

# Commercial Research Support and Collaborations:

## *The cultural and contractual complications*

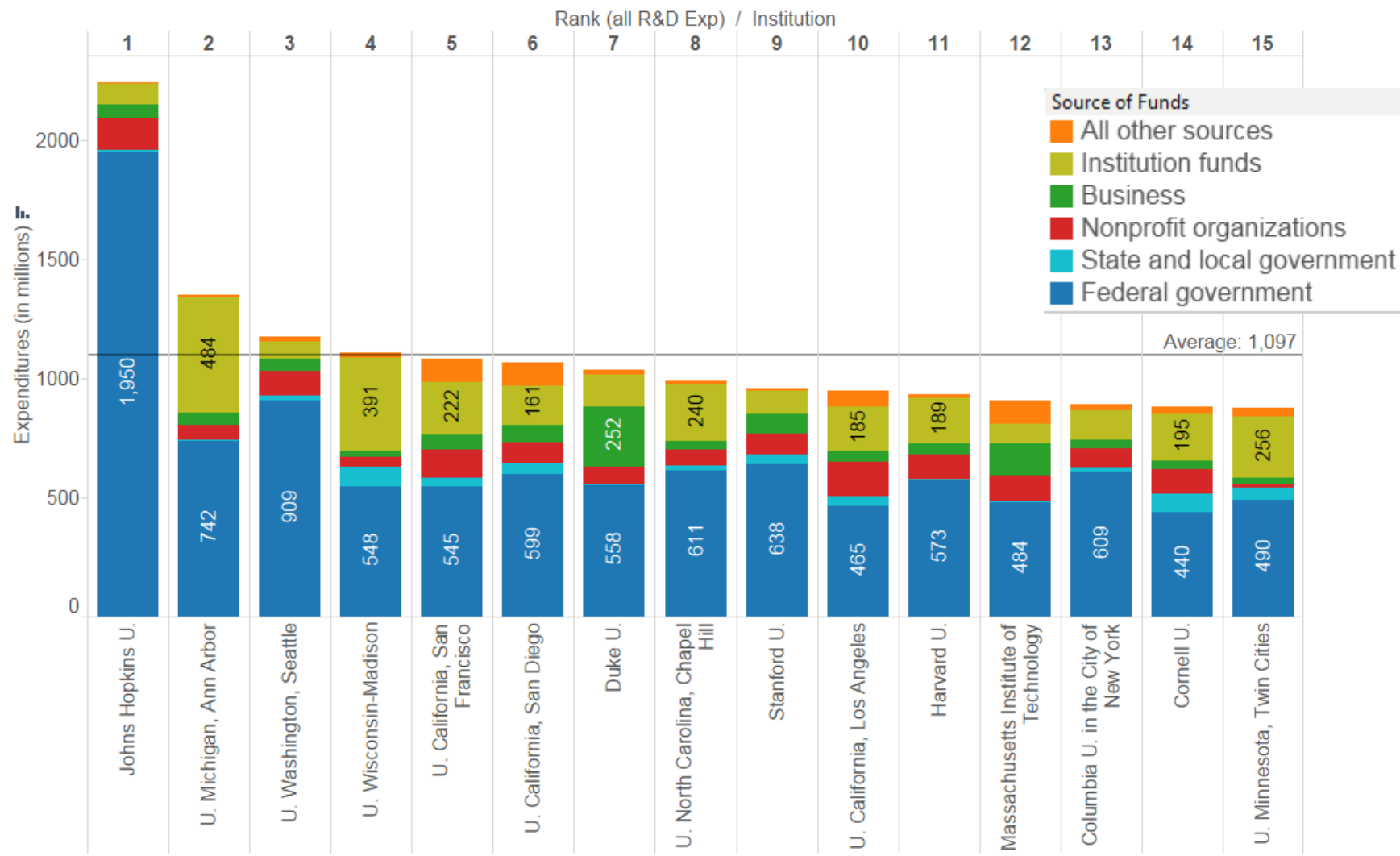
- Catherine L. Ives, Ph.D., CLP, Technology Licensing Officer, MIT
- Richard Stevens, J.D., Associate Counsel for Research and IP, Office of General Counsel, University of Massachusetts
- Dr. Rekha K. Paleyanda, Ph.D., Director, Office of Technology Commercialization, University of Massachusetts, Lowell
- Craig Newfield, J.D., S.M., Assistant Director, Office of Sponsored Programs, MIT

# Agenda

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1. Background/History to Sponsored Research Funding
2. Components of a Sponsored Research Agreement
3. Focus on most heavily negotiated provisions
  - a) What to consider/look out for
  - b) Ways to reach agreement
4. Lessons learned?
5. Where will this all lead?

