

An abstract geometric pattern in shades of blue, teal, and yellow, consisting of many overlapping lines and shapes that create a sense of depth and movement, resembling a stylized sunburst or a complex architectural structure.

Intellectual Property Issues in Industry-Academia Collaborations

If you have identified an interesting opportunity for a research or development collaboration and are discussing a potential agreement, then Intellectual Property (IP) is one of the key factors that will need your consideration. This article provides clear, practical guidance on how to approach the key IP issues that can arise before, during and after such collaborations.

1. Know your assets

IP is a collective term for intangible assets, which include know-how, inventions, designs and trade marks. New IP is likely to be developed during any research project, but both parties may also bring pre-existing IP (“background IP”) to the table. It is important to be aware of your background IP and ensure it is adequately protected through IP Rights, e.g. patents, before entering into collaboration negotiations.

You should identify your background IP in any R&D agreement and set out the terms under which your collaborator may use it. A typical scenario is to grant your collaborator freedom to operate via a license, possibly free of charge, for at least the duration of the R&D project.

It is important to appreciate from the outset that one party’s background IP may be so fundamental to the project that the other collaborator may require a license to commercialise the product/service after the R&D project has been completed. Remuneration may be appropriate at that stage, e.g. through royalty or milestone payments.

2. Share and safeguard information

Effective collaboration cannot exist without open communication, so being secretive or treating collaborators with suspicion would clearly be counter-productive. To safeguard both sides, consider adequate protection for any important background IP before it is disclosed to the other party...

It is also a good idea to establish clear guidelines as to what information may be published, and when. On a practical level, this may mean that sufficient notice must be given to the other party before a publication is made, and each party may have the right to veto the inclusion of certain information in a publication. Of course, any public disclosures relating to a new invention or design must be delayed until after any desired patent or design application has been filed.

3. Agree on responsibility

The collaboration agreement should set out who is responsible for making decisions about whether protection for IP generated as part of the collaboration (“foreground IP”) should be sought, when to do so, and in which jurisdictions. Also agree on who will make decisions during the examination of any patent applications that are filed, who will determine how to enforce the IP rights, and who will bear the costs.

4. Consider ownership of new IP

Successful R&D collaborations will generate new “foreground” IP, so it is important to think ahead about who will own any such IP.

IP ownership rules vary from country to country. Inventors typically have the initial ownership of their invention, but national laws and/or employment agreements may well determine that ownership rests with another party, usually the inventors’ employer. Particularly in the case of universities, the source of any funding for the relevant research may also affect ownership.

The issue of ownership of foreground IP can be a stumbling block in collaboration negotiations. Joint ownership is a possibility, but this can have significant drawbacks, as explained in Box 1, so it is advisable to come to an alternative arrangement. Although ownership of IP can be advantageous, ensuring that both parties receive the broader benefits provided by the collaboration should be the overriding objective during negotiations.

5. Remain flexible

The most common scenario following industry-academia R&D collaborations is for the university to own the resulting IP and to grant the industry partner a non-exclusive licence to use the IP in a specified technical field and/or geographical area.

The collaboration agreement could, alternatively, grant the industry partner the right to negotiate for an exclusive licence to the IP, or to buy the IP outright from the university. The agreement may specify that the university has the right to use the IP and the technology for academic research and teaching.

It is important to develop a broad framework agreement and be flexible within it, so that each set of results

Box 1: Pitfalls of joint IP ownership

Joint ownership of IP may seem like a fair and straightforward option, but there are good reasons why it should be avoided.

Divergent IP strategies

If the collaborators have different business aims, who should direct patent strategy? To give just one example, a company working in the field of cancer might accept a limitation of the patent claims to cancer, whereas that might be unacceptable to an academic co-owner wishing to grant licences in other fields of use. Any such decisions will also impact on costs, which can lead to disagreements between co-owners with often very different patent budgets.

Enforcement of a co-owned patent can also be problematic because in many countries, all co-owners must be involved in the litigation of a patent. If there is no common interest to enforce a co-owned patent against a third party, a co-owner may be unable to protect his interests.

Impact on patent exploitation

Co-owners are generally each permitted to commercialise the patented invention without the consent of the other co-owners. However, in most countries, one co-owner of a patent cannot grant a licence to a third party without consent from the other co-owner(s). This can put a non-manufacturing co-owner of a patented commercial product at a significant disadvantage.

It is therefore advisable to try to come to an agreement whereby the IP is owned by a single party. That said, most of the problems with co-ownership are not realised in the early stages of a patent’s life. Therefore, it can be pragmatic to file a patent application in the name of co-owners, and then arrange for an assignment from one co-owner to the other.

does not cause fractious renegotiation. The framework agreement can set out where non-exclusivity and exclusivity will exist, and when IP will be owned by the university or the industry partner.

The UK Intellectual Property Office has recently launched the “Lambert 2” tool-kit for industry-academia IP negotiations. It includes 11 model agreements relating to a variety of commercial situations, as well as helpful guidance notes. They are easy to modify so that the wording can be tailored to your needs.

Further Advice

To discuss any of the issues above, or to better understand your IP options during collaborations, please contact the authors:

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