



# Contract Accords

for University Industry Sponsored Agreements

Produced by:  
University-Industry Demonstration Partnership (UIDP)  
August 2009

## *A note from the University-Industry Demonstration Partnership*

The following Contract Accords for University-Industry Sponsored Research Agreements were developed by a strategically assembled and dedicated team of research administration professionals from academia and industry with the goal of significantly adding to the current body of knowledge.

The UIDP Board of Directors would like to thank all of the Working Group members who are listed in the booklet as well as the UIDP members who reviewed these Contract Accords and provided feedback to the Working Group.

The Board gives special thanks and recognition to the Working Group Co-Chairs, Jilda Diehl Garton from Georgia Tech, and Tyler Thompson, formerly of Dow Chemical, for their leadership, and Elizabeth Judson, who has served admirably for the past few years as the TurboNegotiator Project Manager.

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## Acknowledgments and Rationale for Creation of Contract Accords

When negotiating university-industry sponsored research agreements, there are common areas of disagreement that can delay or derail projects if not addressed. These common areas can be highly contentious, and the University-Industry Demonstration Partnership (UIDP) has developed the following Contract Accords to address five commonly recognized areas typically requiring additional time for resolution.

After several years of effort, the UIDP, its TurboNegotiator Working Group, and the general membership have strategically crafted these five Contract Accords to facilitate these sponsored research negotiations and increase understanding on these subjects.

The objective of these Contract Accords is for each party to gain a greater understanding of how these topics can be adequately addressed and allow for mutual benefit to each party during the negotiation of sponsored research agreements. These Contract Accords are the intellectual anchor for TurboNegotiator (TN), a software tool developed by the UIDP to facilitate the negotiation of sponsored research agreements between businesses and universities.

## About UIDP

### In the Beginning: The University-Industry Partnership

The first Industry-University Congress was held in San Francisco on August 19–20, 2003. Strong industry-university research collaborations are essential to the well-being of the nation. The Industry-University Congress was conceived in order to convene a group of distinguished representatives from industry, academia, and government to identify ways in which these research relationships can be strengthened and streamlined. The event was sponsored by the National Council of University Research Administrators (NCURA), along with the National Academy of Sciences—through the Government-University-Industry Research Roundtable (GUIRR)—and the Industrial Research Institute (IRI). Subsequent meetings were held at the National Academies using GUIRR as the neutral convener. Sponsorship from 2003 through early 2006 came from NCURA, the Kauffman Foundation, the Wallace Coulter Foundation, and the Sloan Foundation, as well as individual donations from Boeing, Extrude Hone (now, Ex One), Hewlett Packard, and Microsoft.

The purpose of the U-I Partnership was to deliberate on the causes of, and potential solutions to, the difficulties facing universities and companies when attempting to work together. Though the partnership's deliberations were energetic and seemingly endless, they ultimately broke the conceptual ground necessary to frame and establish the more implementation-focused UIDP.

### Outcomes of the University-Industry Partnership

Four outcomes were generated by the U-I Partnership:

- a set of Guiding Principles, which emphasize the long-term returns that can accrue to U-I partnerships that are constructed fairly and conducted with competence and sophistication
- a compendium of studies that describes in concrete terms how the Guiding Principles apply to day-to-day intellectual property negotiations
- a National Summit that brought together 150 representatives from government, university, and industry to share the philosophy and practices distilled from the partnership. This summit took place on April 25, 2006.
- the concept and design for a new alliance, the UIDP, and a work plan for its first demonstration project, called TurboNegotiator. Elements of this plan were introduced at the April 25, 2006, National Summit. The UIDP itself had its first meeting on Dec. 13, 2006.

## Composition of the Partnership

From its conception, the U-I Partnership was intentionally constructed to represent the entire spectrum of university-industry relations. On the industry side, there was representation from a variety of industrial sectors—aerospace, agriculture, biotechnology, chemicals, consumer products, defense, manufacturing, pharmaceuticals, and software. Both small and large companies were consciously included. On the university side, both private and public universities, small and large, were at the table.

Within both the industry and the university contingents, the decision-making chain of command was represented in the membership: participants included bench researchers, research managers, vice presidents in charge of research resource allocations, legal counsel, and other professionals devoted to sponsored research and licensing negotiations. Government interests and key professional organizations were also engaged.