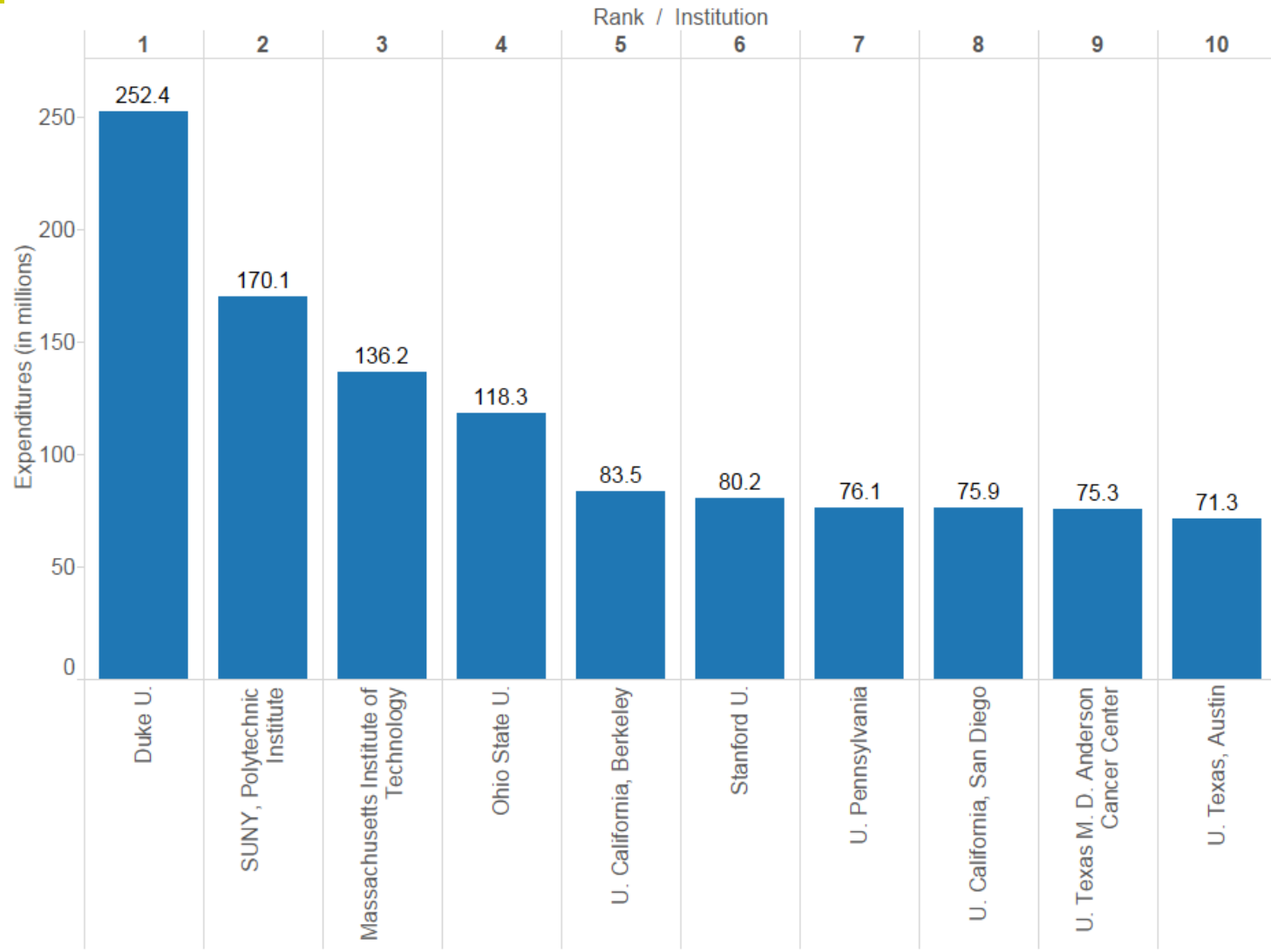
# Total R&D Expenditures by Source of Funds – U.S. Institutions – FY14



