

The University of Iowa-Your Research Partner

Sponsored Research Agreements

The University of Iowa provides the following options on intellectual property rights for for-profit entities that would like to sponsor research at the University of Iowa. Both Options below share the following characteristics:

- The University of Iowa and inventors retain the right to use any intellectual property developed for research and teaching.
- Sponsor retains rights, free of charge, to use data arising from sponsored research even if there are no patentable inventions; and
- The decision whether to offer a sponsor Option 1 or Option 2 begins with the University of Iowa principal investigator.

Option 1: Standard

This option is the traditional approach to IP rights in industry-sponsored research agreements.

- The laws of inventorship determine ownership;
- No upfront fees for a one year option;
- No pre-set license terms; and
- Sponsor and UI negotiate in good faith for commercial rights to UI IP created under the agreement once IP has been developed.

Option 2: Exclusive License at fixed rates

The UI offers this option to remove uncertainty for sponsors regarding future financial obligations.

- The laws of inventorship determine ownership;
- Sponsor pre-pays a non-refundable Option fee of the greater of 10% of total cost of sponsored research agreement or \$15,000. (The fee is calculated based on the entire project budget including standard University F&A costs that must be paid at the full federal research F&A rate. The fee is applied based on funds obligated in the agreement. If the sponsor pays the \$15,000 because the initial obligation of funds is <\$150,000, the sponsor will not be charged the 10% on future obligations until after the \$150,000 threshold in obligated funds is reached);
- The full amount of the fee will be due within 30 days of billing. Failure to pay the fee will result in the revocation of Option 2 and implementation of Option 1;
- Sponsor may execute an exclusive, perpetual, worldwide license for rights to all inventions (patentable or not), and software arising from and funded by the sponsored research project at its option;
- Under a license, Sponsor pays 1% royalties on net sales of licensed intellectual property (IP) when sales using IP exceed \$20 million;
- There are no annual minimums or other technology commercialization fees, time limits or milestones as part of the license;
- Sponsor is free to sublicense/cross-license inventions as part of the license;
- Sponsor fully manages and directs all patenting activities, including choosing patent counsel (while collaborating with the University on patent claims), and directly pays all costs associated with patent prosecution under the license;
- University-owned background IP is not automatically included; however, UI will consider licensing background IP;
- Option 2 is not available for research awards from government, non-profit, or other types of non-commercial sponsors or awards for public service or testing; and

- Option 2 is contingent on the sponsor paying the full costs of research performed under the sponsored research agreement.

Distribution policy for Option 2 Fee:

- 25% to PI's lab
- 15% to PI's Department
- 15% to PI's College
- 20% to OVPR
- 25% to UIRF
- Any royalties received as part of 1% of nets sales will be distributed as specified in the UI Intellectual Property Policy

Corporate-Funded Clinical Trial Agreements

Clinical Trial Agreements: Intellectual Property Assigned to Sponsor

- For Clinical Trials under which the industry Sponsor provides the protocol, the drug or device, and pays the total cost of the trial, UI will assign all intellectual property developed under the trial related to the drug/device and new uses thereof to Sponsor;
- These terms are not available for clinical trials funded by government, non-profit, or other types of non-commercial sponsors; and
- The F&A rate for corporate funded clinical trials is 25% Total Direct Costs (TDC).

Fee for Service Agreements

Fee for Service Agreements: Intellectual Property Assigned to Sponsor

- For service agreements that meet the following criteria, and for which the Sponsor pays the total cost of the work, UI will assign all results and intellectual property developed in performance of the work to Sponsor
 - The project does not involve the use of human subjects;
 - The nature of the work is service-oriented (performing known scientific or experimental testing) rather than traditional academic research;
 - The compound, product or method being tested was not developed by, and is not owned by the UI or a UI employee;
 - The compound, product or method being tested is being provided by the sponsor;
 - Inventions or discoveries are unlikely as a result of the work;
 - No federal funding is involved in performing this project or the UI is considered as a vendor (not subject to A-21 or A-133); and
 - The project does not utilize funds, materials, protocols or other background intellectual property provided by a third party other than the sponsor.
- Total costs include F&A costs at the "Other Sponsored Activities" F&A rate.