The overarching philosophy of the U-I Partnership was that, by including the entire breadth of interests relevant to university-industry partnering, one could arrive at a set of solutions and innovations. These measures would be robust enough to be widely adoptable by diverse partnerships on a national scale. This philosophy of actively pursuing industry sector breadth in order to generate robust solutions remains embodied in the UIDP mission and membership.

## Mission

The mission of the University-Industry Demonstration Partnership (UIDP) is to nourish and expand collaborative partnerships between university and industry in the United States.

The UIDP accomplishes this mission via a coalition of universities and companies and other interested parties who engage in voluntary collaborative experiments on new approaches to sponsored research, licensing arrangements, and the broader strategic elements of a healthy, long-term university-industry relationship. Institutional experiments are chosen and jointly pursued by willing members when they have the potential to increase the level, degree, or ease of university-industry collaboration.

## Values

- We value innovation for the public good; maximizing—to the greatest extent possible—the information and products that will ultimately be available to the public through collaborative private and public enterprise.
- We recognize the value of university-industry collaborations and the lost opportunities when successful agreements cannot be reached.
- We value cooperative, multidimensional, long-term partnerships leading to accelerated collaborative efforts.
- We value the development of a deep understanding and respect of the diverse goals, missions, and cultures among our universities and companies, and appreciate the synergy that they can afford.
- We value each partner's depth of expertise and strive to provide an equal opportunity for voicing that perspective.
- We value an honest dialogue that is open to alternative and novel ideas, acknowledges differences, and manages conflict.
- We value a mutual commitment to shared scholarship and expertise, training and professional development.
- We value strategic, result-oriented thinking and the development of practical, active demonstrations.
- We value the pursuit of efficiency and effectiveness, seeking to streamline transactions.
- We value a commitment to principled and transparent negotiations.

## TurboNegotiator

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The concept of TurboNegotiator, a software tool that would facilitate the negotiation of industry-sponsored research agreements with universities, was conceived during an April 2006 meeting convened by The National Academies to bring prominent industry and university leaders together to determine why U.S. industrial research funding was increasingly being invested overseas. The group that eventually became the UIDP recognized that negotiations of sponsored research agreements, particularly disagreements over the treatment of intellectual property, were negatively affecting the entire industry-university research partnership in the United States. This was resulting in fewer collaborations that catalyze U.S. competitiveness in areas of national importance. (See the National Science Foundation 2006 report “Where Has the Money Gone? Declining Industrial Support of Academic R&D.”) The group suggested that a software tool could be developed to facilitate the negotiation of such agreements and reverse the trend of U.S. research funding investments overseas.

In January 2007, the vision of TurboNegotiator was presented to the initial UIDP founding members and leaders. A working group was formed of university and industry champions to determine a plan to define the goals, form, function, and process for the development of the software tool.

### Goals of TurboNegotiator

- 1) **Decrease negotiation time.** Facilitate the exchange of information and the joint understanding of needs, constraints, and objectives of universities and industry. Identify underlying mismatched expectations before the start of legal negotiations to prevent wasted time.
- 2) **Train new staff members.** Provide a systematic, interactive training experience by which new or less-experienced staffers can navigate through issues that more experienced negotiators handle routinely.
- 3) **Preserve learnings and creative solutions.** Act as a repository of information. Provide links to resource material, including contract accords, case studies, publications, and citations to legal statutes and regulations.

### Form and Function

TurboNegotiator was envisioned as an interview tool aimed at guiding both sides to come to agreement on the nature of a project. The tool would interview both parties to a negotiation and allow the project to be plotted in n-dimensional “project space.” Statements of consensus among university and industry representatives would guide parties in dealing with moderately contentious issues and identify criteria for “outlier” situations.

These statements could be hot-linked throughout the tool for more information on history, use, pros, and cons for both industry and university negotiators. A “best practices” or experience base collected about each issue would add to the body of knowledge available online. The statements of consensus have come to be known as Contract Accords, and the “project space” has been described as a three-dimensional mapping along the axes of fundamental to applied research, probability of invention, and relative investment by industry and university, as shown in Figure 1.