Source: National Science Foundation Higher Education R&D Survey, FY14



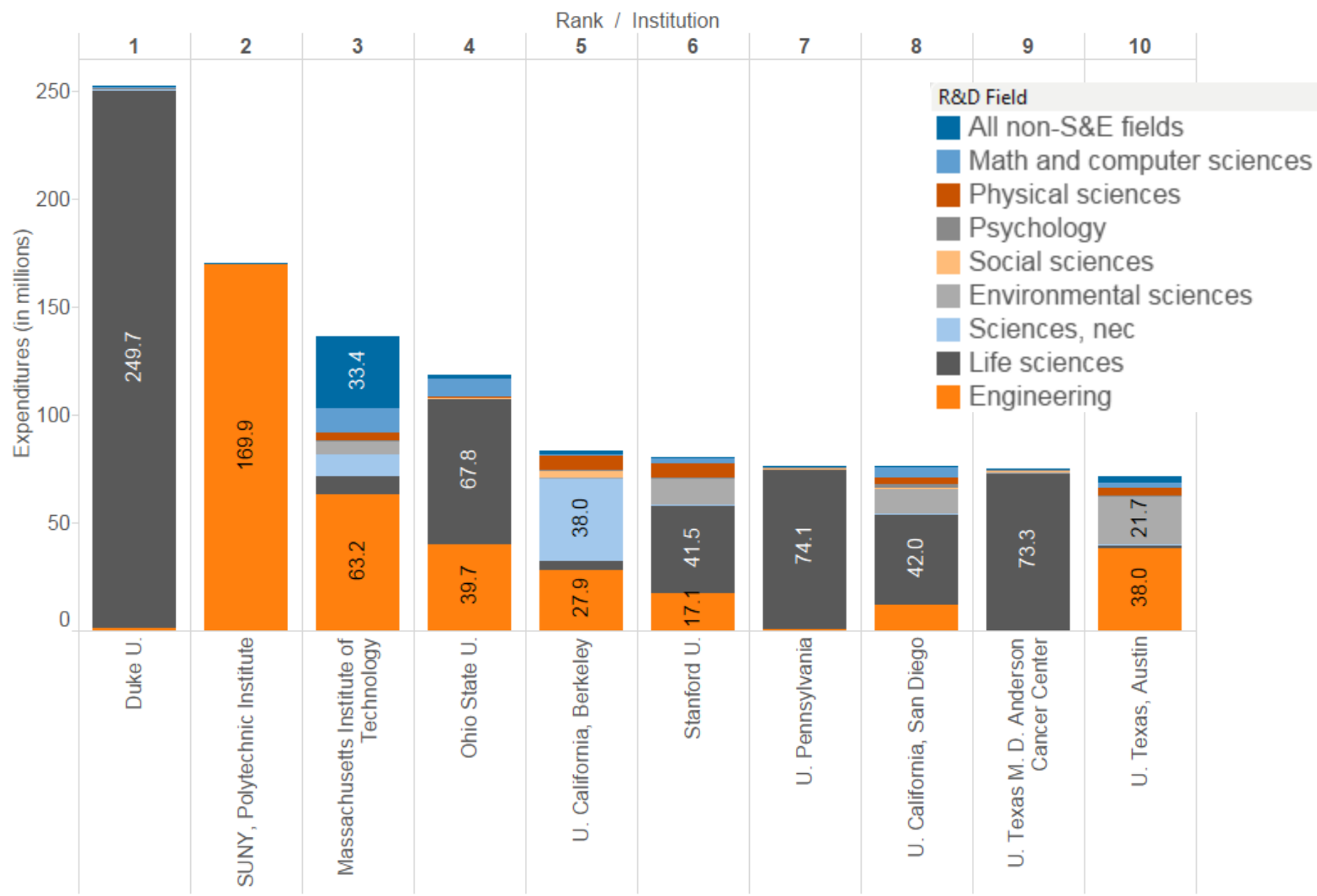
# Total R&D Expenditures – Industry Only – U.S. Institutions – FY14



