

## **NEW YORK STATE SCIENCE & TECHNOLOGY LAW CENTER**

### **MODEL SPONSORED RESEARCH POLICIES**

WORKING DRAFT 2010

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#### **PURPOSE**

The University recognizes that industry sponsored research is critical for the progress of science, the education of future generations of scientists and engineers, and the advancement of the health, safety and welfare of the citizens of New York State and the Nation. The University also recognizes the key role sponsored research plays in funding the University's research mission, and in providing the University access to cutting-edge industrial problems and unique educational opportunities for its students and faculty. These Model Sponsored Research Policies seek to create a balance of rights between the University and industry Sponsors in order to maximize the benefits of sponsored research to industry, to the University and to the public at large.

#### **OWNERSHIP OF INVENTIONS**

- The University will own inventions made by the University's faculty, staff or students during the course of the research project.
- The Sponsor will own inventions made by the Sponsor's employees or agents during the course of the research project.
- Inventions made by the University's faculty, staff or students, jointly with the Sponsor's employees or agents, will be owned jointly by the University and the Sponsor.
- The University will negotiate with the Sponsor license terms and royalty rates for inventions, prior to commencement of the research project, if the research is to be conducted using facilities not built with tax-exempt bonds.
- The terms of these licenses and the royalty rates will be in accord with other University licenses in the field of the invention. In the event the University and Sponsor are unable to agree on license terms or royalty rates, the University will not offer to license the invention to a third party on more favorable terms than the University has offered the Sponsor for a period of six months following the Sponsor's rejection of the University's last offer.
- The University may agree on a case-by-case basis to assign to the Sponsor ownership of inventions owned by the University individually or jointly with the Sponsor.
- The University will retain in all licenses a non-exclusive, royalty-free, non-transferable right to use inventions for internal research and educational purposes.

#### **BACKGROUND INTELLECTUAL PROPERTY**

- The University will retain ownership of all background intellectual property which the University owned prior to commencement of the research project.
- The Sponsor will retain ownership of all background intellectual property which the Sponsor owned prior to commencement of the research project.
- The Sponsor will have the first option to negotiate an exclusive or non-exclusive license to the background intellectual property owned by the University. The terms of these

licenses and the royalty rates will be in accord with other University licenses in the field of the background intellectual property. In the event the University and Sponsor are unable to agree on license terms or royalty rates, the University will not offer to license the background intellectual property to a third party on more favorable terms than the University has offered the Sponsor for a period of six months following the Sponsor's rejection of the University's last offer.

- The University will inform the Sponsor of any federal government rights in the background intellectual property pursuant to the Bayh-Dole Act. The Sponsor will acknowledge the existence of any federal government rights in the background intellectual property in the license agreement.
- The Sponsor will have a non-exclusive, royalty-free, non-transferable right to use the University's background intellectual property for internal, non-commercial research and educational purposes.

#### **CONDUCT OF RESEARCH PROJECT**

- The Sponsor will provide the University with a Statement of Work describing the objectives, milestones and deliverables for the research project.
- The University will have final authority to determine how the research project is conducted including research methods, research equipment and facilities, and faculty, staff and students who will be engaged in the research. However, the University will collaborate closely with the Sponsor to ensure the conduct of the research project is fully in-line with the Sponsor's Statement of Work, goals and interests.
- The University will promptly notify the Sponsor when a patentable invention, or significant discovery, has been made during the course of the research.
- The University will consult with the Sponsor on whether to file a patent application on an invention or discovery. If the parties agree that a patent application should be filed, the University will prosecute the patent application in close consultation with the Sponsor. The Sponsor will pay the cost of patent prosecution either through license fees or royalties.
- The University will provide the Sponsor all reports and data on the dates specified in the Statement of Work.

#### **OWNERSHIP OF EQUIPMENT**

- The University will retain ownership of equipment it provides for use in the research project.
- The Sponsor will retain ownership of equipment it provides for use in the research project.
- The University will retain ownership of equipment it purchases for use in the research project regardless of whether the equipment is purchased with University funds or Sponsor funds.
- The University will transfer ownership of equipment built during the course of the research project, if the equipment comprises part of the deliverables under the Statement of Work.