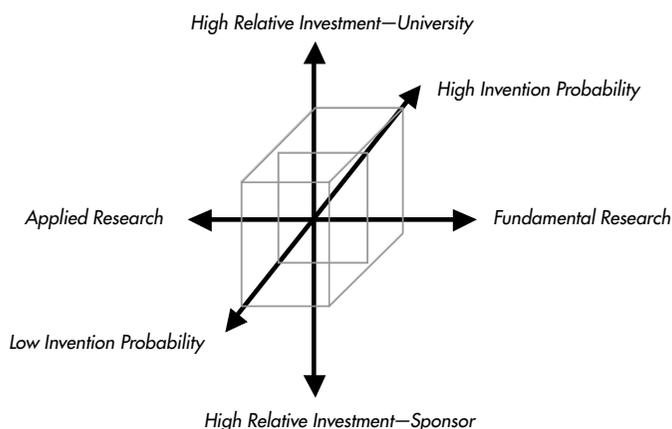


Figure 1. Mapping Research Project Space

## Contract Accords

The TN working group developed Contract Accords on contentious issues that often lead to prolonged negotiations. These statements reflect the consensus and best practices of university and industry representatives and continue to evolve. TurboNegotiator refers to these statements to offer recommendations for particular issues. Current Contract Accords subjects are: Statement of Work, Indemnification, Publications, Other Research Results and Copyrightable Materials, and Background Intellectual Property.

## Status of TurboNegotiator Development

The pilot version of TurboNegotiator was released to the UIDP membership in March 2009 through a series of online demonstrations. The pilot version will be tested over a period of nine to twelve months while it is demonstrated and promoted through professional society meetings. Users will be surveyed, and the working group will determine priorities for development of a fully functional version. It is expected that the enhanced-function version will be available to UIDP membership by the middle of 2010.

## Contract Accord 1: Statement of Work

The Statement of Work should define the who, what, when, where, why, and how of the project effort, governing and providing direction for the conduction of research. Milestones and deliverables in the Statement of Work are estimates; however, the university has an obligation to perform research on a reasonable efforts basis. Contract clauses in the sponsored research agreement define the deliverables and reporting control and take precedence over any statements made in the Statement of Work. The Statement of Work defines the specific aims and activities to be undertaken; any changes or modifications should be reduced to writing and agreed to by the company and the university.

### Explanation:

The Statement of Work should include:

- who the principal investigator(s) is (are)
- what additional project staffing will be needed
- what the project hopes to accomplish
- where the research work will be conducted
- what the measurable goals and boundaries are, defined in a sufficient level of detail such that one can determine if the goals are met
- what are the estimated milestones
- what is the period of performance
- what are the special resources required
- when meetings are to occur and reports are required.

Reference to deliverables, milestones, and period of performance are appropriate, but no contract (legal) terms should be incorporated in the Statement of Work, and any description of deliverables is governed by the “reasonable efforts” clause standard in contracts. The term “deliverables” should technically be used only when there is, in fact, tangible property (such as, but not limited to, software, reports, computer hardware, or other engineered material).

The boundaries for any foreground intellectual property (IP) (to which the sponsor may have a license option) are set by the project description and by the contract dates. Any extension of time should be explicit and have a specified date of termination.

## Principles:

- 1) The Statement of Work should be sufficiently detailed as to define the project and distinguish it from other research undertaken by the investigators.
- 2) The Statement of Work may include items that are subject to change due to the nature of the research (e.g. research activity).
- 3) The Statement of Work should avoid stating as deliverables that which the principal investigator hopes the result will be.
- 4) The Statement of Work needs to be aligned with the budget.
- 5) Conflicts of interest, real and potential, should be reduced, eliminated, or managed in accordance with university policy and disclosed to the sponsor.
- 6) The responsible administrative office at the University should review the Statement of Work and should review any changes after each redraft.
- 7) Universities have a responsibility to confirm that rights, licenses, or other transfers anticipated are allowable within the context of other third-party agreements.
- 8) A person from each party should be identified as “Principal Investigator” (PI) or “project champion” and responsible for establishing effective communications.
- 9) Universities have a responsibility to inform their PIs to inform the industry partner of any consulting obligations related to the research.
- 10) The University may agree not to accept other funding for the same identical project (as defined in the Statement of Work), but this requirement should guide the crafting of the Statement of Work. The University will generally not accept limitations on its ability to obtain other funding for similar or related research.
- 11) The Statement of Work should reference background IP.
- 12) Changes of scope of work/agreement should be reviewed after each redraft.