Source: National Science Foundation Higher Education R&D Survey, FY14



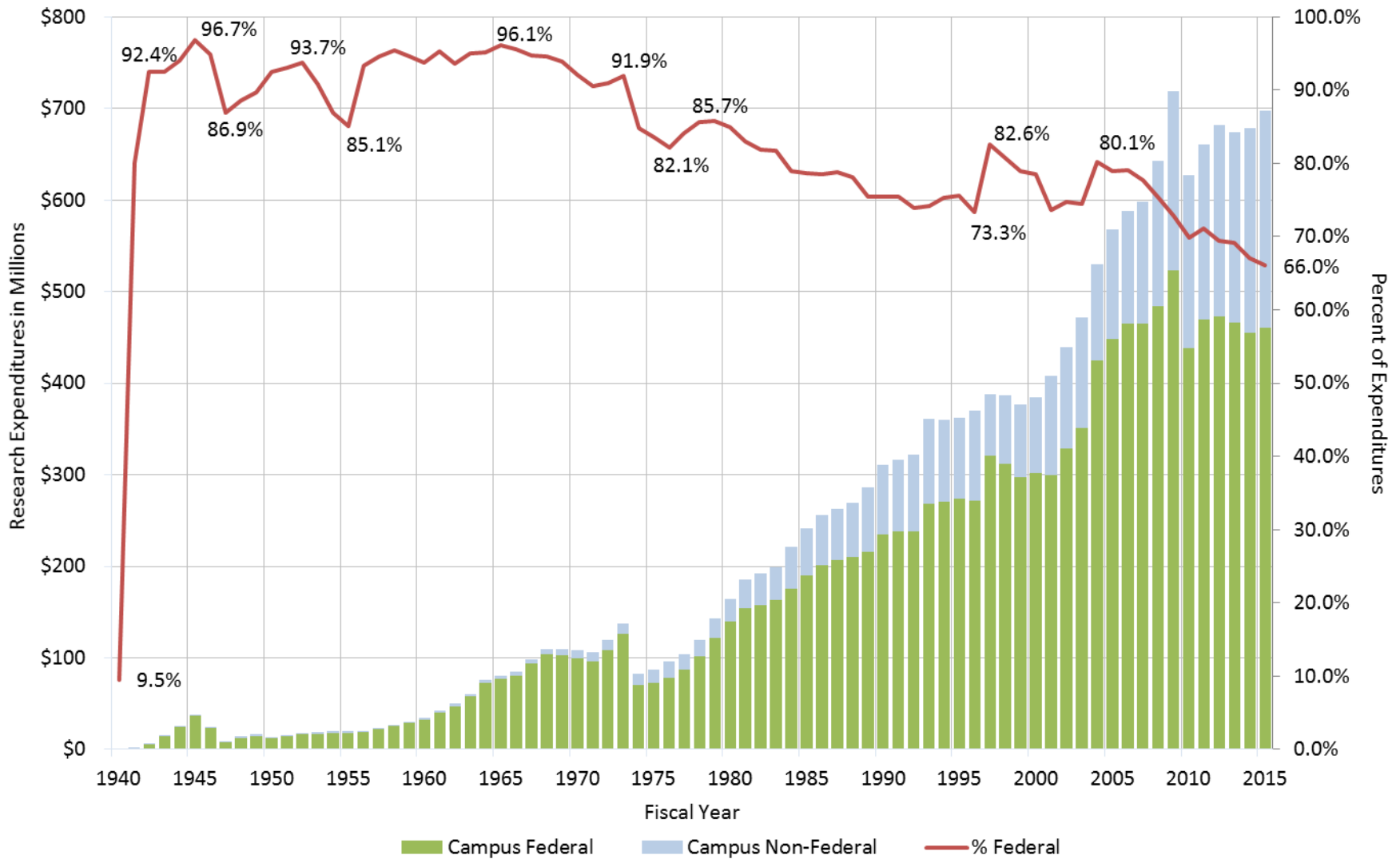
# Total R&D Expenditures by Field – Industry Only – U.S. Institutions – FY14



