



A Primer on Understanding  
and Negotiating Intellectual  
Property and Publication  
Language in Industry-  
Sponsored Research  
Agreements

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**Exchanging Talents  
Through Guidance**

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# Session Objectives

- Understand the importance of publication restrictions and IP restrictions, both from a University and Industry perspective
- Be able to identify troublesome clauses
- Be able to offer alternatives



# Publication Clauses

- Why is Publication Important to Us?
  - Primary Mission of a University
  - Metric for Tenure
  - Theses for Graduate Students



# Publication Clauses

- Why are Publication restrictions important to Industry?
  - Competition
  - Testing Agreements
  - Clinical Trials



# Publication Clauses

- Examples of Publication Restrictions
  - Typical Examples
    - “Review and Approve” vs. “Review and Comment”
    - Multi-Study Publications
  - A bit more difficult...
    - Confidential Information



# Publication Clauses

- How do we fix these?
  - Typical Examples
    - Review and Comment
    - Multi-Site Language
  - A bit more difficult...
    - Changing definition of “Data/Confidential Information”
    - Carving out exclusion for research results



# Publication Clauses

- Publication Waivers
  - Are they ever OK?
    - Other Sponsored Activity
      - Testing Agreements
    - Classified Information
    - Confirm project is not export-controlled...
  - Process at MU
  - PIs can make an informed decision



# Intellectual Property

- Why is Intellectual Property Important to Universities?
  - Revenue Generator
    - Licensing Fees
  - Freedom to Operate
    - Further Research
  - Freedom to Publish
    - Helps raise faculty profiles, promotes mission of universities



# Intellectual Property

- Three main types of IP you might encounter in Sponsored Agreements
  - Patents
  - Copyright
  - Trade Secrets – Not ours!
- Background IP
- What are Licenses?
- What is Assignment?



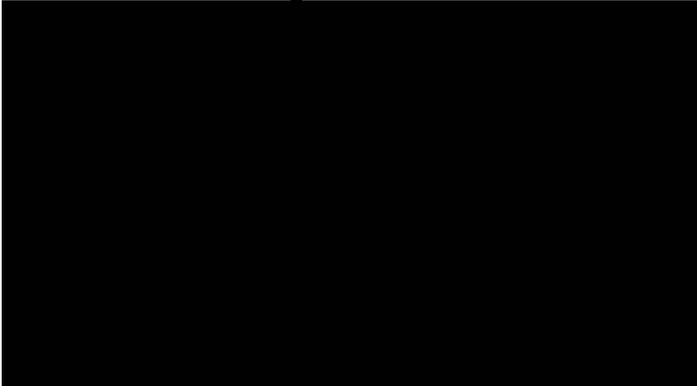
# Bayh-Dole Act

- Invention Reporting
- Election of Title
- Patent Protection/Reversion
- **\*\*Prohibition on Assignment\*\***



# Title & Ownership

- Ownership follows Inventorship (usually)
  - Not in the University context
- Assign versus Agree to Assign
  - *Stanford v. Roche*



# Assignment Clauses

- Silence
- *“Ownership shall follow inventorship”*
- Full Assignment Clause
  - *“Project deliverable(s) shall be the property of the Company. Company shall own copyrightable works of a technical nature and inventions created during and as a result of the Research”*
- Partial Assignment Clause
  - *“All inventions made in the performance of the Research shall be jointly owned by Sponsor and University.”*
  - Why isn't this as valuable as full ownership?

# Licensing Rights

- Exclusive License
  - If Ownership is off the table, this is preferred vehicle for Sponsors
  - Remember to reserve your own NERF for research purposes
- NERF (Non-Exclusive Royalty Free License)
  - If Ownership and Exclusive Licenses are both off the table, Sponsor may accept a NERF
    - Try to limit to "Research NERF" if at all possible
    - Issues with allowing commercial NERFs

# Options to an Exclusive License

- Options to negotiate exclusive license
  - Preferred approach for most universities
  - Sponsors are hesitant
    - Costs unknown (even if royalty percentage is pre-negotiated)
  - *“University grants to Sponsor a six-month option, from date of notice to Sponsor by University, to negotiate for a commercial license to any resulting patents, copyrights of a technical nature, processes, inventions or other intellectual property. Should Sponsor exercise such option within six (6) months, a reasonable and customary royalty rate will be negotiated.”*

# Policy at MU

- Historically
- Research on Licensing \$\$ from Industry Sponsored Research
- Inventorship Share in Revenues
- Current Policy
  - Willing to waive IP
  - 5% F&A Surcharge (typically non-negotiable)
  - Typically retain publication rights
  - PIs can make informed decisions