## Outliers:

- The University may, with the consent of the PI, agree not to accept funding from the sponsor’s competitors for closely related research.
- A master/blanket/umbrella agreement would generally set all contractual terms for several projects, except those that are project-specific. The master agreement may allow modification of IP or other terms by mutual agreement for a specific project.
- A project that involves extensive collaboration, exchange of personnel, access to sponsor’s facilities, industrial internships for the graduate students, and so forth may require unusual terms regarding the actual conduct of the research.

## Contract Accord 2: Indemnification

Specific indemnification depends on the type of research (basic or applied, clinical trials), the expected outcomes, and the potential risks of harm. Indemnification, if provided in the contract, should be triggered by a defined event(s) or circumstance (such as the use of intellectual property or the use of human subjects). Rather than offering indemnification, it may be more appropriate for a party to offer to the other party a clause which provides that each shall be responsible for the actions of its employees, its conduct of the research, and its use of the results.

### Explanation:

- Indemnification and warranty clauses must be coordinated and consistent.
- Insurance and other representations should be cross-referenced.

### Principles:

- 1) State institutions and universities often cannot be responsible for actions other than their own. In some states it has been determined that indemnification is an unfunded liability, and only the legislature has authority to obligate funds. Universities can be responsible for their own acts and omissions.
- 2) In an indemnification, the indemnitor will typically defend, pay damages, control litigation, control negotiations to settle at its own expense, mitigate damages in a manner that won't harm indemnitor (or indemnitee); indemnitee will typically only have the right to approve a settlement when there is an admission of liability and admission of wrong-doing or other potential harm to the indemnitee.
- 3) The indemnitor and indemnitee may agree to allow the indemnitee to manage the litigation and be reimbursed for expenses including attorney fees and any judgment.
- 4) It is reasonable for a university to expect a company to indemnify it against liability arising from the design of a company-designed study protocol, and companies should indemnify universities from any liability resulting from the use of results of a company-designed study, or products resulting from the research.
- 5) It is reasonable for a university to expect a company to indemnify it from any loss or damage arising out of company's use, commercialization, or distribution of information, materials, or products that result in whole or in part from the research.
- 6) Institutional Review Board–required language regarding indemnification must be consistent in both the sponsored research agreement and the protocol governing the study or clinical trial agreement.
- 7) Some industries complain that some universities require indemnification for their own negligence.

## Outliers:

- Indemnification as part of a patent license. For some industries this may be negotiated at the same time as the research agreement and is often attached as part of the agreement.
- Material transfers

*What principles did you draw upon to remove these outliers from consensus?*

These are separate agreements and fact-specific.

## Contract Accord 3: Publications

Universities need to be free to publish, present, or otherwise disclose results in a timely manner following review by sponsors within a mutually agreed upon time frame. Sponsors have the right to require the removal of any of sponsor's confidential information. Upon request, an additional delay of publication may be appropriate to accommodate patent application. Generally, the time of publication delay must be specified and specific.

### Explanation:

- The sponsors' need to protect commercially feasible technologies, products, or processes must be balanced with the university's public responsibility to freely disseminate scientific findings for the advancement of knowledge and the academic freedom of faculty and students to publish their research.
- Universities perform research as tax-exempt organizations. Research conducted by tax-exempt organizations must be performed in the public interest and is expected to lead to information that is published and available to the interested public. Research that is subject to restrictions on publication may be considered a trade or business activity that is unrelated to the public purpose of the university.
- Freedom to publish is a requirement for protecting the University's fundamental research exemption (FRE) under export control regulations, which permits delays only for patent prosecution. The FRE is a vital organizing principle that reflects global collaboration among scholars and the international nature of graduate education.

### Principles:

- 1) The primary missions of a university are to create and disseminate new knowledge.
- 2) Universities have an obligation to protect sponsors' identified confidential information. It may also be reasonable for a sponsor to ask that identifying information be deleted, such as a site from which samples were taken in an environmental study. What is important is the content of the samples, not the precise location from which they were obtained.
- 3) The sponsor's right to restrict publication cannot be through inaction. Sponsors should not be able to restrict publications that depend on information that was not identified as confidential.
- 4) Delays shouldn't be allowed to jeopardize academic progress of students.
- 5) Universities and companies have a mutual interest in protecting intellectual property (IP).

