

PI's Guide to the Contracting Process Involving Industry Sponsors

- 1) **Engage Industry** - Secure the interest of an industry sponsor in your project. During your preliminary discussions:
 - a. **Mention that you will publish the results of your research.**
 - b. **Mention the [Flexible Solutions](#)** - as ISU's business-oriented approaches to intellectual property ownership, patenting and licensing. Contact OIPTT Industry Contracts Team industry-contracts@iastate.edu if a sponsor requests further detail about the Flexible Solutions.
 - c. **Mention that ISU has template agreements** that can be used for each step of the process.
 - d. **Confidential Disclosure Agreement (CDA)** If you need to exchange confidential or proprietary information during the pre-contract stage, request a CDA. Do not share confidential information with industry until OIPTT has put a CDA in place. See point 2.
 - e. **Material Transfer Agreement (MTA)** Please do not exchange any materials with industry until OIPTT has put an MTA in place. See point 3.
- 2) **If Confidential Information Will Be Exchanged, First Request a Confidential Disclosure Agreement (CDA or NDA)** - from the OIPTT Industry Contracts Team by submitting the request form at this link [CDA request form](#).
- 3) **If Material Will Be Exchanged, First Request a Material Transfer Agreement (MTA)** - from the OIPTT Industry Contracts Team by submitting the request form at this link [MTA request form](#).
- 4) **Develop A Statement Of Work (SOW), Budget And Budget Justification** – use of the fully-loaded Basic Operating Budget (BOB) can be helpful. When using the fully-loaded BOB, complete the Internal and External budget tabs but submit only the External budget to the company instead of the complete spreadsheet. Ask OIPTT for a copy of the fully-loaded BOB template if your grant coordinator does not already have a copy.
- 5) **Route a GoldSheet For Your Project.**
 - a. If you prepared your budget using Flexible Solution B or C, please indicate this in the Note section of the GoldSheet.
 - b. If no tangible property, patentable inventions or copyrightable material (IP) will result from your project, and you want to use the **No Anticipated IP SPONSORED PROJECT AGREEMENT BASED ON A** please indicate that in the Note section of the GoldSheet.
- 6) **Discuss Your Approved Proposal With The Sponsor** - after the GoldSheet is reviewed and approved by OSPA Pre-Awards and any NDA is in place. Use the External budget tab information for sponsors.
- 7) **If The Sponsor Accepts The Proposal, Then Request A Contract** - by emailing the OIPTT Industry Contracts Team at industry-contracts@iastate.edu to prepare, review, negotiate and sign a Sponsored Project Agreement.
 - a. **You'll be contacted** with questions regarding compliance, export control, background IP, etc.
 - b. **You'll have an opportunity to review a draft** agreement before it is sent to the sponsor.
 - c. **You will be informed at critical junctures** during the negotiation process by the Industry Contracts Team negotiator.
 - d. **You will be asked to review and sign** (in a read and understood capacity) the final version of the agreement.
 - e. **You will be provided with a copy of the signed agreement.**
- 8) **Sponsored Project Accounting Assigns Account Number** - After the agreement is fully signed, the OIPTT Industry Contracts Team sets up the contract in Quali Coeus, and Sponsored Programs Accounting (SPA) assigns an account number to your project so that you can start charging expenses to the account.
- 9) **Work May Proceed** - The Industry Contracts Team will handle subsequent amendments of the contract, if any are needed.

Contact for more information:

OIPTT Industry Contracts industry-contracts@iastate.edu; 515-294-4740

Flexible Solutions

Brief Description

Contact information: ISU, OIPTT Industry Contracts, industry-contracts@iastate.edu, 515-294-4740

Welcome to Iowa State University's Flexible Solutions program. The Flexible Solutions provide industry sponsors with different approaches to ownership, licensing and patenting of any patentable invention or copyrightable matter first conceived and reduced to practice in the performance of a sponsored research project (IP). This is a brief overview of the sponsored funding solutions that are available.

Sponsored Funding Flexible Solution A: Traditional University Model*

- Inventorship laws determine ownership of IP
- A royalty-free non-exclusive license to IP for Sponsor
- An option to negotiate a royalty bearing exclusive license to IP
- ISU publishes the results of the project
- ISU background intellectual property requires separate license
- ISURF, with sponsor's financial support, manages patent activity

Sponsored Funding Flexible Solution B: "Ready-to-Sign" Terms for an Option to Negotiate an Exclusive License*

- Inventorship laws determine ownership of IP
- Full costs of research, including the federally negotiated F&A rate is paid by Sponsor
- No Federal or State funding allowed; only Sponsor funding allowed
- Option to negotiate exclusive license to IP when Sponsor prepays an additional nonrefundable option fee of 10% of the full cost of the research (\$15,000 minimum). Additional pre-negotiated exclusive license terms include:
 - Royalty rate of 1% of net sales, starting in the year annual sales attributable to the value contributed by the IP reaches \$20M, is paid by Sponsor
 - Right to sublicense
 - No annual minimums
 - No technology commercialization fees
 - Sponsor manages, directs, and pays for all patenting activities and expenses
- ISU publishes the results of the project with reasonable time for filing intellectual property provided
- ISU background intellectual property requires separate license
- Both ISU, Sponsor and ISU's principal investigator must agree to use Flexible Solution B for the project

Sponsored Funding Flexible Solution C: Ownership Assigned to Sponsor*

- Ownership of ISU project IP and ISU's interest in joint project joint IP are assigned to Sponsor
- Sponsor pays the full cost of the research, including the federally negotiated F&A rate
- Sponsor prepays an IP assignment fee of 75% of the full cost of the sponsored research project
- No Federal or State funding allowed; only Sponsor funding allowed
- ISU publishes the results of the project with reasonable time for filing intellectual property provided
- There can be no ISU background IP associated with the project
- Sponsor, ISU and ISU's principal investigator must agree to use Flexible Solution C for the project
- More information is available at: <http://www.industry.iastate.edu/flexiblesolutions/assignment.html>

Specialty Solutions: ISU has customized agreements for certain project types including:

- Field Trials
- Animal Product Trials
- Technical Services
- Consortia
- Clinical Trials
- Fee-for-Service Facilities

Gifts:

- Standard gift fee of 5% applies (if applicable)
- No scientific or technical data are required to be given to the donor as a condition of the gift
- The donor makes no claim on the patents, copyrights and other intellectual or tangible property rights

*For more detailed information: <http://www.industry.iastate.edu/flexiblesolutions/>