



# Intellectual Property, Research Contracting, and You

Kate Lewis  
Industry Alliances Office

Noam Pines and Peter Gudlewski  
Sponsor Projects Office

# Who handles what?

- Sponsored Projects Office
- Handles proposal review and submission for government and nonprofit sponsors, and works with local/state/federal/international governments, along with nonprofit organizations, to establish research agreements
- Industry Alliances Office
  - Handles proposal review and submission for industry, SBIRs & STTRs, incoming research funding, materials, software, and data, and works with industry to establish research and support relationships
- Office of Technology Licensing
  - Manages invention and software disclosures, patent prosecution and licensing, and handles outgoing intellectual property such as materials and data

# Always Remember!

- SPO and IAO are the negotiators and signatories for any and all contracts, grants, and cooperative agreements that are for research, research related, instructional, or other sponsored activities.
- Research agreements are between the sponsor and The Regents of the University of California (delegated authority from the Chancellor to SPO/IAO; certain exceptions require UCOP approval)
- This presentation is meant to give RAs and others a high-level understanding of IP negotiation; always work through your SPO/IAO contacts

# How different sponsors treat intellectual property

- Federally funded research
  - Intellectual property developed during federally funded research is typically subject to rights under the Bayh–Dole Act
- Industry funded research
  - Industry often wishes to license intellectual property developed during an industry funded project
- Non–profits
  - Increasing emphasis on licensing and royalty sharing
- State of CA
  - Model T&Cs: UTC–220

# Federally-funded Research

- Bayh–Dole Act
  - Allows universities to retain title to inventions and patents
  - Commercialization requirements
  - Requires substantial manufacturing in the US
  - March in rights
  - Conceived or reduced to practice
- 2 CFR 200 – Grants and Cooperative Agreements
- FAR 52.227–11 – Federal Contracts
  - Federal flow through to UCB allows subcontractors to retain title

# Industry-funded Research

- UC's definition of inventions
- Ownership UC inventions
- What rights do we offer industry sponsors?
  - Standard
  - cNERF (with informed consent)
- Present grant vs. future grant
- Patent costs
- Retained Rights

# Industry flow through research

Flow through –  
SBIR/STTRs  
Other Federal Flow Through

Industry sponsors don't get same rights as federal government  
– distinction between inventions and subject inventions; –  
"and" vs "or"

# Non-Profit-funded Research

- Challenges and Special Situations Specific Non-profit Sponsors – e.g. Gates Foundation humanitarian license, Creative Commons copyright license
- Royalties
- Present vs future grant
- Flow-through, similar to industry
- Outgoing “membership” agreements
- Informed consent



# State of CA

- Evolution from AB20 to UTC-220
- Exhibit G still allows for Special T&Cs
- Some flexibility with copyright ownership of deliverables
- Patents can be owned by either party in theory but university insists on ownership in practice
- Fed flow-through: appropriate terms should be honored

# Types of Intellectual Property

Intellectual Property = Intangible personal property,  
product of the intellect

IP Protected Under Law	Other Research Outputs
<b>Patent</b> Protects new and useful idea	<b>Information</b>
<b>Copyright</b> Protects original expression	<b>Data</b>
<b>Trademark</b> Protects name/logo used to identify goods	<b>Know-How</b>
<b>Trade Secret</b> Protects a secret, as long as it is kept a secret ( <i>universities do not keep trade secrets</i> )	<b>Tangible Research Products</b> (Biological materials, chemicals compounds, instrumentation, electronic equipment, etc.)

# Trademarks

Trademarks/Service Marks are identifying words or symbols associated with a company's goods or services which distinguish them from those manufactured or sold by others

Must be registered with USPTO in order to be enforceable.