- 6) Universities and companies recognize that premature disclosure may jeopardize patentability.
- 7) Publication of research results in a timely and appropriate manner can be beneficial to opening markets and expanding product options.
- 8) Preservation of open research environments is important.
- 9) Freedom to publish is beneficial to open dissemination of research results as contemplated in certain open collaboration research agreements.
- 10) In collaborative research, each party should be able to publish research. Sponsors involved in a collaborative project may develop publications based upon the findings if the university decides not to pursue.
- 11) All authors should be included in the publication subject to the principles of authorship customary for the discipline.
- 12) Any separate agreement between university and industry researchers that is not part of the documented contract may jeopardize the designation of research as being for the public benefit or the Fundamental Research Exclusion.

### Outliers:

- Rarely, and only at some universities, sponsor approval of publication might be acceptable under special circumstances.
- Publication delay of one site's results from a multisite clinical trial is acceptable. The length of delay should be defined.
- At many universities, publication rights in "fee-for-service" agreements, which are not creating new knowledge, may be waived.

*What principles did you draw upon to remove these items from consensus?*

- Any publication approval restrictions are categorically unacceptable for some universities.
- Partial reporting of data may not be scientifically valid.
- Fee-for-service is a service, not research.
- Some universities may accept national security and public health issues as justifying special publication consideration.

## Contract Accord 4: Other Research Results and Copyrightable Materials

For purposes of this statement, research results produced from sponsored research agreements funded by industry are divided into Other Research Results and Copyrightable Materials. This statement is concerned with sponsors' nonexclusive rights to research results.

Other Research Results that may be generated, developed, or produced in the performance of sponsored projects include:

- reports delivered or required to be delivered to the sponsor
- data recorded in any medium
- findings
- conclusions
- tangible research property
- methods or techniques
- mathematical models or correlations.

Other Research Results are owned by the university. The industry sponsor should have a free nonexclusive right to use Other Research Results for any legal purpose, although there may be some timing restrictions on public disclosure of research results. For example, the sponsor should not publicly disclose preliminary findings before the university has submitted patent applications or scholarly articles for publication. Such timing restrictions should be limited in duration.

Some sponsors may want to include terms such as “unpatented inventions” or “discoveries” in the list of Other Research Results, but these terms must be considered carefully. They are difficult to define unambiguously, and the university usually has no legal mechanism to restrict access or enforce limitations on such abstractions, especially since the legally protectable category of “trade secrets” is generally thought to be incompatible with the university environment and mission. The term “know-how” is also difficult to define and fraught with difficulty, since know-how can be thought of as a characteristic of an individual scientist and not the intellectual property of the university. This consensus recommends omitting these terms.

Sponsored research may sometimes generate tangible research products that can be consumed without the potential for renewing their supply. Examples of such results include biological specimens and samples, prototypes, and samples of difficult-to-synthesize small molecules. Special consideration needs to be accorded in light of the fact that such products may be exhausted by providing them to the sponsor or anyone else. Although the research partners have contributed to the generation of these resources,

the fair disposition of severely limited samples may not be straightforward. Furthermore, some materials may be subject to regulatory constraints such as IRB oversight, human subjects protections such as privacy and consents, or other limitations. The rights of the sponsor should be defined in the sponsored research agreement.

Copyrightable Materials, which may be generated, developed, or produced in the course of performing the scope of work, include:

- original visual or voice recordings
- writings
- papers
- work sheets
- slides
- publications
- computer software code
- training modules
- presentations
- computer programs
- video productions.

Such results are copyrightable whether or not the creator decides to affix a copyright notification, and they are to be owned by the creator or his or her employer in accordance with copyright law and university policy. Such protection extends to the medium of reproduction but not the “idea” itself.

The industry sponsor should have a nonexclusive right to use Copyrightable Materials. In particular, computer software is sometimes either a deliverable or clearly anticipated in the Statement of Work. A nonexclusive right to use published scholarly articles is available only to the extent that the university has the right to grant such use, since many journal publishers require assignment of copyright to the publisher.