# IP and Publication Intertwined

- When do IP and Publication intersect?
  - Patentable Information in Publication filing
    - Delaying publications is fine
    - Make sure there's some definite period
      - Typically 90 days



# Publication Language Example

- *"Parties agree that, should Institution wish to publish the results of Project, it shall submit any manuscript to Sponsor no less than ninety (90) days in advance of submission of such publication. Sponsor shall review and approve such publications within the ninety (90) days."*

# Possible Edits

- *Parties agree that, should Institution wish to publish the results of Project, it shall submit any manuscript to Sponsor no less than ~~ninety~~ **thirty** (930) days in advance of submission of such publication. Sponsor shall review and ~~approve~~ **comment on** such publications within the ~~ninety~~ **thirty** (930) days. **Institution agrees to consider such comments in good faith.***

# Publication Example – Clinical Trial

- *"This Study being conducted under this Agreement is part of the Overall Study. Study Center and/or Investigator are free to publish the results of the Study in reputable journals or present at professional conferences after the first publication or presentation that involves the Overall Study."*

# Possible Edits

- *"This Study being conducted under this Agreement is part of the Overall Study. Study Center and/or Investigator are free to publish the results of the Study in reputable journals or present at professional conferences after the **earlier of (i) the first publication or presentation that involves the Overall Study, (ii) eighteen (18) months following completion or overall termination of the Overall Study or (iii) notification by Sponsor that an Overall Study publication will not occur.**"*

# Publication Example - Results

- *1.1. Confidential Information shall mean proprietary information provided by Sponsor to Institution, as well as information resulting from the performance of Project.*
- *1.2. University shall be free to publish upon thirty (30) day review and comment of Sponsor. University agrees to not include Confidential Information in any publication.*

# Possible Edits

- *1.1. Confidential Information shall mean proprietary information provided by Sponsor to Institution, as well as information resulting from the performance of Project.*
- *1.2. **Notwithstanding 1.1.**, University shall be free to publish **results of Project** upon thirty (30) day review and comment of Sponsor. University agrees to not include Confidential Information in any publication. **For purposes of clarity, results of Project will not be considered Confidential Information for purposes of this Section 1.2. only.***

# IP Example – Clinical Trial

- Where we are OK assigning ownership
- *"Any new patentable inventions, developments or discoveries made during and after performance of Study ("Inventions") shall be promptly disclosed to Sponsor. Title shall be assigned and is hereby assigned to Sponsor."*

# Possible Edits

- *"Any new patentable inventions, developments or discoveries made during and after **in the** performance of Study ("Inventions") shall be promptly disclosed to Sponsor. Title shall be assigned ~~and is hereby assigned~~ to Sponsor **upon Institution's notice of receipt of an invention disclosure from inventor to Institution's Technology Transfer Office.**"*

# IP Example – Exclusive License

- *"For no additional consideration other than the funds provided under this Agreement, under Institution's rights to Inventions, Institution hereby grants to Sponsor an exclusive, irrevocable, worldwide license to use or otherwise practice any such Invention for twenty (20) years from the effective date."*

# IP Example – Exclusive License

- This language likely can't be edited
  - This may come up when dealing with an invention that cannot be otherwise assigned.
  - This is effectively an assignment
  - Consider giving option to negotiate exclusive license
  - If Sponsor wants an exclusive license in the agreement, then TTO will likely need to add additional licensing terms (warranty language, patent costs, royalty info, etc.)
- If PI and Administration are OK with this concept, remember to reserve research NERF for PI to continue to work in this space.

# IP Example - NERF

- Under Institution's rights in Inventions, Institution hereby grants to Sponsor a fully paid-up, perpetual, irrevocable, non-exclusive royalty-free, worldwide license with a right to sublicense for any purpose.

# IP Example – NERF

- Under Institution's rights in Inventions, Institution hereby grants to Sponsor a fully paid-up, perpetual, irrevocable, non-exclusive royalty-free, worldwide license ~~with a right to sublicense for any~~ **for any internal research** purpose. **For clarity, such license extends to research conducted by Sponsor but does not include a right to sell or offer to sell.**

# Concluding Points

- Find out what your Institution's policies are.
  - These will vary from Institution to Institution, and potentially by department/school.
- Consult your General Counsel and TTO
  - These clauses are difficult for everyone, and can be extremely convoluted.
- Help your PIs and Administration make an informed decision.

# Questions?

# Contact Information

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