



**THE COUNCIL FOR CHEMICAL RESEARCH**

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***Intellectual Property Issues Affecting  
Industry-University Partnerships***

***Report on the  
CCR IP Workshop***

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***CCR Annual Meeting  
April 29, 2008***



## Session Outline

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- A little background
- Summary of workshop outcomes
- Q&A and discussion
- Capture any additional issues or approaches to feed back to the Research Collaboration Action Network



# Mission of CCR

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**The Council for Chemical Research (CCR) was created in 1979 to improve trust and collaboration between the public and private research sectors.**

***“CCR's purpose is to benefit society by advancing research in chemistry, chemical engineering, and related disciplines through leadership collaboration across discipline, institution, and sector boundaries.”***



# Background

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- **US Research Universities represent a unique and invaluable resource for US competitiveness – but Industry-University partnerships are critical to exploit this unique resource.**
- **CCR is the nexus of three sectors of the chemical research enterprise, uniquely positioned to address IP issues.**



# Workshop Objectives

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**This workshop was focused on IP issues related to:**

- **The Chemical Research Enterprise**
- **Industry-sponsored university research, collaboration, and licensing of foreground intellectual property**

**Workshop objectives were to:**

- **Identify challenges to developing effective agreements**
- **Discuss implications of US tax laws on partnerships**
- **Identify best practices for risk sharing**
- **Examine partnership models in other countries**
- **Identify strategies for developing model agreements**

**Workshop was sponsored by NSF; this was envisioned as the first in a series, each addressing different industry segments, culminating in an “IP Summit”.**



# Major Issues Identified

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- **Before negotiating a research agreement:**
  - Lack of understanding of partner's perspectives
  - Lack of knowledge of the specific project and how each party will contribute to it
- **In the negotiation, how to handle:**
  - IP Rights, Control, and Patenting
  - Compensation for IP Rights
  - Research Costs
  - Tax-exempt status of University bonds
  - Processes for negotiating agreement and dispute resolution
  - Confidentiality



# Proposed Approaches

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- **IP Rights, Control and Patenting**
  - Access to University background IP at fair price
  - Unfettered rights to use results of supported IP
  - Exclusive (field of use)
  - Research license to the University
  - Publication/presentation rights/reviews
  - Establish decision tree and expected outcomes
- **Compensation for IP Rights**
  - Fair market value for transfer of IP; well-defined methodology; include consideration of risks
  - Reasonable starting points – for chemical industry
- **Research Costs**
  - Company pays true cost (e.g., Fed. approved overhead rate)



# Proposed Approaches (Cont'd)

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- **Tax exempt status of University bonds**
  - Reduce risks associated with uncertainty of tax codes; work with/educate policy makers to clarify interpretation
- **Processes for negotiation/dispute resolution**
  - Improve awareness/sensitivity to IP issues
  - Provide training esp. for PIs (Univ. & Industry)
  - Relationship building – “Getting-to-know your partner”
  - Develop “Model Agreement”
  - Collect benchmarking data on agreements (time it takes, showstoppers, etc.)
- **Confidentiality**
  - Improve sensitivity to disclosure/confidentiality issues
  - Include review process timelines in agreements up-front





# Model Agreements

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## Points under consideration:

- **Non-exclusive or exclusive with royalty; field specific license; sponsor pays for patenting costs**
- **Range of royalty (capped); reduce uncertainty and risks**
- **Background IP – not free but no surprises**
- **Scope of research defined at start**
- **University rights to foreground IP for research**
- **Procedures for dispute resolution; higher level in org., mediation, third party non-binding arbitration, before going to court**
- **Export control issues – needed, but not agreed on yet**
- **Need to inform grad. students (Standard for informed participation?)**
- **Pre-notification of publication (60-90 days)**



## **Follow-up Activities**

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- **Additional comments from the S&T community are most welcome!**
- **Will utilize other meetings and platforms to solicit input:**
  - ACS/AIChE Meetings
  - UIDP Meeting
  - CCR Annual Meeting
- **Outcomes will be posted on the CCR Website**



# Your Suggestions

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- Issues
- Approaches/Solutions