (not applicable to research)
- Solution: University can perform the project in accordance with the Statement of Work, or other reasonable standards, but cannot guarantee/ warrant the results

Indemnities

- **Definition:** To restore the victim of a loss, in whole or in part, by payment, repair or replacement
- **Guiding Principle:** A tool for allocation of risk between the contracting parties
- Reasonable approach is that each party agrees to indemnify the other for its own negligent or willful acts during the course of the project

H2020

eg. Innovation Actions

TLR Levels and Expectations

TRL 1 – basic principles observed

TRL 2 – technology concept formulated TRL 3 – experimental proof of concept

TRL 4 – technology validated in lab

TRL 5 – technology validated in relevant environment (industrially relevant environment in the case of key enabling technologies)

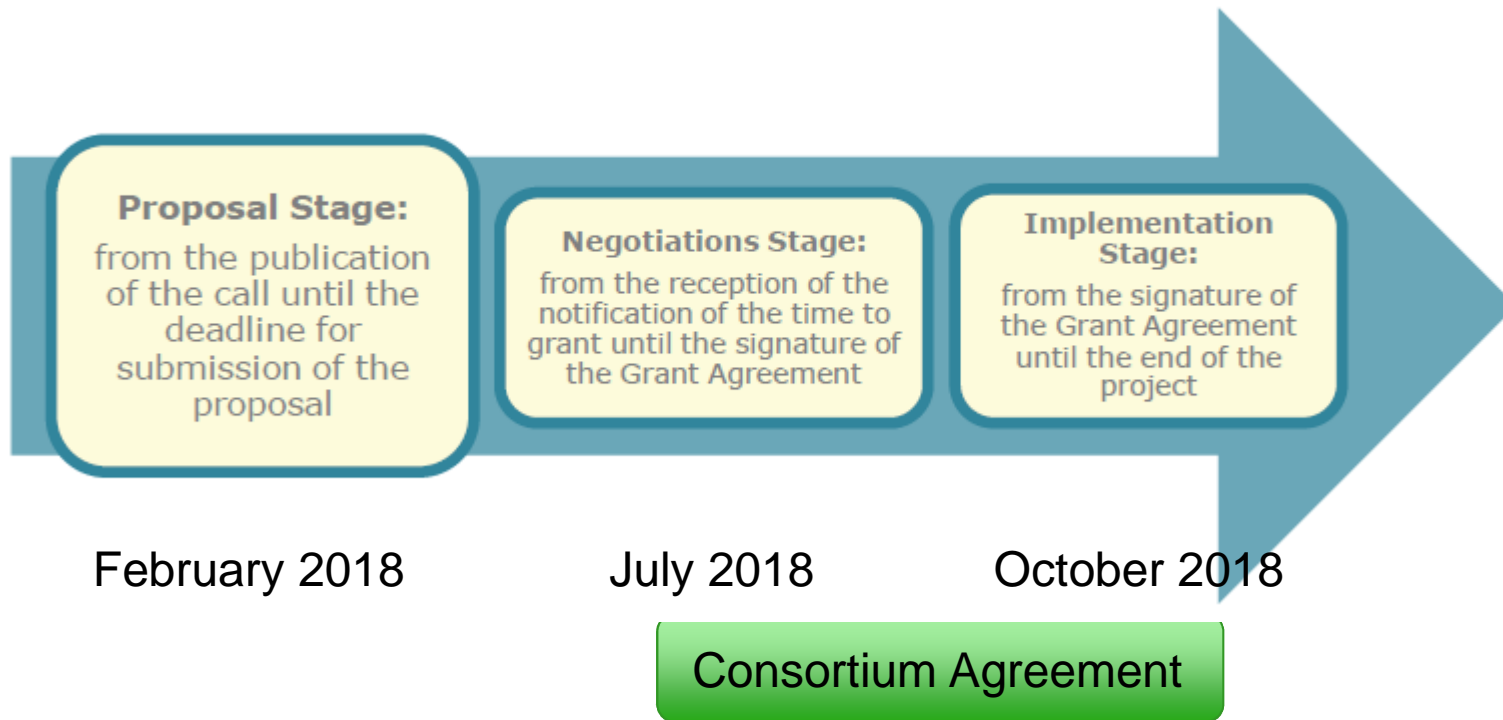
TRL 6 – technology demonstrated in relevant environment (industrially relevant environment in the case of key enabling technologies)

