

Cornell University



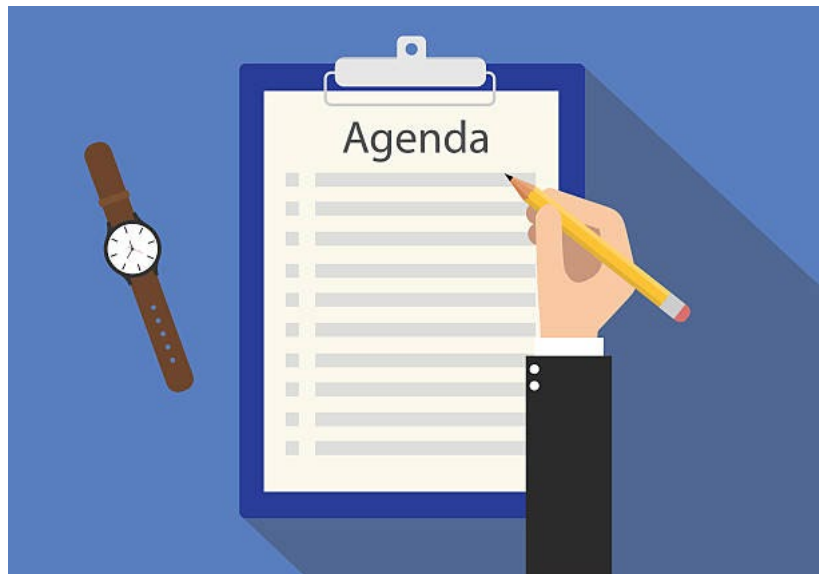
Cornell University

OSP Intellectual Property
Roundtable

Intellectual Property Management of Sponsored Projects

Columbia Warren

Sr. Grant & Contract Officer/Federal Team
Office of Sponsored Programs



AGENDA

- Basics of IP
- Cornell Policies
- Proposal Considerations
- Award Stage Considerations
 - IP Waivers
- Invention Disclosures & Working with CTL
- Gateway to Partnership Program
- Miscellaneous Issues



Basics of Intellectual Property

- The legal right to determine who can use a product of creativity.
- Creator is generally the first owner.
- Ownership can be transferred and rights can be licensed
- There are four categories of intellectual property, two are most relevant for sponsored projects:
 - **Patents**
 - **Copyrights**
 - Trademarks (Rarely relevant for sponsored projects, may become relevant for marketing technologies)
 - Trade Secrets (May be peripherally relevant in the context of handling proprietary data of commercial entities)



Basics of Intellectual Property

- Patent
 - The right to determine who can make, use or sell an invention.
 - Invention: An invention is a new and useful material, device, or process.
 - Must submit a patent application to the USPTO
 - Public disclosure affects ability to secure patent protection
- Some examples: Plant varieties, rootstock, textile materials, chemical compounds, computer hardware, signal processing, machine learning and AI, some software



Basics of Intellectual Property

- Copyright
 - The right to determine who can reproduce or modify text, art, or music.
 - “Creative media in a fixed form”
 - Copyright protection is automatic, although you must register with the United States Copyright Office to litigate copyrights in court.
 - Note: Software generally falls under copyright protection
 - See <https://copyright.cornell.edu/> for discussion of important copyright issues not covered here.
- Examples: Articles, books, blog posts, manuals, drawings, songs, most software

Random Fact: Recipes can't be copyrighted



Policies

Cornell University Policy 1.5 – Inventions

https://www.dfa.cornell.edu/sites/default/files/policy/vol1_5.pdf

“Cornell University requires **individuals**, as conditions of their university appointments or their use of university resources, to **assign to the university all right, title, and interest in their inventions and related property rights that result from activity conducted in the course of their university appointments and/or their use of university resources.**”

– Policy 1.5 Policy Statement

“A principal mission of Cornell University is the pursuit of knowledge for the benefit and use of society.... In support of these goals, **Cornell asserts ownership of inventions and related property rights arising from the activities of its faculty, staff, students, and others who use university resources**, including those provided through an externally funded grant, contract, or other type of award or gift to the university.” – Policy 1.5 Reason for Policy



Policies

Cornell University Policy 1.5 – Inventions

Summary:

- Inventions of Cornell employees are owned by Cornell unless created/developed outside duties of employment **and** not using Cornell resources.
- Any individual using Cornell resources is required to assign ownership of inventions to Cornell.
- Disclosure of inventions to CTL is required



Policies

How are revenues from patents managed and distributed?

