

## **Industrial Relations Committee Task 1: Current Status**

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**Charge:** To document findings of prior studies of technology transfer and commercialization, and document current policies and processes.

The current statement of Cornell's policy and objectives for technology transfer state that CCTEC's goal is "to support Cornell's land-grant mission and to promote public good by connecting Cornell technology to industry and business development efforts." The 2011 statement is: "An essential objective of Cornell University is to enhance the impact of its research and to provide major benefit to society by expeditiously bringing important scientific discoveries, technological innovations, and medical advances to the marketplace, and thereby also foster economic development within New York State and across the nation. In return the University receives important benefits that strengthen its position as a leading research university in pursuit of its overall missions of advancing discovery, learning and the promotion of societal good."

**Acquiring a license to Cornell technology.** The current procedure that is to be followed to acquire a license to Cornell technology is described by the CCTEC web site. The description, while concise, contains a number of steps that involve negotiations between Cornell and the company interested in acquiring a license. In particular, the steps to be followed are:

- The company should contact a licensing professional at CCTEC
- The company and CCTEC sign a non-disclosure agreement to discuss the technology details
- CCTEC and the company negotiate terms of the license
- A letter of intent / evaluation license is signed by the licensee
- CCTEC and the company negotiate and sign a license agreement

There is a sample license agreement provided by CCTEC. The salient features of the sample agreement include:

- Exclusive rights to the patent (limited potentially by the field of use and geography)
- Sub-licensing rights: permitted, provided sub-licensees only provide cash compensation to the licensee (unless the licensee obtains prior written permission from Cornell). Rights determined by Cornell if the original license agreement is terminated
- Rights to use the invention/technology for research purposes (including publication) or to allow other non-profits to use the invention/technology for research/education retained by Cornell.
- Fees and royalties can include: license issue fee; maintenance fee; milestone payments; royalties; 50% of all sublicense fees; minimum annual royalties. Finally, patent costs will be reimbursed by the licensee. The dollar amounts or percentages are not specified.
- The licensee is obliged to pursue commercialization of the technology (e.g. minimum annual spend on technology development, marketing activities, etc), otherwise Cornell can terminate the license agreement.

**Joint development agreements.** The steps required to create an agreement to develop joint IP between a company and Cornell are handled by the Office of Sponsored Programs. While this procedure is not as well documented at present, experience indicates that the steps that are followed are:

- The company and Cornell sign a non-disclosure agreement to discuss the possibility of developing joint IP that involves proprietary company information (handled by the Office of Sponsored Programs)
- Once Cornell and the company have determined the scope of the joint development, an agreement is negotiated between Cornell and the company to determine the conditions under which the two parties jointly own IP

**Prior recommendations.** There has been a significant amount of effort expended by the Trustees on the topic of technology transfer, in particular entrepreneurial activities. Progress has been made on the operational side of CCTEC, with increases in patent disclosures via outreach activities and, consequently, patent filings. The Trustee Ad Hoc Committee on Intellectual Property provided a comprehensive list of recommendations to the University in 2006 that included:

- A comprehensive review of the university's policies and practices regarding technology transfer from "the cradle to the grave."
- Creation of "concierge services" for faculty interested in start-up activity
- Seed funding for university investigators who interested in commercializing their technology
- Life sciences incubator
- Increasing the emphasis on corporate sponsorship
- Development of a uniform affiliates policy for access to university resources

The major recommendations for Universities from Governor Paterson's task force on diversifying the New York State economy through industry-higher education partnerships (chaired by President Skorton) include:

- Ensure top-level commitment to entrepreneurship and commercialization, empower an on-campus champion to execute senior-level vision;
- Raise on-campus awareness through education, rewarding entrepreneurial activities, and business plan competitions;
- Provide commercialization pipelines for researchers.

A group of entrepreneurial faculty created a list of recommendations that echoed most of the points made above. Some additional items that they mentioned include:

- The university should establish conflict of interest policies and guide appropriate mechanisms for faculty, staff, and student involvement in start-up companies and industrial collaborations. The policies should be designed to manage conflicts that could arise, rather than banning activities or establishing ad hoc rulings.

A recent discussion with Katharine Ku '71 (Director, Office of Technology Licensing, Stanford University) suggested one major point of difference in Stanford's policy compared to Cornell. Unlike Cornell's policy, faculty at Stanford are not required to disclose IP created during consulting with industry to Stanford as a matter of course. There could be situations that arise where there could be a conflict relating to IP—for example, if the faculty member is using significant Stanford resources. In these cases, Stanford only pursues ownership rights if that is determined to be appropriate by the Dean's office in the appropriate College, not the Office of Technology Licensing.