Example: Cal logo

# Copyrights

Protects authors of “original works of authorship” including software, literary, and artistic works that are fixed in a tangible form of expression

Copyrights do not need to be registered in order to be valid ©

UC typically owns and licenses out for non-commercial use (exceptions exist, e.g. State of CA)

Researchers typically own academic works, but may be required to assign copyright to publishers

# Trade Secrets and Know-How

- Information that is not generally known within the trade or industry, and that provides a competitive advantage
- UCB generally does not assert rights to the "know-how" or a trade secret held by the faculty
- UCB negotiates out IP definitions/licensing clauses that include intangible or investigator-protected elements

# Patents

- Patents are issued for inventions that are novel, useful, and “non-obvious”
- To be an inventor, a person must contribute to the conception of the invention as claimed
- UC claims rights to all inventions “conceived or reduced to practice” with support from University resources

## Rights

- Patent owners have a right to exclude others from making, using, selling, offering to sell, and importing an invention – but not necessarily the right to practice the invention

# Tangible Property

- This is all the “stuff” generated during research: samples, prototypes, cell lines, compounds, circuits, etc.
- Material transfer agreements handle the rights to this “stuff” among parties



# UC Principles Policy

- 1. Open dissemination of research results and information
- 2. Commitment to students
- 3. Accessibility for research purposes
- 4. Public benefit
- 5. Informed participation
- 6. Legal integrity and consistency
- 7. Fair consideration for commercial access to research results
- 8. Objective decision making





# Timelines, Delays, and Challenges

- Attorneys or other offices can get involved and things slow down/exceptional approvals, e.g. UCOP, OTL, external counsel
- Inexperienced negotiators on both sides
- Proposal policy violations
- PIs “agreeing” to certain terms prior to formal negotiations
- “Too many cooks spoil the broth” vs “Many hands make light work”
- Precedents within the UC system
- Researchers may or may not really understand what they’re giving up or accepting, so there is a component of education in these terms when they are non-standard

# Invention Disclosures

- **Inventions: Novel, useful, non-obvious**
- **Public disclosure** (which can take many forms), use in public or sale of an invention prior to a patent application filing limits or eliminates patent rights
  - Including **proposals and publications**
  - Conference/poster abstract submissions
  - Websites
  - Thesis hold
- **Provisional Patent vs full patent applications**



# Licensing Intellectual Property

## Letter Agreement (Letter of Intent)

- Simple 1–2 page agreement; provides a short (3–6 month) time period to negotiate a license with the university. Typically used when the company would like to “lock up” the intellectual property rights while conducting due diligence or speaking with investors and other potential partners.

## Option Agreement

- Provides a time-limited right (1–2 years) for a company to obtain a full license agreement by “exercising” the option to negotiate this license. Typically used when the company would like to do further research and development to evaluate the technology prior to entering into a full license agreement. No right to sell.

# Licensing Intellectual Property

## License Agreement

- Provides a company the right to commercially use intellectual property such as a patent or copyright. Spells out the financial and legal terms under which the University grants the licensee rights to commercially utilize this intellectual property.

Note: Many research agreements spell out possible licensing arrangements without effectuating terms, e.g. future tense (“shall grant”) or language citing a time-limited option to negotiate; another approach is simply mentioning a separate inter-institutional agreement (IIA).

# Licensing Software

- Open source
  - Permissive – BSD, MIT
  - Restrictive – GPL-2
- Commercial licensing
  - Offers non-exclusive or exclusive license for commercial purposes
- Dual license option
  - Modified BSD



# Thank you for joining us!

## Any questions?

Feel free to reach out to either of our offices by email:

[spoawards@berkeley.edu](mailto:spoawards@berkeley.edu)

[iao@berkeley.edu](mailto:iao@berkeley.edu)

# Poll Questions

1) An agreement arrives from the Research Corporation, under Dept of Defense funding. It includes a non-disclosure agreement as an attachment. Which office handles the transaction?

- a) SPO
- b) IAO
- c) BCBP
- d) SPO, with assistance from IAO

2) A company has requested a present grant of license to inventions conceived or reduced to practice under a research project. Should you:

- a) Agree to the license
- b) Negotiate "conceived and reduced to practice"
- c) Negotiate a future grant of license
- d) B and C

3) A non-profit organization has requested a license to copyright, know-how, and trade secrets. UCB can negotiate a license to:

- a) Copyright
- b) Know-how
- c) Trade secrets
- d) A and B

4) UC's guiding principles as they pertain to publication include:

- a) Open dissemination of research results
- b) Approval rights for sponsors to protect sensitive information
- c) Commitment to students
- d) A and C