#### **TERMINATION OF RESEARCH PROJECT**

- The University and Sponsor have the right to terminate the research project without cause by giving the other party 60 days advance written notice.
- The Sponsor will reimburse the University for all expenses incurred, or non-cancelable, prior to the project termination date when the Sponsor terminates the research project without cause.
- The University will provide the Sponsor all reports, documents and data compiled prior to the project termination date when the Sponsor or University terminates the research project without cause.
- The University and Sponsor have the right to terminate the research project for cause by giving the other party 30 days advance written notice and a reasonable opportunity to cure the default.
- The obligations of the University and Sponsor to protect confidential information, restrict use of proprietary information, and return proprietary data and documents survive the termination of the research project.

#### **CONFIDENTIALITY**

- The University will protect all proprietary information provided by the Sponsor and the Sponsor will protect all proprietary information provided by the University.
- The University will require all faculty, students and staff who will be engaged in the research project to sign confidentiality agreements prohibiting disclosure of proprietary information provided by the Sponsor to the University.
- The Sponsor will require all employees and agents who will be engaged in the research project to sign confidentiality agreements prohibiting disclosure of proprietary information provided by the University to the Sponsor.
- The University will treat the Sponsor's proprietary information, and the Sponsor will treat the University's proprietary information, with the same degree of care as it would treat its own proprietary information.

#### **PUBLICATION**

- Publication of research results is central to the University's mission of disseminating knowledge. Publication of research results is also central to students' academic progress. However, the University recognizes that publication of research results may risk disclosure of the Sponsor's proprietary information or prejudice the filing of patent applications.
- The University will have the sole right to publish or otherwise disclose research results.
- The University will provide the Sponsor with a copy of any proposed article, paper, dissertation or presentation containing information about, or results from, the research project 30 days prior to the intended date of publication or public disclosure.
- The Sponsor will review the proposed publication or presentation and, if the Sponsor determines that it reveals proprietary information or potentially patentable subject matter, the Sponsor will notify the University within 30 days of its receipt of the proposed publication or presentation.
- The University will delay publication for a sufficient period of time in order to revise the publication or presentation to avoid disclosure of proprietary information, or to allow the filing of a patent application.

- The University and the Sponsor will collaborate in deleting proprietary information in the article, paper or report, or in protecting the patentability of inventions, by rewording the disclosure of information or filing a provisional or permanent patent application.

#### **USE OF FACILITIES BUILT WITH TAX-EXEMPT BONDS**

- The University will inform the Sponsor when the research project will be conducted using facilities built with tax-exempt bonds.
- Pursuant to Revenue Procedure 2007-47 when sponsored research is conducted using facilities built with tax-exempt bonds, the University may only license inventions resulting from the research at a competitive price determined at the time the resulting invention is available for use.
- The University will grant the Sponsor, prior to commencement of the research project, a non-exclusive, royalty-free, non-transferable right to use inventions for internal, non-commercial research and educational purposes when the research is to be conducted using facilities built with tax-exempt bonds.
- The Sponsor will have the first option to negotiate an exclusive or non-exclusive license to inventions at the time the inventions are made when the research is to be conducted using facilities built with tax-exempt bonds.

#### **WARRANTIES AND LIMITATION OF LIABILITY**

- The University does not warrant in any way the success of the research project or the usefulness of the research results.
- The University does warrant that it will exercise reasonable efforts to conduct the research project diligently and professionally to ensure the integrity of the research results.
- The University will not be liable for any direct or indirect damages incurred by the Sponsor as a result of the research project. If a court finds the University has materially breached the Sponsored Research Agreement, the Sponsor's sole remedy will be the return of all money paid to the University for the research project.

#### **INDEMNIFICATION**

- The University will indemnify the Sponsor for any damages it incurs resulting from third party claims related to the conduct of the research project.
- The Sponsor will indemnify the University for any damages it incurs resulting from third party claims related to the conduct of the research project.
- The Sponsor will indemnify the University for any damages it incurs resulting from third party claims related to the Sponsor's use of data, inventions or intellectual property related to the research project.