

## Flexible Solutions

Welcome to Iowa State University's Flexible Solutions program for engaging industry in sponsored research. The Flexible Solutions provide different approaches to ownership, licensing and patenting of any patentable invention or copyrightable matter first conceived or reduced to practice in the performance of a sponsored research project (IP).

### Sponsored Funding Solution A: Traditional University Model

- The laws of inventorship determine ownership of IP, with ISU owning the IP it solely creates
- Sponsor receives a royalty-free non-exclusive license to IP and an option to negotiate an exclusive license
- No upfront fees for a non-exclusive license or the option to negotiate an exclusive license
- No pre-set royalties for the exclusive license
- Sponsor and ISURF negotiate the financial terms of an exclusive license after IP is developed
- ISU background IP generally requires its own royalty-bearing non-exclusive license
- ISURF owns any ISU's rights in the IP and, with a sponsor's support, manages patent activity
- ISU publishes the results of the research project

### Sponsored Funding Solution B: "Ready-to-Sign" Terms for an Option to Negotiate an Exclusive License<sup>1</sup>

- The laws of inventorship determine ownership of IP, with ISU owning the IP it solely creates
- Sponsor pays the full cost of the research, including the federally negotiated F&A rate<sup>2</sup>
- Sponsor prepays an additional fee of 10%<sup>3,4,5</sup> of the full cost of the sponsored research project (\$15,000 minimum) for the option to negotiate an exclusive worldwide license to IP, with the right to sublicense and with a pre-set royalty rate and royalty trigger
- Sponsor pays preset 1% royalties of net sales starting in the year annual sales using IP reaches \$20M
- No annual minimums or technology commercialization fees
- Sponsor manages, directs, and pays for all patenting activities (collaborates with ISU on patent claims)
- Both the sponsor and ISU must agree to use Flexible Solution B for the project
- ISU background IP generally requires its own royalty-bearing non-exclusive license
- ISU publishes the results of the project
- The contract terms explaining these conditions are contained in a ready-to-sign agreement

### Sponsored Funding Solution C: Ownership Assigned to Sponsor<sup>1</sup>

- Ownership of ISU project IP and ISU's interest in joint project IP are assigned to sponsor
- Sponsor pays the full cost of the research, including the federally negotiated F&A rate<sup>2</sup>
- Sponsor prepays an additional fee of 75%<sup>3,4,5</sup> of the full cost of the sponsored research project for the assignment of IP
- Both the sponsor and ISU must agree to use Flexible Solution C for the project
- There can be no ISU background IP associated with the project

More information is available at: <http://www.industry.iastate.edu/flexiblesolutions/assignment.html>

**Specialty Solutions:** We have 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 information, contact: ISU, OIPTT Industry Contracts, [industry-contracts@iastate.edu](mailto:industry-contracts@iastate.edu), 515-294-4740

<sup>1</sup>This Flexible Solution is not available for projects involving federal, non-profit, or other noncommercial sponsor funding, or consortia agreements or for projects involving the Ames Lab.

<sup>2</sup>F&A rate is the Facilities and Administrative cost rate, sometimes referred to as "indirect cost" rate.

<sup>3</sup>Prepaid funds are treated as royalty-income and distributed as follows: 33% to the PI(s)' 290 account; 33% to the PI(s)' college; and 33% to ISURF.

<sup>4</sup>The fee is due within 60 days of receipt of ISU's invoice, with invoicing occurring immediately after contract signing. Failure to pay the fees under Solution B or C in a timely manner will result in the automatic revocation of Flexible Solution B or C (as applicable) and the implementation of Flexible Solution A.<sup>3</sup>The fee is calculated based on the entire project budget including ISU's federally negotiated F&A cost rate.