Sponsor’s right to preview proposed publications is addressed separately in the Publications Contract Accord.

The university needs to inform the principal investigator(s) of the industry sponsor’s access and use rights. The university retains the right to use the other research results for any purpose and publish based on the results. The university may need to have access to the industry sponsor’s data, know-how, etc., to do the research; such access may be subject to a separate nondisclosure agreement, or material transfer agreement, or clause in the sponsored research agreement.

## University Clarification and Principles:

- Research and discovery, teaching and learning, and public service and knowledge dissemination are typical missions of universities. These activities advance undergraduate and graduate education, drive promotion and tenure for faculty, and supply the information necessary to fulfill the university's social responsibilities for the public good. Data and other research results are by-products of these efforts. The university should not surrender the right to make full use of these products.
- Federal funding often requires free access to data by the funding agencies and other researchers.
- Open exchange of information and research results has the potential to impact future patent applications in the context of large research programs.
- The conduct and results of fundamental research are generally exempt from government export control restrictions so long as the results are generally publishable. Granting the sponsor broad nonexclusive rights to use Other Research Results and Copyrightable Materials is consistent with this exemption.

## Industry Clarification and Principles

- Industry funding is provided for the purpose of gaining a commercial advantage. The sponsor needs freedom to use Other Research Results for a variety of purposes, including further internal research and development, preparation of product information for customers, qualifying products and processes with customers and government regulators, and other purposes that are not easily anticipated.
- Industry ownership of research results is not required so long as the sponsor is granted appropriate access to the results both for internal purposes and for purposes that some may consider to be commercial. The sponsor needs to pursue its business model, and the results of the research presumably further that goal. Sponsors' rights would not usually include direct resale unless provided for in the agreement.
- On a case-by-case basis, companies may (if reluctantly) concede to negotiate to share in prosecution costs in return for a nonexclusive license for commercial rights to patented inventions, but they strongly feel that they are at least entitled to free nonexclusive use of all other results of research that they sponsor. Companies are generally wary of being burdened by further restrictions, especially since the open nature of the university makes it likely that such results will soon be available to anyone.

## Outliers:

- In cases of more applied research (clinical trials, agricultural field trials, testing agreements, fee-for-service arrangements), the industry sponsor may be accorded ownership of specified types of results, including tangible research property, but the university should retain the right to use for its own research and educational purposes.
- Applied research and sponsor-initiated clinical trials: No intellectual property (IP) is expected to be generated in the course of the work, and, generally, while there needs to be consideration as to whether the activity is appropriate for a university to undertake, the transmission of knowledge is not paramount.
- Sponsor's confidential or proprietary information should be covered in a separate article.
- Other exceptions include research data that contain confidential or proprietary information of other sponsors, or information that should not be released because of privacy/HIPAA concerns.
- Exclusive rights are negotiated separately.
- Inventions should be covered in a separate module.

## Additional Comments:

What is covered by the agreement as “other research results” will vary by industry sector.

What rights are specified in the research agreement may depend on whether IP is contemplated that will be subject to a separate license agreement at some future date.

## Contract Accord 5: Background Intellectual Property

### Purpose:

Research may lead to discovery of new intellectual property (IP) that, in order to be practiced, may require access to background intellectual property (BIP) that is owned or controlled by the university, by the company, or by a third party that exists prior to or outside of a sponsored research agreement (SRA). The purposes of BIP clauses in agreements are:

- to set out the expectations of the parties
- to provide a framework for disclosure of BIP
- to provide access to the BIP, if it is needed for the sponsor to exercise its license rights for newly discovered IP.

The BIP clauses also help to mitigate the risk that the sponsor may not have access to BIP that is needed to practice IP that results from the sponsored project. BIP clauses help licensors understand and track the obligations they are making in the agreement with respect to pre-existing IP or that which arises outside an SRA.

### Principles:

- 1) Identifying the technical relevance of BIP to proposed research is a shared responsibility among the sponsored research office, the technology transfer professional, the principal investigator (PI), and the company’s technical and contracting representatives.
- 2) The scope of rights (and terms) of BIP clauses need to be addressed in two contexts: the sponsored research agreement and the license agreement, as applicable. The sponsored research agreement needs to define the rights of access to BIP for the performance of the research as well as the breadth of commercial rights in BIP a company can expect to obtain in the license agreement.

