

## UIDP Projects Survey: Upfront IP

February 2023 | n=34

To inform a UIDP Projects Quick Guide, we asked UIDP university member organizations about their use of upfront intellectual property (IP) programs. The survey defined upfront IP as *offering industry sponsors the opportunity to pre-pay (for example, through a technology fee as a percentage of an overall contract price) for access to foreground IP from projects that they sponsor*. The survey was fielded for one week, Feb. 14-20, 2023, and received responses from 34 unique institutions.

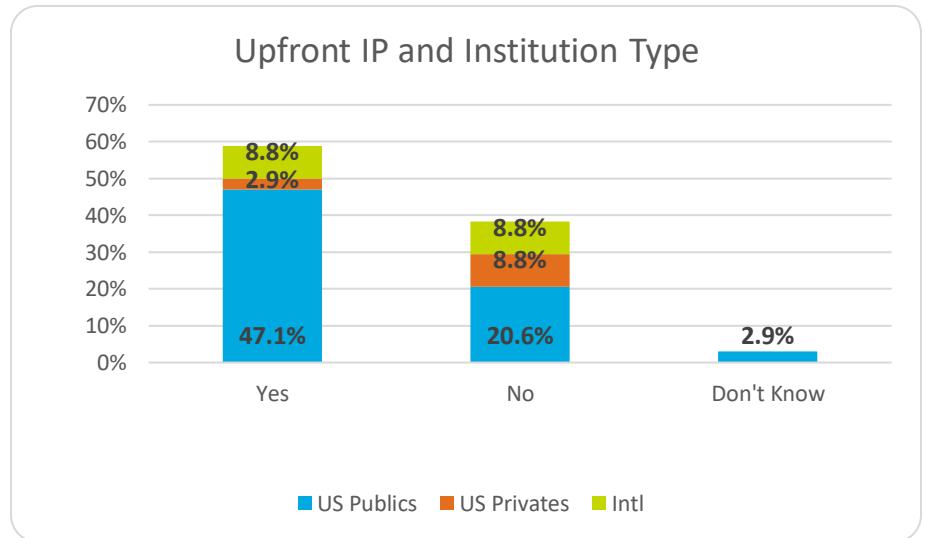
Survey respondents primarily represented U.S. public universities (71%), with 18% from non-U.S. universities and 12% from U.S. private institutions.

Nearly 60% of all respondents said they have an upfront IP program, with the largest proportion among U.S. public universities. Among institutions with upfront IP programs, just over 60% make information about the program public (e.g., on their website).

Although the programs are not uncommon, they are underused. Most schools report a utilization rate of 5-10% or less. A few U.S. universities reported much higher uptake rates of 25-30%, and one international school reported a 50% rate of uptake.

There are a number of reasons universities have upfront IP policies. The largest proportion of respondents (84.2%) chose “to reduce negotiation time and effort” as a primary reason, closely followed by “to position the university as business friendly” (78.9%).

A majority of respondents (52%) said they offer these programs at the request of industry sponsors.



Reasons to Offer an Upfront IP Program	
To reduce negotiation time and effort for both the university and sponsor	84.2%
To position the university as business-friendly	78.9%
Requested from industry sponsors	52.6%
Financial benefit; i.e., licensing income plus money for faculty	42.1%
Requested from university stakeholders	36.8%
Other	15.8%

When asked if there are research areas where upfront IP terms are not offered, respondents said that it is common, especially among the health sciences (e.g., pharma, biotech, and medicine). Respondents indicated that upfront IP terms may also not be available where there is background IP, use of federal funds, or a faculty startup in the same area. Some institutions only require the tech transfer office to sign off on use of upfront IP terms.

Among institutions with an upfront IP program, 63% actively market the program to industry research sponsors. This activity is undertaken by corporate relations, tech transfer, or sponsored program offices. Most of these institutions (83%) require faculty to proactively agree to participate in projects where industry pays an upfront technology fee.

Most respondents said that 30-50% of the upfront IP fee goes to faculty. It is common to treat the upfront IP the same as royalty income when it comes to distribution. A majority said faculty can opt for funds to be assigned to their lab budgets or as personal income.

For further reading, see the UIDP Quick Guide, [Upfront IP](#).

Are faculty required to proactively agree to participate when a sponsor pays a tech fee?

