



Industry Agreements

Edward A. Lee
EECS

Faculty Lunch Presentation
October 3, 2005

Historical Options

- Gifts
- Quasi-gifts (CADCAM, BEECSA, ...)
- Center memberships
- Contracts

We are Addressing Problems with These

- Gifts
- *Quasi-gifts (CADCAM, BEECSA, ...)*
- *Center memberships*
- One-off contracts

Problems being addressed:

- Amateurish agreements
- Unofficial contracts
- Wild variability of terms

EECS 3

New Option

We now have UCB and UCOP approval on a template agreement that is between a gift and a contract.

- Similar to a gift
 - No research deliverables or acceptance criteria
 - Overhead rates similar to a gift
- Similar to a contract
 - Provides IP guarantees to the sponsor
 - Provides a more rational VIF patent acknowledgement

EECS 4

New Option has been Largely Vetted

- UCOP (VIF patent acknowledgement)
- UCB (overhead rates and IP rights)

Sanity checks from:

- Agilent
- DGIST (a Korean research institute)
- HP
- Siemens
- Toyota

EECS 5

Overhead

- 0% in the first year
 - 10% in the second year
 - 20% in subsequent years
-
- Cf. 10% rate on gifts
 - Cf. 52% rate on contracts

EECS 6

IP Principles

- Address researcher concerns
 - Maximize the impact of the work
 - Freedom to publish papers
 - Freedom to release open source software
 - No obligation to patent results
 - Ability to patent results
 - Minimal obstacles to commercialization
- Address company concerns:
 - Value for the money
 - Protection from being “locked out” of research results
 - Viable VIF agreements
 - Desire to “expense” contributions

EECS 7

E.g., in ANI

Commitment is:

- Software will be open source
- Patents will be rare

EECS 8

Levels of Participation defined in ANI

- Small or Minority-owned businesses
 - $\geq \$10K$
 - Treated as “Affiliates”
- Affiliates
 - $\geq \$50K$
- Partners
 - $\geq \$125K$
- Premium partners
 - $\geq \$250K$

EECS 9

IP Rights in the ANI Agreement

- Affiliates and Small/Minority
 - Notification of Inventions
 - NERF license for internal use
 - Time-limited option to negotiate a NE commercial license in advance of non-members (may have fees and royalties)
- Partners
 - All of the above, plus
 - Commercial licenses will be royalty-free, but may be fee-bearing
- Premium partners
 - All of the above, plus
 - Commercial licenses will have neither royalties nor fees

NE = non-exclusive, NERF = NE + royalty free

EECS 10

Standard VIF Patent Acknowledgement

- Must be signed by a VIF to get official status.
- Assigns rights of all IP to the University, modulo California labor law limitations.
- Agrees to disclose potential inventions to the University.

Invariably contradicts employment contracts!

EECS 11

ANI VIF Patent Acknowledgement

Agrees to assign inventions and patents *jointly* to the University and the Company if conceived or developed...

- during the course of involvement in University research projects;
- using any University research facilities; or
- using any gift, grant, or contract research funds received through the University.

EECS 12

Comparison

Advantages of ANI VIF patent acknowledgement:

- IP developed outside the scope of University work is implicitly disclaimed (by not being claimed).
- Joint inventions are jointly owned.

Disadvantages:

- Still contains ambiguous language that UCOP has interpreted to mean that *all* IP and inventions must be disclosed, whether assignable or not.
- Joint ownership of IP is problematic to some companies.

EECS 13

How to use this Agreement

- In practice, it must be part of a center membership
 - UCOP won't extend the VIF patent acknowledgement beyond case-by-case.
 - IP rights have to have some delineated boundaries.
 - We could adapt BEECSA to function as a catch-all center.
 - Probably have to do this without granting IP rights, however.
 - Appears to be incompatible with Micro and Discovery grants (use the gift route instead).

EECS 14