Basic Terminology: Sponsor

An entity that provides support or funding for a project conducted by the University.

Examples:
1. Federal government: National Science Foundation
2. State agency: New York State Department of Agriculture & Markets
3. Foundation: Bill and Melinda Gates Foundation
4. Industry: Lockheed Martin
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

“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 (e.g., 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/](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/](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](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
Questions?

Columbia Warren  
Sr. Grant & Contract Officer/Federal Team  
Office of Sponsored Programs  
cwarren@cornell.edu  
607-255-0655  
Also available via Slack/Skype/Zoom