Effective Administration to Support Commercialization of Research Discoveries

April 27, 2011
1:30pm

2011 BRINGING ADMINISTRATORS TOGETHER CONFERENCE

Empowering Performance & Achievement through Teamwork
Workshop Presenters

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Please ...

• Turn off cell phones
• Sign the attendance roster
• Feel free to ask questions during the presentation
• Complete the evaluation at the end of the workshop
Workshop Objectives

Provide a framework for understanding how you can help investigators throughout the research-commercialization cycle by engaging ORS and OTM to ensure that research discoveries can be translated into intellectual property and successfully commercialized

- **Office of the Vice Chancellor for Research (OVCR) and Office of Research Services (ORS)**
  - To be familiar with University General Rules regarding Research Gifts, Grants and Contracts
  - To understand the contract review process and the team effort approach
  - To be familiar with Material Transfer Agreements from the perspective of Academia vs. Industry and how the contract terms may ultimately impact the ability to commercialize

- **Office of Technology Management (OTM)**
  - To be familiar with the invention disclosure process with UIC Office of Technology management
  - To understand the importance of planning for successful protection of intellectual property
  - To be familiar with the process of technology licensing and commercialization
Office of Research Services (ORS)

- The Office of Research Services (ORS) is responsible for sponsored program activity, including research, instruction and public service at the University of Illinois at Chicago.

- The ORS assists faculty and staff on all stages of sponsored activity
  - ORS assists with proposal development, review and endorsement of proposals, submission of electronic proposals, negotiation and execution of contracts, reporting, receipt and processing of the Notice of Awards.
  - ORS provides interpretation of sponsor guidelines, and ensuring compliance with both agency and University policies.

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Office of Technology Management (OTM)

• The Office of Technology Management (OTM) is responsible for managing the intellectual property generated by research and educational activities at the University of Illinois at Chicago.

• The OTM actively reaches out to researchers to encourage disclosure of new innovations.
  – The disclosure form helps OTM begin the process of evaluating the technology transfer potential for the intellectual property.

• The OTM works closely with inventors to evaluate, protect, and commercialize University IP to help fulfill the University’s mission, including economic development.

• How do I work with the OTM?
  – Just email or call us – yes it is that simple!

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ORS and OTM: Serving The Research-Commercialization Cycle
Commercialization of Research Discoveries:
What are we talking about?

What is commercialization?

• The dissemination of research discoveries in the form of intellectual property (IP) rights through licensing and start-up creation

• Fulfills the University’s economic development mission through the development and commercialization of new technological and scientific innovations

What is intellectual property?

• Exclusive rights granted to owners of intangible assets
  – The discoveries that result from the research at the University

• This can include:
  – Patents
  – Copyrights
  – Trademarks
  – Trade Secrets
  – Tangible Material
Commercialization of Research Discoveries: What are the University’s objectives related to IP?

• Make an impact
  – To provide protections and incentives to encourage discovery and development of new knowledge, its transfer for the public benefit and its use for development of the economy;

• Benefit financially and enhance reputation
  – To enhance the generation of revenue for the University and to provide financial and reputational benefits for the creator(s);

• Preserve ability to conduct research
  – To preserve the University's freedom to conduct research and to use the intellectual property created by that research or pursuant to an institutional initiative.
University General Rules
http://www.uillinois.edu/trustees/rules.cfm

• Article II. Business Organization and Policies
  – Sections 6-8 define Research Gifts, Grants and Contracts

• Article III. Intellectual Property
  – Section 2 defines Intellectual Property
  – Section 7 addresses Commercialization
Contract Negotiations

Dilbert on sales-contract negotiations

by D. C. TOEDT on NOVEMBER 10, 2009

1. 

My company typically takes about four months to negotiate this type of contract.

2. 

And during that time there’s a 100% chance that we’ll change our minds or you’ll discontinue the product.

3. 

Shall we save some time by declaring failure and blaming each other? I gave up before I even handed you the contract.
Types of Research-Related Agreements and Implications:

– Material Transfer Agreement
– Clinical Trial Agreement
– Non-disclosure Agreement
– Standard Research Agreement
– Data Use Agreement
– Consultant Agreement
– Technical Testing Agreement
ORS Bilateral Document Process

1. Contract is assigned to negotiator
2. Negotiator reviews contract and initiates contact with sponsor
3. Can the University agree to all terms as written?
4. YES: Forward for approval as to form by ORS or Office of University Counsel (OUC)
5. NO: Legal or Business Decision Issues which conflict with General Rules, business practices or applicable laws
6. Negotiator modifies language after consultation with Legal Coordinator
7. Forward to Office of University Counsel (OUC) for approval
8. Sponsor accepts or rejects changes
9. Accepts: Sponsors accepts or rejects changes
10. Rejects: Contract negotiations cease and file is closed
11. Signatures obtained from BOT and Sponsor
12. Fully Executed Document returned to ORS for distribution to BOT, G&C, and Sponsor
13. NO: Contract is assigned to negotiator
14. YES: Contract negotiations cease and file is closed
Types of Research-Related Agreements and Implications: Material Transfer Agreement (MTA)

Material Transfer Agreement is the transfer of scientific material from one party to another, usually at no cost or a small fee.

- **Academia**
  - The National Institutes of Health and the Association of University Technology Managers (AUTM) developed standard language to simplify transfer of biological materials, issued as the *Uniform Biological Material Transfer Agreement* (UBMTA). (autm.net)
  - NIH-recommended *Simple Letter Agreement* for material transfers between academic/non-profit institutions.
  - **Addgene**.com is a non-profit organization that serves as a plasmid repository. They use the UBMTA for their transfers.