Specifically, what happens with revenues?

- The University, via CTL, is the focal point for receiving and managing license revenue
- It distributes (net) as follows
 - 1/3 to University Inventor(s)
 - 1/3 to:
 - 60% of this 1/3 to Inventor's research budget
 - 40% of this 1/3 to University general research support
 - 1/3 to CTL for operational costs



Policies

Cornell University Policy 4.15 – Copyrights

https://www.dfa.cornell.edu/sites/default/files/policy/vol4_15.pdf

“The university supports the long-standing tradition within academia that **faculty members own the copyrights in their scholarly publications**, a tradition which departs from the general principle under United States copyright law that employers generally own the copyright in works created by their employees. The **university does, however, control copyrights** and participates in the management, protection, and marketing of intellectual property generated as **work for hire** or with **substantial use of university resources**, and where **necessary to satisfy the university’s contractual and statutory obligations.**”

- Policy 4.15 “Reason for Policy”



Policies

Cornell University Policy 4.15 - Copyrights

- Summary: Copyright owned by Cornell if: (i) required by another agreement, (ii) made by nonacademic in furtherance of university responsibilities, (iii) made by academic as directed by Cornell, and/or (iv) made with substantial use of university resources (eg. externally funded grant or gift to the university).
- Disclosure of scholarly work to CTL required by authors “only when they intend to broadly distribute their Work or to commercialize the Work and/or the copyrights subsisting therewith. Authors should also disclose their Work to CTL if they believe the Work and the copyrights subsisting therein are of great value to the university.”



Proposals

- IP matters are ANOTHER reason that proposals should involve OSP
- Certain sponsors pose most concern:
 - Commercial entities (and consortia)
 - Foreign governments
 - Federal and state commercial contracts
 - To a lesser extent, foundations and nonprofits



Proposals

Possible steps necessary:

- Disclosure of Background IP
 - Any existing IP of researchers to be used in performance of project
 - Any existing outside IP to be used in performance of project
 - Particular concern is existing IP that is critical to sponsor's use of deliverables
- Review of terms in solicitation or sample agreement
 - Acknowledgment and/or acceptance
 - Provide exceptions to problematic terms



Review, Negotiation, and Approval of IP Terms in Awards/Agreements

Necessary step:

- Review IP terms in agreement for compliance with Cornell Policies
 - Federal assistance agreements under Bayh-Dole Act
 - Wide range of other possible IP terms



Review, Negotiation, and Approval of IP Terms in Awards/Agreements

Possible steps necessary:

- Disclosure of Background IP
- Negotiate terms of agreement
- Secure IP Waiver



Acknowledgment of Waiver of Rights under Inventions and Related Property Rights Policy 1.5 (“IP Waiver”)

- If agreement terms cannot be aligned with Policy 1.5 but are acceptable, GCO will initiate IP Waiver process to secure approval/acknowledgment
- Pre-approved terms:
 - Specific terms previously reviewed and approved by OVPRI
 - Categories of terms that have been approved in principle by OVPRI
 - Generally terms that support a “public purpose”
- Terms not pre-approved