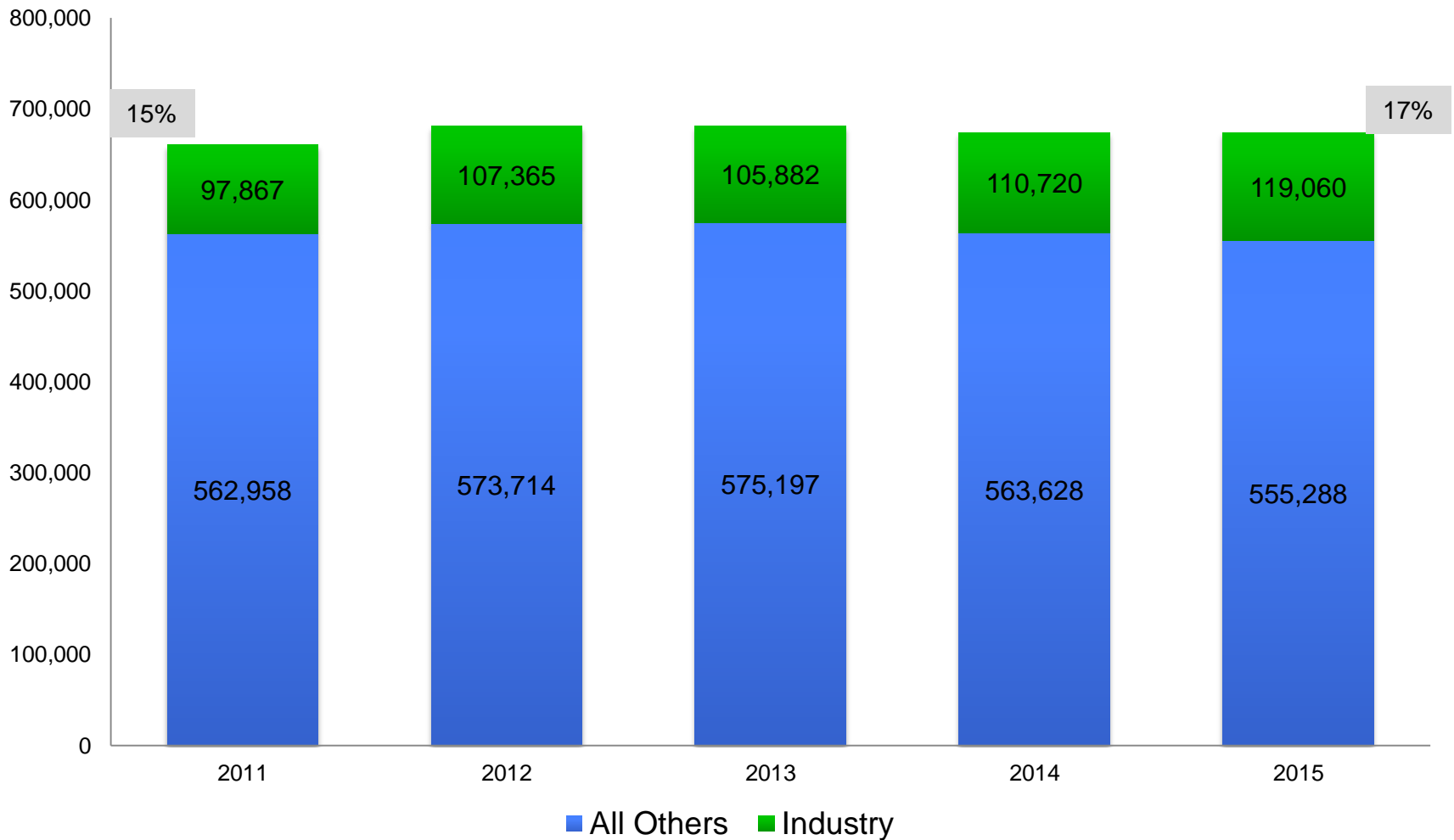
Source: National Science Foundation Higher Education R&D Survey, FY14



# MIT Campus Research 1940-2015



# MIT Research Expenditures FY11-FY15 (1,000' s)



# Components of a SRA

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1. Statement of Work (starting point for it all)
2. Who is doing the Work
3. For what period
4. For how much and how is that paid
5. What if it goes wrong? Who can terminate?  
Under what conditions?
6. Confidential Information
7. Publications/public disclosures
8. Materials
9. Data
10. Visiting Scientists



# Components of SRA (cont.)

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- 9. Background Intellectual Property
- 10. Intellectual Property
- 11. Liability/Indemnification/Reps & Warrants
- 12. Use of Names, Export Control, Mediation, Governing Law, etc.

