REPORT FROM ROUNDTABLE DISCUSSION PANEL ON TECHNOLOGY TRANSFER AND INTELLECTUAL PROPERTY AT NSF I/UCRC 2005 MEETING:

We had approximately 15 in attendance at this roundtable panel. Many of the attendees were future I/UCRC center directors who had a number of questions about recruitment of industry members and handling of intellectual property (IP) through the membership agreements. The following significant questions were raised for discussion:

1. How does one best explain the intellectual property rights to a potential industry member to give some comfort that the agreement is not a big hindrance to their participation?
2. How to handle situation where a company leaves the center or a new company joins—how is the intellectual property handled in such instances?
3. How is large supplemental funding from Federal Agencies handled within the center in terms of IP?
4. What techniques or arguments can one use in recruiting a new company to sell them on joining an I/UCRC.
5. How is IP handled when a supplemental grant is given to a researcher at an outside university? Does the membership agreement apply?
6. How to deal with one's own university research administrative office regarding the handling of IP?

These were all good questions and each will be discussed in order:

Item 1: There are a number of comments that usually helps in explaining the IP to a potential member. When questions arise about the agreement and a company is reluctant to sign, it is helpful to explain to them that this particular program has been around for nearly 30 years and the issues have been carefully addressed over the years and there are essentially no significant problems. Nearly a thousand different companies and agencies have been involved without any major conflicts. Most likely the company being recruited has been or now is a member and it often helps to let them know and even give them the name of the center so they can investigate the past experiences. The research is mostly pre-competitive and IP is generally not a significant issue.

Item 2: Most all centers operate under the principle that companies that are active at the time the IP is developed have equal access to the non-exclusive license. If a company leaves the center, they have no rights. This seems to be acceptable to the centers and the member companies.

Item 3: The simple answer is that any research that is done under the center umbrella is available to all members who are active at the time. If the external funding party does not accept this arrangement, the project must be handled outside the center on a contract basis. The big disadvantage of this arrangement for the company is that the cost sharing is not required and will cost the sponsoring group nearly half again as much for the same research.

Item 4: There are a number of very good arguments to demonstrate to potential company that the membership is of great value. First, they have access to a large number of faculty who are experts in the research field. Their funds are multiplied several times so that they have the benefit of a large research effort for a fraction of the cost if they were to go it alone. They have the benefit of the NSF policy that requires that the universities cost share by returning the majority of the overhead to the center in support of the research. The member companies will get to know and see first hand the talent of the graduate students at the university and have an inside track in hiring these talented folks into their companies. The companies develop some long-term relationships with some of the best research minds in the field of mutual interest and thus can build on that opportunity for years into the future. Industry wide problems are commonplace and it is very often beneficial to all the companies and the concerns about IP are of little significance if a major industry problem can be solved that benefits everyone. It is also helpful to inform a potential member of how many companies and agencies have benefited over the years and you may even be able to refer them to others to testify as to the benefits.

Item 5: Any grant provided by NSF to fund a supplemental project involving researchers from a center with researchers from other non member universities will require that the outside university agree with the membership agreement in place at the I/UCRC center. NSF may award projects that tie two centers together to work on a project of mutual interest, or can make an award to another non-I/UCRC university to cooperative with researchers from the I/UCRC. In all cases the IP is handled in the same way as in the center. The outside university owns the IP, but must make it available on a royalty free basis as a non-exclusive license to all members of the I/UCRC. If none or only one industry member wants the IP, the outside university may negotiate a royalty bearing exclusive license with that company or if no I/UCRC member is interested the university may license to any other company. The program brochure just published of accomplishments might be useful in recruitment.

Item 6: The I/UCRC typical membership agreement will be foreign and unacceptable to most universities until the program is explained in detail. The university research administrator will need to understand that the program is sponsored by the NSF and that any university that wishes to participate will need to accept the rules and procedures that are published to guide the operation of the I/UCRC by the NSF. It may be helpful to inform the administrator that more than 100 universities are now participants in the program and that the program has involved several hundred universities over the past 30 years. A university may choose not to participate because of the membership agreement and the way IP is handled, and that is their decision. In order for the Program to work, all university participants and all industry members must agree to essentially the same rules and policies. The overwhelming best argument for getting university and industry to agree to partner in the program is the record of success the Program has enjoyed for more than 30 years.

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