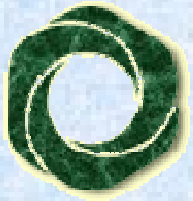


THE COUNCIL FOR CHEMICAL RESEARCH

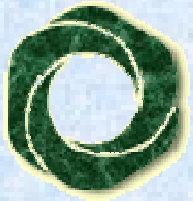
CCR Workshop
on
Intellectual Property Issues Affecting
Industry-University Partnerships

April 3-4, 2008
Arlington, VA



Background

- **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.**
- **A broad range of views and perspectives was represented by industry researchers and Directors of Research, VPs for Research and Administrators from universities, and Legal Counsels and Tech. Transfer Officers from Industry and Universities**



Workshop Objectives

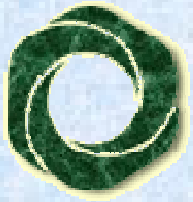
This workshop was focused on IP issues related to:

- **The Chemical Research Enterprise**
- **Industry-sponsored university research, collaboration, and forward licensing**

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**

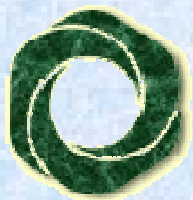
Workshop was sponsored by NSF; this was envisioned as the first in a series, each addressing different industry segments, culminating in an “IP Summit”.



Major Issues Identified

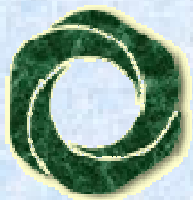
- **Before negotiating a research agreement:**
 - Lack of understanding of partner's perspectives
 - Lack of knowledge of the specific project and how each party will contribute to it.

- **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



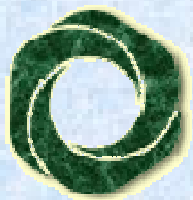
Proposed Approaches

- **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
 - Reasonable starting points – for chemical industry
- **Research Costs**
 - Company pays true cost, incl. Fed. approved OH



Proposed Approaches (Cont'd)

- **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

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)