

PI's Guide to the Contracting Process Involving Industry Sponsors

- 1) **Engage Industry** - Secure the interest of an industry sponsor in your project. During your preliminary discussions:
 - a. **Mention that you will publish the results of your research.**
 - b. **Mention the [Flexible Solutions](#)** - as ISU's business-oriented approaches to intellectual property ownership, patenting and licensing. Contact OIPTT Industry Contracts Team industry-contracts@iastate.edu if a sponsor requests further detail about the Flexible Solutions.
 - c. **Mention that ISU has template agreements** that can be used for each step of the process.
 - d. **Confidential Disclosure Agreement (CDA)** If you need to exchange confidential or proprietary information during the pre-contract stage, request a CDA. Do not share confidential information with industry until OIPTT has put a CDA in place. See point 2.
 - e. **Material Transfer Agreement (MTA)** Please do not exchange any materials with industry until OIPTT has put an MTA in place. See point 3.
- 2) **If Confidential Information Will Be Exchanged, First Request a Confidential Disclosure Agreement (CDA or NDA)** - from the OIPTT Industry Contracts Team by submitting the request form at this link [CDA request form](#).
- 3) **If Material Will Be Exchanged, First Request a Material Transfer Agreement (MTA)** - from the OIPTT Industry Contracts Team by submitting the request form at this link [MTA request form](#).
- 4) **Develop A Statement Of Work (SOW), Budget And Budget Justification** – use of the fully-loaded Basic Operating Budget (BOB) can be helpful. When using the fully-loaded BOB, complete the Internal and External budget tabs but submit only the External budget to the company instead of the complete spreadsheet. Ask OIPTT for a copy of the fully-loaded BOB template if your grant coordinator does not already have a copy.
- 5) **Route a GoldSheet For Your Project.**
 - a. If you prepared your budget using Flexible Solution B or C, please indicate this in the Note section of the GoldSheet.
 - b. If no tangible property, patentable inventions or copyrightable material (IP) will result from your project, and you want to use the **No Anticipated IP SPONSORED PROJECT AGREEMENT BASED ON A** please indicate that in the Note section of the GoldSheet.
- 6) **Discuss Your Approved Proposal With The Sponsor** - after the GoldSheet is reviewed and approved by OSPA Pre-Awards and any NDA is in place. Use the External budget tab information for sponsors.
- 7) **If The Sponsor Accepts The Proposal, Then Request A Contract** - by emailing the OIPTT Industry Contracts Team at industry-contracts@iastate.edu to prepare, review, negotiate and sign a Sponsored Project Agreement.
 - a. **You'll be contacted** with questions regarding compliance, export control, background IP, etc.
 - b. **You'll have an opportunity to review a draft** agreement before it is sent to the sponsor.
 - c. **You will be informed at critical junctures** during the negotiation process by the Industry Contracts Team negotiator.
 - d. **You will be asked to review and sign** (in a read and understood capacity) the final version of the agreement.
 - e. **You will be provided with a copy of the signed agreement.**
- 8) **Sponsored Project Accounting Assigns Account Number** - After the agreement is fully signed, the OIPTT Industry Contracts Team sets up the contract in Quali Coeus, and Sponsored Programs Accounting (SPA) assigns an account number to your project so that you can start charging expenses to the account.
- 9) **Work May Proceed** - The Industry Contracts Team will handle subsequent amendments of the contract, if any are needed.

Contact for more information:

OIPTT Industry Contracts industry-contracts@iastate.edu; 515-294-4740

Flexible Solutions

Brief Description

Contact information: ISU, OIPTT Industry Contracts, industry-contracts@iastate.edu, 515-294-4740

Welcome to Iowa State University's Flexible Solutions program. The Flexible Solutions provide industry sponsors with different approaches to ownership, licensing and patenting of any patentable invention or copyrightable matter first conceived and reduced to practice in the performance of a sponsored research project (IP). This is a brief overview of the sponsored funding solutions that are available.