TRL 7 – system prototype demonstration in operational environment

TRL 8 – system complete and qualified

TRL 9 – actual system proven in operational environment

Process

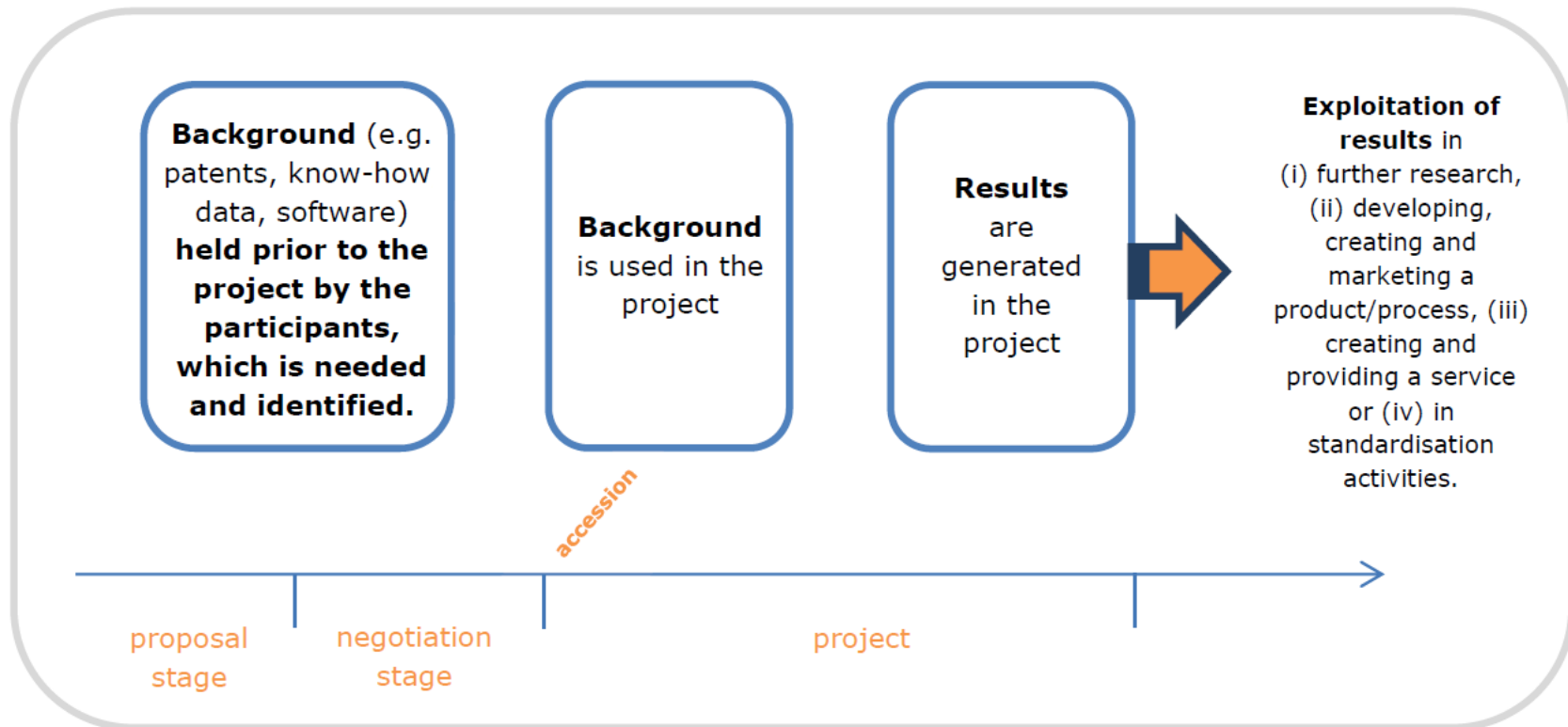


DESCA

DESCA (Development of a Simplified Consortium Agreement) is a comprehensive Model Consortium Agreement which offers a reliable frame of reference for project consortia. DESCA enjoys broad support within the FP community.

<http://www.desca-2020.eu/latest-version-of-desca/desca-2020-version-12/>

IP Journey in a H2020 Project



Background IP

How can I identify my own background?

- ❑ list the components you are likely to bring to the project (e.g. scientific study, method, material...) and the potential rights attached to them (e.g. patent, copyright...);
- ❑ verify who owns them;
- ❑ ask for authorisation to use them if there are third parties' rights;
- ❑ if there is something that may affect the other partners' use, they should be informed (e.g. the use of open source software).

Foreground/Project IP Access

Consortium Agreement

Grant Agreement

In Horizon 2020, the grant agreement that participants sign with the European Commission is based on models, which are available in the Participant Portal for public information. These models are based on the rules for participation.

However, additional rules on intellectual property, namely in terms of access rights, exploitation and dissemination of results, can be established in the grant agreement, depending on the type of grant and work programme.

http://ec.europa.eu/research/participants/data/ref/h2020/legal_basis/rules_participation/h2020-rules-participation_en.pdf

Thank You