



Strengthening
University-Industry
Partnerships

Kirt Fuller

Assistant Director, Industry Research
Oregon State University

Michael Szarka

Director, Research Partnerships
University of Waterloo

Brian Lea

Manager – Supply Chain
The Boeing Company

Paul Meyer

Managing Counsel, Patent
Transactions Group
Intel Corporation



Pre-Negotiating IP and Other Critical Terms

Pre-Negotiating IP and Other Critical Terms

Topics for Discussion

- Context, Motivations and Principles for Pre-Negotiating IP Terms
- Sponsor's Interests in Pre-Negotiating IP Terms
- University's Interests in Pre-Negotiating IP Terms
- Approaches to Pre-Negotiating IP Terms
- Pre-Negotiating Other Related Terms



Background – Primary Motivations of Parties for Tech Transfer

Primary motivations for University tech transfer and licensing to industry:

- Dissemination of university-generated technology for public good
- Encourage PI-lead innovation that is valued by industry partners

Primary motivations related to Industry adoption of University technology:

- De-risk tech development with clear pathway to market without unreasonable delay or cost
- Acknowledgement of industry's necessary investment to take technology to market

Common Ground/Motivations?



Strengthening
University-Industry
Partnerships

The Setup – Context & Principles For Pre-Negotiating IP Terms

- Principals desire up-front discussions about the technology (including earlier research efforts) and capabilities of the University PI.
- Each party wants the other party to recognize the latent value of its technology, background IP and the cost of development.
- Each party desires transparency and up-front identification of any major roadblocks to commercialization, including potential IP costs and barriers.
- Before negotiating a full agreement, parties desire to establish agreed-upon principles for efficient licensing of University background IP.



Sponsor is Interested in Knowing:

- What is the existing background IP?
- Is background IP available for licensing exclusively or nonexclusively?
- What are the royalty/fee ranges for either or both?
- How can the technology be validated and at what cost?
- How does the technology compare to the next best alternative?
- How strong will the overall IP protection be?

University is Interested in Knowing:

- How does the Sponsor intend to use the technology?
- What is the perceived value of the technology to the Sponsor or industry?
- Is the Sponsor interested in licensing exclusively or nonexclusively?
- What is the Sponsor able to invest into technology development, monetarily and in-kind?
- What is the anticipated timeline for commercialization?



Considerations for Selecting a Model / Approach

- Who does pre-negotiation benefit and how? How does it alter the apportionment of risk?
- Does Sponsor intend to contribute proprietary know-how relevant to foreground IP?
- Pervasive vs. Discrete Sponsor (or Scale of Project)?
- Form of Foreground IP / Technology?
 - Patents → Can prevent market access
 - Other IP → Sponsor may be required to fund independent development
- Industry- (or Product-) Specific Issues
 - (1) Saturated Invention Space / Patent Thicket or (2) Focused Technological Domain?



Potential Models / Approaches for Project-Specific Licensing

- Diligence Model
 - Up-front Identification of Background IP
- NERF / Non-Assert
- Prepay → percentage premium on research funding
- Sponsor Granted Ownership of IP

Discussion: Approaches to Pre-Negotiating IP

- What other approaches have been tried?
- What was the scope and results of pre-negotiations?
- What has been successful?
- What are the pain points?
- How do pre-negotiations vary from industry to industry?

Discussion: Pre-Negotiating Related Terms

- Process for Disclosing Background IP Materials
- Dispute Resolution



Beyond Project-Specific Licensing

- “Principled” Commitments
 - Agreement to offer FRAND license terms
 - RPX Open / LOT Network
- Pool Models (e.g., UTLP)
- Transactional Approach
 - AST / RPX
 - Subscription Model



THANK YOU!

Kirt Fuller,
Oregon State University
Kirt.Fuller@oregonstate.edu

Michael Szarka,
University of Waterloo
mszarka@uwaterloo.ca

Brian Lea,
The Boeing Company
brian.d.lea@boeing.com

Paul Meyer,
Intel Corporation
paul.j.meyer@intel.com



Strengthening
University-Industry
Partnerships