- When the UBMTA or Simple Letter Agreement might not be appropriate:
  - When the materials are unpublished and we would like to ensure our Investigator’s right to publish first;
  - When the materials have been licensed to a for-profit institution; or
  - When the materials involve third parties rights (i.e., when the material is a modification of a material received by a third party or funding received by a third party); or
  - A commercial entity wishes to receive the material; or
  - The material is the subject of a pending patent application or an issued patent.
Types of Research-Related Agreements and Implications: Material Transfer Agreement (MTA)

• Industry
  – These contracts often originate from the Sponsor and their main goal is to protect their IP and obtain future IP.
  – Industrial MTAs often contain language that conflicts with basic academic rights or that places unnecessary restrictions on investigators. Complex areas of negotiation may include:
    • Confidentiality
    • Publication
    • Intellectual Property
    • Indemnification
Contract Negotiations

Your software services contract is too confusing for any normal human to comprehend.

And it wouldn’t be cost-effective to involve our attorneys for a deal so small.

So I’ll just take a chance and sign it.

Doc... scrub in. I got the liver.

There’s a guy in the lobby who says he’s here to harvest your organs.

Apparently, you signed a software services agreement without fully understanding it.

Well, at least I can save lives.

He said something about his cat’s birthday.
From Discovery to Commercialization: Partnering Throughout for Success
From Discovery to Commercialization: Documents/Agreements to be aware of related to OTM

- Report of Research Discovery (Invention Disclosure)
- Non-Disclosure Agreement (NDA)
- Option Agreement
- License Agreement
- Conflict Management Plan*
From Discovery to Commercialization:
Protecting potential IP during the research project

• Public disclosure of inventions can affect our ability to protect inventions
  – Prior to publication or presentation, contact the OTM if there is any doubt whether something should be disclosed
  – Think of about the need for NDA’s before talking to companies

• Encourage investigators to fill out disclosure form or at minimum contact OTM when they think they have a potential invention
  – Keep in mind any IP terms that are in the original grant or sponsored research agreement that will impact commercialization
From Discovery to Commercialization: Submitting a disclosure to OTM

• What kind of information is important?
  – Who are the contributors/inventors?
    • UIC faculty, students, staff
    • Non-UIC persons
  – What is the invention?
    • Title and Description
    • Any material that helps describe the discovery?
      – Grant Application
      – Presentation or Poster
      – Manuscript
  – Any public disclosures that have occurred or are upcoming?
  – **What type of funding supporting the research?**
    • Grant and other funding information
  – **Other existing agreements that might affect commercialization?**
    • Material Transfer
    • Sponsored Research
    • Confidentiality
From Discovery to Commercialization: How do we translate research discoveries into IP?
From Discovery to Commercialization: Publication and its impact on patents

• Disclosure to the OTM does not alter publication timetable, but....

• ...public disclosure does affect the ability to obtain a patent
  – Any public disclosure, prior to patenting, forfeits foreign rights
  – One year grace period from public disclosure to filing in the US

• Examples of “Public Disclosure”
  – Journal article on-line or in print
  – Public oral presentation
  – Posters or published abstract in a conference program guide
  – Published grant application (usually abstracts)
  – Thesis defense
  – Online blogs
  – Verbal or written communication without an expectation of confidentiality
From Discovery to Commercialization:
Other types of IP – they can be valuable too!

• We don’t just handle patentable inventions

• Other University IP that can be commercialized:
  
  – Biological Material
    • Antibodies
    • New animal models
  
  – Copyrights
    • Software
    • Manuals
    • Questionnaires
    • Educational Curriculum
    • Films
  
  – Trademarks
From Discovery to Commercialization:
How do we commercialize IP from research discoveries?

• Option Agreements
  – Gives companies an exclusive right to negotiate a license agreement or evaluate the technology during a defined period

• License Agreements
  – Gives companies an exclusive or non-exclusive right to use University IP
  – Defines how it can be used and the terms for the right to use it

➢ Start-up companies formed by faculty, students, or staff can be a licensee too! *(more about this on the next slide)*
From Discovery to Commercialization:  
Start-up companies and their importance

- License agreements can be executed with a new company formed specifically to commercialize the University IP
  - Allows inventors to submit applications for SBIR/STTR Grants
  - Can lead to additional sponsored research back in the University
- Conflict management plans are needed prior to signing a license
  - But conflicts can be managed

- Resources for university start-up companies
  - Chicago Technology Park
  - SBIR/STTR Grants
    - ORS and OTM can help
    - We offer low-cost SBIR/STTR Option Agreements to faculty start-ups
  - Chicago Innovation Mentors program
  - IllinoisVENTURES
From Discovery to Commercialization:
The impact of successful commercialization

• Make an impact
  – Save and/or improve lives, making a positive impact in the world

• Benefit financially
  – How do scientists and the university benefit financially?
    • 40% is shared by Inventor(s)/Contributor(s)
    • 20% returned to the School/Department
    • 40% returned to the University
  – Distribution of the Inventor share is determined by inventors/contributors
Workshop Summary

Engaging with ORS and OTM early will allow you to help investigators throughout the research-commercialization cycle to ensure that research discoveries can be translated into intellectual property and successfully commercialized.

- Key questions to remember:
  - Is there previously created IP that needs to be considered in the context of new research agreements?
  - Is there new IP that will likely be created and how will the terms of the research agreement(s) impact commercialization?
  - Is there new IP that has resulted from research activities that should be disclosed and protected?

- Always involve ORS and OTM early and often
  - When in doubt give us a call!
Questions?