University BIP is:	University BIP is not:
formal invention of disclosures submitted to the university’s responsible office	IP developed under individual consulting agreements to which the university does not have ownership rights
patent applications in preparation or filed; issued patents	results of ongoing research that have not been disclosed to the university administration (or the university’s responsible office)
licensable intellectual property (inventions or software)	IP not owned or controlled by the university unless explicitly incorporated into the research project and for which the university has obtained rights
IP necessary for the practice of licensed foreground IP.	research results that are not subject to patent or copyright laws.

## Expectations

Common expectations:

- Identification of relevant BIP will involve the sponsored research office, the tech transfer office, the PI, and the company technical and contracting representatives.
- Because exclusively licensed IP may become relevant BIP in the future, universities are expected to follow licensing practices that retain a research right to use and are mindful of potential future uses beyond the interest of the licensee. In order to achieve the broadest possible application of the technology, exclusive licenses may be used. For research tools resulting from government-funded projects, recipients will ensure consistency with the Bayh-Dole Act and requirements of the funding agency. These tools are expected to be made available to the research community for the public good. Any license issued will contain language to appropriately address dissemination or distribution of the research tool.

Universities' Expectations	Companies' Expectations
BIP is not necessarily available for free.	The company will have freedom to operate and will not be blocked from commercializing technology; "no surprises."
University discoveries will benefit the public.	The university is willing to facilitate discussions with others for third-party licensing if necessary.
The company needs to negotiate with the authorized institution office (no private deals with PIs).	The university should use reasonable effort to identify and disclose known university-owned BIP along with its availability for licensing.
The university may expect to recover patent costs. The university preserves rights to use licensed technology for research and educational purposes.	IP and BIP clauses in SRAs are reviewed by someone in the university with technology licensing expertise.

## Solutions for the two BIP contexts:

### I) For consideration at the time of SRA negotiations:

- A) Disclosure obligation only applies to IP that has been disclosed to the university's responsible office. In the case of a multi-campus university system, or a university that assigns IP to a cooperative nonprofit entity, this means the office with responsibility for managing campus IP that results from that campus' research contracts.
- B) Limit disclosure obligations to a reasonable, manageable, and identifiable segment of the university, e.g. to laboratory or contract performers (PI et al).
- C) Disclosure timing.
  - 1) Before execution of the SRA (University and company technical representatives agree on scope of review).
  - 2) As potentially blocking background intellectual property is known to be incorporated into the research activity.
- D) The SRA should contain language that stipulates that as the university becomes aware of relevant IP that emerges during the course of the research project, the university will disclose such IP to the sponsor.
- E) In the SRA the university will agree to provide the company with a license to BIP in the field of use of the foreground IP to the extent that it is needed and still available at the time the license is negotiated.
- F) If potentially blocking BIP is identified at the time the sponsored research agreement is negotiated, the company may request a formal option to ensure that the BIP will be available later.

### II) For consideration for future license negotiations:

- A) The university will agree to disclose known blocking BIP and, if available, license it for the same field-of-use as foreground IP.
- B) The university will agree to affirm that, to the best of its knowledge at the time, it has fully disclosed all blocking BIP owned or controlled at the time of license execution.

## Appendix A: Working Groups

### UIDP Group:

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 Jennifer Murphy, George Mason University

#### **Indemnification**

Chris D'Urbano, GTRC  
 Kathleen Irwin, University of Wisconsin–Madison  
 John Warren, University of Houston

#### **Publications**

Jilda Diehl Garton, GTRC  
 Bill Gathings, University of Alabama  
 Sid White, Essilor

#### **Other Research Results and Copyrightable Materials**

Bob Gruetzmacher, DuPont  
 Kathleen Irwin, University of Wisconsin–Madison  
 Tyler Thompson, Dow Chemical

#### **Background Intellectual Property**

Jilda Diehl Garton, GTRC  
 Kathleen Irwin, University of Wisconsin–Madison  
 Tyler Thompson, Dow Chemical

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**These Contract Accords were approved by  
the UIDP Board of Directors at its regularly  
scheduled meeting in December 2008.**

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