Sponsored Funding Flexible Solution A: Traditional University Model*

- Inventorship laws determine ownership of IP
- A royalty-free non-exclusive license to IP for Sponsor
- An option to negotiate a royalty bearing exclusive license to IP
- ISU publishes the results of the project
- ISU background intellectual property requires separate license
- ISURF, with sponsor's financial support, manages patent activity

Sponsored Funding Flexible Solution B: "Ready-to-Sign" Terms for an Option to Negotiate an Exclusive License*

- Inventorship laws determine ownership of IP
- Full costs of research, including the federally negotiated F&A rate is paid by Sponsor
- No Federal or State funding allowed; only Sponsor funding allowed
- Option to negotiate exclusive license to IP when Sponsor prepays an additional nonrefundable option fee of 10% of the full cost of the research (\$15,000 minimum). Additional pre-negotiated exclusive license terms include:
 - Royalty rate of 1% of net sales, starting in the year annual sales attributable to the value contributed by the IP reaches \$20M, is paid by Sponsor
 - Right to sublicense
 - No annual minimums
 - No technology commercialization fees
 - Sponsor manages, directs, and pays for all patenting activities and expenses
- ISU publishes the results of the project with reasonable time for filing intellectual property provided
- ISU background intellectual property requires separate license
- Both ISU, Sponsor and ISU's principal investigator must agree to use Flexible Solution B for the project

Sponsored Funding Flexible Solution C: Ownership Assigned to Sponsor*

- Ownership of ISU project IP and ISU's interest in joint project joint IP are assigned to Sponsor
- Sponsor pays the full cost of the research, including the federally negotiated F&A rate
- Sponsor prepays an IP assignment fee of 75% of the full cost of the sponsored research project
- No Federal or State funding allowed; only Sponsor funding allowed
- ISU publishes the results of the project with reasonable time for filing intellectual property provided
- There can be no ISU background IP associated with the project
- Sponsor, ISU and ISU's principal investigator must agree to use Flexible Solution C for the project
- More information is available at: <http://www.industry.iastate.edu/flexiblesolutions/assignment.html>

Specialty Solutions: ISU has customized agreements for certain project types including:

- Field Trials
- Animal Product Trials
- Technical Services
- Consortia
- Clinical Trials
- Fee-for-Service Facilities

Gifts:

- Standard gift fee of 5% applies (if applicable)
- No scientific or technical data are required to be given to the donor as a condition of the gift
- The donor makes no claim on the patents, copyrights and other intellectual or tangible property rights

*For more detailed information: <http://www.industry.iastate.edu/flexiblesolutions/>

NO ANTICIPATED INTELLECTUAL PROPERTY
Based on Solution A
SPONSORED PROJECT AGREEMENT

THIS SPONSORED PROJECT AGREEMENT (“Agreement”) is by and between <SPONSOR>, located at <ADDRESS> (“Sponsor”), and Iowa State University of Science and Technology, a State of Iowa public university located at 310 Lab of Mechanics, Ames, IA 50011 (“ISU”); individually, Sponsor and ISU being a “Party” and together the “Parties.”

In consideration of the mutual covenants and promises herein contained, the Parties, as independent contractors, agree as follows:

- 1. Term.** The term of this Agreement is <DATE> (“Effective Date”) through <DATE>.
 - 2. Project.** ISU agrees to perform the project entitled <PROJECT TITLE>, set forth in Attachment A, which is incorporated herein by reference (“Project”), substantially in accordance with its description. Dr. <NAME> shall direct and supervise the Project for ISU.
 - 3. Compensation.** As consideration for ISU’s performance of the Project, Sponsor agrees to pay ISU the fixed sum of <WRITE OUT VALUE> Dollars U.S. (\$<ENTER AMOUNT>). Payment is due in full upon signing this Agreement. ISU will send an invoice to Sponsor at: <INSERT ADDRESS>. Sponsor shall make its check payable to “Iowa State University” and send it to: Sponsored Programs Accounting, 3609 Administrative Services Building, Ames, IA 50011-3609, with reference to the Project.
 - 4. Equipment and Supplies.** ISU shall retain title to all equipment and supplies purchased and/or fabricated with funds provided by Sponsor under this Agreement.
 - 5. Tangible Property, Patentable Inventions and/or Copyrightable Material.** The Parties agree that no tangible property, patentable inventions and/or copyrightable material are anticipated under this Agreement. In the event that any of these should occur, the Parties agree that prior to any action being taken to protect any of the aforementioned property, the Parties will negotiate in good faith the disposition of such tangible property, patentable inventions and/or copyrightable material (“IP”). No rights are granted under this agreement to any tangible property, patentable inventions and/or copyrightable material owned by a Party. ISU retains rights to its IP to practice and have practiced such IP for research and educational purposes.
 - 6. Publications.** ISU may publicly disclose the findings made under the Project but will send proposed disclosures to Sponsor at least thirty (30) days prior to disclosure so Sponsor can determine if Confidential Information (as defined below) is contained therein. ISU agrees to remove Sponsor’s Confidential Information as requested by Sponsor. If Sponsor raises no objection within the 30 days, then ISU may proceed with public disclosure. ISU shall have the final authority to determine the scope and content of any public disclosure, except for removal of Sponsor’s Confidential Information.
 - 7. Publicity.** Sponsor shall not state or imply in any public disclosure that ISU endorsed or approved any service or product that is manufactured, sold, or distributed under a brand name, trademark or otherwise. Neither Party shall use the other’s trademarks, trade names, service marks or symbols without the owner’s prior written approval.
 - 8. Confidential Information.** If a Party provides information related to the Project to the other Party that the provider considers proprietary or confidential (“Confidential Information”), provider shall identify it as such at the time of disclosure. Written forms of Confidential Information shall be marked “CONFIDENTIAL.” Oral or observed Confidential Information shall be reduced to writing by provider, marked “CONFIDENTIAL,” and delivered to recipient within thirty (30) days after disclosure. Recipient agrees to use Confidential Information only for the Project and keep it in confidence. These obligations of use and nondisclosure shall not apply to any portion of Confidential Information that: was in the possession of or known by recipient before receipt from provider; is or becomes a matter of public knowledge through no fault of recipient; is received by recipient from a third party without a duty of confidentiality; is disclosed by provider to a third party without a duty of confidentiality; is independently developed by recipient as shown by documentation; or is disclosed publicly under operation of law. Recipient shall not disclose Confidential Information for a period of five (5) years after expiration or termination of this Agreement.
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9. NO WARRANTY. All results of the Project are provided “AS IS,” WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. ISU MAKES NO REPRESENTATION OR WARRANTY THAT THE USE OF THE PROJECT RESULTS WILL NOT INFRINGE ANY PATENT, IP OR OTHER PROPRIETARY RIGHT.

10. Liability. Neither Party shall be responsible or liable for any injuries or losses that may result from the implementation or use by the other of the results of the Project. In no event shall either Party be liable for incidental, consequential or special damages, lost profits or lost market opportunities, whether known, foreseeable or advised of such possibility, or arising under contract, negligence, tort, strict liability or other theories.

11. Termination. Either Party may terminate this Agreement upon sixty (60) days written notice. Upon termination, Sponsor shall compensate ISU for all actual and allowable expenses and non-cancellable obligations properly incurred or encumbered prior to the date of termination.

12. Export Control. The Parties shall comply with requirements regarding the export of technical data as set forth in the International Traffic in Arms Regulations or the Export Administration Regulations of the United States. If a Party wishes to disclose export controlled technical data under this Agreement, it shall first inform the recipient Party and provide information regarding the applicable export controls. The recipient Party may refuse receipt of the export controlled technical data. The recipient Party shall not disclose or re-export export controlled technical data received under this Agreement to a country for which the United States requires an export license or other supporting documentation at the time of export or transfer, unless recipient obtains prior written authorization from the appropriate government authority.

