Penn State’s Approach to the Management of IP resulting from Industry Sponsored Research

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Technology Transfer at Penn State

- **Office of Technology Management (OTM)**
  - Licensing

- **Office of Sponsored Programs (OSP)**
  - Contracting

- **Ben Franklin Technology Center**
  - TechCelerator Program
    - 2 & 10 week courses
  - Some limited funding

- **Innovation Park**
  - Incubator Space
  - Mentor Program

- **Small Business Development Center (SBDC)**
  - Providing entrepreneurs with the education, information and tools necessary to build successful businesses.
Penn State Research Expenditures
FY2013

- $848 million in total research expenditures
  - $537 million from federal resources
  - 101 million from industry sources
    (approximately $30 million in IRAD or “true” industry-sponsored research)
Penn State Research Expenditures by College / Adm. Unit

FY2013 Total = $848,215,000

- Eberly College of Science, $102,499,000
- Information Sciences & Technology, $7,828,000
- Defense Related Research Units, $204,868,000
- Health & Human Development, $42,967,000
- Medicine, $100,429,000
- Liberal Arts, $29,334,000
- Engineering, $145,063,000
- Education, $11,795,000
- Earth & Mineral Sciences, $64,970,000

Other, $15,464,000

Other Campuses
- Altoona College = $1,227,000
- Behrend College = $4,924,000
- Berks College = $188,000
- Capital College = $2,490,000
- International Prog. = $92,000
- Great Valley = $260,000
- Other Commonwealth Campuses = $4,121,000

Other Colleges
- Arts & Architecture = $1,439,000
- Communications = $1,359,000
- Law = $636,000
- Nursing = $2,706,000
- Smeal College of Business = $5,125,000

Agricultural Sciences, $111,733,000

Other Colleges, $11,265,000

DRRU
- ARL = $178,258,000
- EOC = $26,610,000
Office of Technology Management (OTM)

- $848M Research Expenditures FY2013
- 150 invention disclosures filed per year
- 80 provisional patent applications filed per year
- 60 U.S. patent applications filed per year
- 40 U.S. patents issued per year
- 835 U.S. patents issued to PSRF
- 15-20 license agreements executed per year
- ~100 materials transfer agreements executed per year
- 5-7 option agreements executed per year
- 85 total licenses to Penn State start-up companies
- 49 total equity-based license agreements
Previous Penn State Industry-Sponsored Research IP Management Protocol

• Penn State owns the IP
• Sponsor has the option to negotiate a license agreement
• Financial terms of license determined after IP created
• Sponsor is not guaranteed access to IP
• Penn State has right to license IP to others
• Penn State has right to publish research results
Results of Industry-Sponsored Research for CY2000-2006

- 7 calendar years
- Rate of submission of invention disclosures is similar to federally-funded research
- Patenting activity is similar to federally-funded research
- Licensing revenue is very low: <$100,000
Penn State’s New Approach to the Management of Industry-Sponsored Research IP

- Penn State will not seek to retain ownership of IP
- Penn State will assign IP to sponsor upon request
- Penn State has right to publish research results
- Penn State has right to practice IP for research and educational purposes
- If Penn State research results lead to exceptional commercial success, sponsor agrees to share proportionally with Penn State
  - “Bonanza Clause”
- Exceptions considered on a case-by-case basis
Penn State’s New Approach to the Management of Industry-Sponsored Research IP

• Created a new, much shorter Sponsored Research Agreement

• Researchers acknowledge new IP terms in writing
  – electronic Internal Approval Form (IAF)
  – Allows our office to engage with researchers and companies sooner in the contracting process to head off any concerns regarding IP.

• Background IP and its availability to license is identified upfront in research proposal

• Background IP can be optioned or licensed by sponsor

• Office of Sponsored Programs negotiates research agreements with assistance from Office of Technology Management
9. Intellectual Property. Sponsor has the right to take ownership of Intellectual Property. University reserves the right to file a provisional patent application to protect Intellectual Property in circumstances where University has an expedited need to publish or present results. University will promptly disclose Intellectual Property to Sponsor in writing. Sponsor has ninety (90) days from the receipt of the disclosure to request University to assign ownership to Sponsor. In consideration for assigning ownership, Sponsor shall reimburse University for any patent protection costs incurred. The Sponsor agrees to pay the University a 1% royalty on the net sales of products or processes utilizing Intellectual Property when annual sales of such products or processes exceed $20 million. University retains the right to use Intellectual Property for non-commercial research and educational purposes. In the event University background intellectual property is required to practice Intellectual Property, University will negotiate an option or license to the extent such rights are available.
Intellectual Property at Penn State

An overview of our approach to IP with our Industry Partners

www.research.psu.edu/offices/otm
Office of Technology Management (OTM)

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