IP Waiver Process

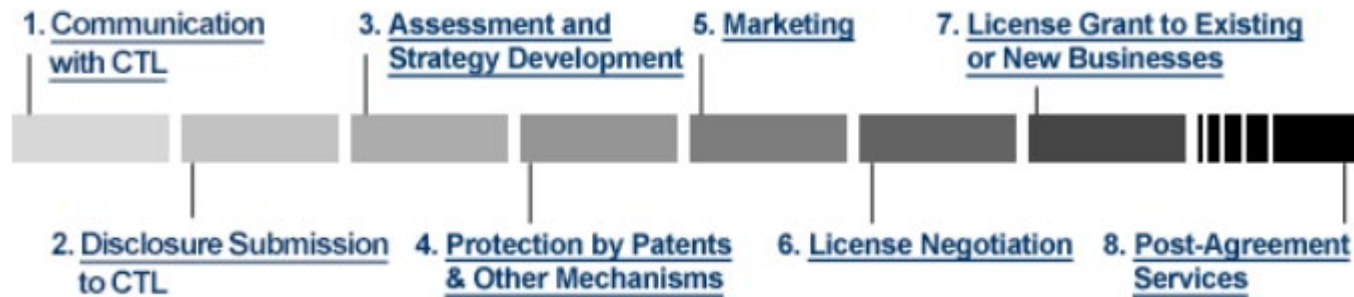
- GCO negotiates terms and coordinates with CTL and PI if necessary
- Agreements cannot be signed until IP Waiver is fully signed
- Pre-approved terms not in compliance:
 - GCO drafts IP Waiver and sends to PI/Dept. for signatures of PI, Co-PI, Key personnel, Chair, and Dean for signature
 - GCO sends signed IP Waiver to OSP Director for signature
- Non-pre-approved terms:
 - GCO works with OSP Director/Team Lead to confirm approval by VPRI, CTL, and/or Counsel as necessary
 - GCO drafts IP Waiver and sends to PI/Dept. for signatures of PI, project team, Chair, and Dean for signature
 - GCO sends signed IP Waiver to OSP Director for Director and VPRI signature

Note: Department must get IP Waiver signatures from new project participants prior to commencement of appointment



Invention Disclosure and CTL

- Disclosure to CTL required by Cornell Policy
<https://ctl.cornell.edu/inventors/inventor-forms/>
 - Should be disclosed as soon as possible, definitely before publication
- Most awards requires disclosure of inventions to sponsor
- CTL evaluates disclosure and determines next steps, if any <https://ctl.cornell.edu/inventors/tech-transfer-process/>





Gateway to Partnership Program

To meet the needs of industry sponsors (“clarity about access to project intellectual property”), the *Gateway to Partnership* program offers three options/levels to enable companies to manage their investments with the certainty of access to project intellectual property. <https://researchservices.cornell.edu/process/gateway-partnership-program>

Level 1:
Standard Terms

Company’s rights in project intellectual property include:

- “NERF” for internal research and development purposes.
- Option to elect a field-specific NERF for commercial purposes in exchange for patent expense reimbursement.
- Option to negotiate an exclusive commercial license, including the right to sublicense, for project intellectual property after it is created.

Level 2:
Preset License Terms

For projects greater than \$100K, Company’s rights in project intellectual property include:

- The terms in Level 1, **plus**
- Ability to elect preset key license terms including
 1. a favorable royalty rate specific to the industry sector; and
 2. capped license issue fees via an exclusive option to negotiate an exclusive license, including the right to sublicense.

Level 3:
Pre-negotiated License Terms

For strategic partners and projects greater than \$500K, Company’s rights in project intellectual property include:

- The terms in Level 1 and 2, **plus**
- Option to elect a field-specific NERF for commercial purposes
- Ability to elect to pre-negotiated terms that are more comprehensive than the Level 2 Preset terms via an exclusive option to negotiate an exclusive license, including the right to sublicense.



Miscellaneous Issues

- Non-Cornell employees using Cornell resources
 - Visitors, collaborators, students, etc.
- Externally funded student projects
 - Sponsors may try to assert IP ownership
- Projects “co-mingling” funds from agreements with conflicting IP terms (should avoid)
- Faculty with companies/outside entanglements
- Faculty joining Cornell with Background IP relevant to current/future projects
 - Coordinate with OSP on incoming/outgoing transfers



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Questions?

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Also available via Slack/Skype/Zoom