13. Entire Agreement and Counterparts. This Agreement constitutes the entire and only agreement between the Parties relating to the Project, and all prior negotiations, representations, agreements and understandings are superseded hereby. This Agreement may be executed in any number of counterparts, including facsimile or scanned PDF documents. Each such counterpart, facsimile or scanned PDF document shall be deemed an original instrument, and all of which, together, shall constitute one and the same executed Agreement.

IN WITNESS WHEREOF, Sponsor and ISU have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date written above.

Sponsor: <SPONSOR>

_____/_____
Name: Date
Title:

IOWA STATE UNIVERSITY OF SCIENCE AND TECHNOLOGY

Read and understood:

Agreed and accepted:

_____/_____
Name: Date
Title: Principal Investigator

_____/_____
Name: Date
Title: Industry Contracts - OIPTT



Attachment A: Project



Specialty Solutions:

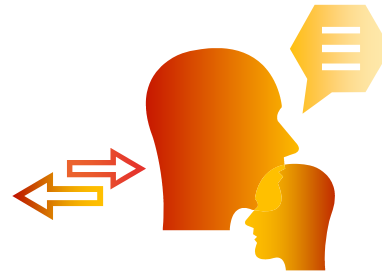
We have customized agreements for certain project types including:

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- Animal Product Trials
- Technical Services
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INNOVATIVE THINKING

“We’ve created flexible solutions in Iowa State’s sponsored funding agreements that better meet the needs of our industry partners while also helping to rapidly move our research discoveries to the marketplace.”

***-Steven Leath, President
Iowa State University***

To pursue your Research and Development Solutions; contact us today.

2121 State Ave, Ames, Iowa 50014

Phone: 515 294 4740

Email: industry-contracts@iastate.edu

WWW.TECHTRANSFER.IASTATE.EDU



**Flexible Solutions
For Working With
Industry Sponsored
Research**

IOWA STATE UNIVERSITY

**Office of Intellectual Property
and Technology Transfer**

Flexible Solutions

Welcome to Iowa State University's Flexible Solutions program for Industry Sponsored Research.

Our Flexible Solutions provide sponsors with multiple approaches to patenting, ownership, and licensing of any patentable invention or copyrightable matter resulting from the performance of a sponsored research project (IP). **Responding to your needs is important to Iowa State's mission as a land-grant**

This is an overview of the sponsored funding solutions that are available to industry sponsors.



FLEXIBLE SOLUTION A

Traditional University Model

- Inventorship laws determine ownership of IP
- A royalty-free non-exclusive license to IP for Sponsor
- An option to negotiate a royalty bearing exclusive license for Sponsor
- ISU publishes the results of the project
- ISU background intellectual property requires separate license



FLEXIBLE SOLUTION B

Managed Financial Risk

- Inventorship laws determine ownership of IP
- Full costs of research, with the federally negotiated F&A rate is paid by Sponsor
- Prepaid exclusive option, for an additional fee of 10% of the full cost of the research (\$15,000 minimum); additional pre-negotiated exclusive license terms include:
 - 1% royalties of net sales starting in the year annual sales using IP reaches \$20M is paid by Sponsor
 - Right to sublicense
 - No annual minimums
 - No additional technology commercialization fees
 - Sponsor manages, directs, and pays for all patenting activities
- ISU publishes the results of the project
- ISU background intellectual property requires separate license
- Both of the parties must agree to use Flexible Solution B

FLEXIBLE SOLUTION C

Ownership By Sponsor

- Ownership of ISU project IP and ISU's interest in joint project IP are assigned to Sponsor
- Sponsor pays the full cost of the research, which includes the federally negotiated F&A rate
- Sponsor prepays an IP assignment fee of 75% of the full cost of the sponsored research project
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- There can be no ISU background IP associated with the project