# Confidential Information (CN)

1. Who is giving what to whom?
  - a) What is the CI?
  - b) Is it required for the research?
  - c) Does the PI want it?
2. How will you know? (marking vs not)
3. Can you protect it? And what happens if you don't?
4. Does your institution have anything to be protected?
  - a) Invention disclosures?
5. Can the CI affect publication?
  - a) Is the CI integral to any results to be published
    - i. What do you do?

# Publications/Public disclosures (CN)

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1. Cultural differences to overcome?
  - a) Mission issue
2. What is considered a public disclosure that requires review?
  - a) How long is the review period?
  - b) For what purposes?
3. What can be removed from a public disclosure?
  - a) See Confidential Information
4. What about invention disclosures?

# Materials (RP)

1. Who is giving what to whom?
2. Essential for the research project?
3. Are Materials also CI?
  - a) Publication problems?
4. Will they be tracked? How?
5. Materials made during the course of the research?
  - a) Who owns?
  - b) Who controls?
  - c) What rights does the sponsor have?
  - d) What rights are reserved?
    - a) For university?
    - b) For other non-profits?

# Data (RP)

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1. Who owns?
2. What rights does Sponsor have to data?
  - a) Any restrictions on use?

# Visiting Scientists (CI)

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1. Are they coming to you? Or are you going to them? Or both?
2. Are they limited in what they are allowed to do? How?
3. What if they invent at your institution? Who owns?
4. What if they make an invention NOT related to the research project? What happens?
5. If your student goes to the company are there any restrictions on the results/data s/he generates there?

# Background Intellectual Property (RS)

1. Does it exist? Is it available/unlicensed?
2. Is it of interest to the Sponsor?
3. Do you discuss it as part of the research agreement?
4. Reservation of rights?
  - a) Reserve it for the Institution? How? To what extent?
  - b) Reserve it for the Sponsor? How? To what extent?
  - c) Who pays?
5. Opportunity costs to institution?

# Intellectual Property (RS)

## 1. Institution invention –

- a) Rights to sponsor? Grant vs. Option?
- b) If Option, for how long?
- c) Who pays prosecution costs?
- d) Field of Use?

## 2. Sponsor Invention

- a) Does Institution receive any rights?

## 3. Joint Invention

- a) Lead Party?
- b) Prosecution strategy?
- c) Who pays?
- d) Exclusive option?



# Liability/Indemnification/Reps & Warranties (CN)

1. What Reps & Warranties are you willing to provide?
  - a) None? (no merchantability etc., research outcomes)
  - b) Reasonable efforts to perform the research?
  - c) Compliance (laws / human subjects / debarment)?
  - d) Authority to sign & perform the agreement?
    - Watch implied rep. of non-infringement
2. Exclusion of Damages
  - a) Not usually controversial
  - b) Carve-outs requested for breach of CI & reps
  - c) Q: do you seek an overall limit of liability?
3. Is Indemnification appropriate or necessary at all?
  - a) Requested for breach of contract, breach of R&W
  - b) Exclusion of damages is more important
  - c) Sponsor's commercial activities?

# Lessons learned?

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- SoW is critical
- Bring researchers into the process early – both sides
- Clearly articulate policy/no-go issues up front
  - Tackle the hard stuff first/Flag early
- Make sure “right” people are at the table
- TALK to people (communicate, communicate, communicate)
- For large deals – Champions are critical (prior, during and after)
- Deadlines are good! (cadence and assignments)
- Personalities matter
- Faculty/students/post-docs **MUST** be educated about their obligations under the contract

# Where are we going?

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- What are your goals as an organization/institution?
- Whose examining the impact on your organization?
  - Teaching?
  - Research? What kind/type? Is it the role of universities to be a CRO for industry?
  - Affect on the Tech Transfer function? What do you have to work with if a significant amount of the IP is encumbered?
- Is there such a thing as too much corporate funding?
- How much is too much and how would you know?