

# **Guidebook of IP/Technology Transfer**

# **Track 1**

## **Entry-level Tech Transfer Professional**

### **Topic 1.11.2**

## **Material Transfer Agreements**

# Material Transfer Agreements (MTA)

- What are they?
- What role do they play in the IP management/technology transfer process?
- When and how should the TTP use them?
- Elements of a standard MTA

# Material Transfer Agreements (MTA)

## What are they?

- MTAs are a common form of legal contract called a “bailment”
- Bailments/MTAs cover tangible, personal property including:
  - all biological research materials
  - whole organisms and their parts
- A bailment contract transfers the right of possession of the “bailed” material without transferring ownership

# Material Transfer Agreements

Huge variety of subject matter:

- whole plants, animals, their parts (tissues)

- populations of plants or animals

- seeds, eggs, semen

- microbial cultures

- cell lines

- DNA, genes, vectors

- etc., etc.....

# Material Transfer Agreements (MTA)

## What are they?

- They can be written, verbal, or implied
- Common-use bailments include:
  - giving your car to the mechanic, for repair
  - leaving your clothing at the cleaners
- They maintain ownership of tangible materials while allowing a non-owner to use them for some purpose (typically for mutual benefit)
- They are typically short documents

# Material Transfer Agreements (MTA)

## What role does the MTA play in the IP management/technology transfer process?

- The PSRI policy should also require a signed MTA accompany any transfers of institutionally-owned biological material to outside entities
- This absolute policy provides the basis for maintenance of ownership and control over an institution's biological material.
- Biological material is often an integral part of an invention
- When biological material is part of an invention, the use of an MTA is essential

# Material Transfer Agreements (MTA)

## What role does the MTA play in the IP management/technology transfer process?

- When biological material is part of an invention, the use of an MTA is essential
- The MTA allows the TTO to give potential licensees the opportunity to test the materials/invention – usually a pre-requisite to a license agreement
- The MTA also allows the TTO to permit others, such as commercialization allies, technology development partners to use the materials in technical development activities, without loss of ownership and control.



# Material Transfer Agreements (MTA)

## What role does the MTA play in the IP management/technology transfer process?

- MTAs maintain and assure ownership and control of the use of research materials (usually biological)
- The PSRI should have a policy that requires an MTA accompanying all incoming biological materials
  - this assures ownership rights of 3<sup>rd</sup> parties, and
  - assures that no unusual or antithetical “strings” are attached to possession and use at the institution

# Material Transfer Agreements (MTA)

## When and how should the TTP use them?

- The TTO and TTP should continually see that institutional personnel follow the policy that a signed MTA is required before:
  - transferring any 3<sup>rd</sup> parties biological material into the institution; and
  - any biological material is sent to anyone outside the institution
- The TTP should put an MTA in place before any transfer of material to a potential licensee
- The TTP should integrate a previously-signed MTA with the subsequent license agreement

# Material Transfer Agreements

The “MTA” is a bailment contract

(transfer of the right to possess, not own)

Allows sharing of materials with others without losing control of possession and use

research collaborations (public & private)

testing

technology marketing

patent filings

They are a routine part of doing business

(essential precursor to many transactions)

# Elements of a Standard MTA

The Parties defined

Precise definition of the “Material”

Definition of the allowed scope of use by the recipient (Bailee)

testing, inventing, commercial use, other

Prohibition of physical transfer to third parties

Defined disposition of Material at termination

Define ownership of “derivatives” of Material  
progeny, modifications

No warranties, no implied rights, no business  
relationship or license granted

# The Parties defined

## MATERIAL TRANSFER AGREEMENT

This Material Transfer Agreement (the "**Agreement**") is entered into as of the \_\_\_\_\_, **20XX** (hereinafter called "**the Effective Date**") between **XXXXXXXX.**, with its registered address at 898989898 Place, United States of America (hereinafter "**XXX**") and YYYYYYYY, with an address at \_\_\_\_\_ (hereinafter "**YYYYYYY**"). XXX and YYYYYY shall hereinafter collectively be referred to as "**the Parties**" and individually as "**Party**".

The Parties hereby agree that:

## **Whereas clauses: no legal impact, set the stage**

**WHEREAS**, Party XXX owns certain tangible materials, and such materials have technical and potential economic value (hereinafter the “Materials”); and

**WHEREAS**, Party XX wishes to allow Party YY the right to possess and use the Materials for a select purpose that is of mutual interest; and

**WHEREAS**, Party XX is willing to provide Party YY access to and use of the Materials, for the purpose defined herein, and under the terms and conditions of this Agreement; and

**NOW THEREFORE**, for and in consideration of the foregoing premises and of the mutual covenants and stipulations hereinafter set forth, the Parties hereby agree as follows:-

# **Material Definition: the foundation of the MTA**

**“Materials”** shall mean all those materials described and listed in Attachment 1.

## **The Purpose of the Agreement: to be made clear Purpose.**

The Recipient agrees to use the Materials only for the following purposes: [research, evaluation/testing, test marketing, IP validation, etc.]

## **Limits on Recipient's IP rights**

No invention or product based upon MATERIAL, derivative thereof or their use shall be filed as a patent application, or commercialized without a license from PROVIDER..



## **Distribution/Access Prohibitions**

The MATERIAL will not be further distributed to others without PROVIDER's prior written approval. RECIPIENT shall refer any third party request for MATERIAL to PROVIDER.

## Release of Liabilities

Any MATERIAL delivered pursuant to this Agreement is understood to be experimental in nature and may have hazardous properties. PROVIDER MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE USE OF THE MATERIAL WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER PROPRIETARY RIGHTS. Unless prohibited by law, RECIPIENT assumes all liability for claims for damages against it by third parties which may arise from the use, storage or disposal of the MATERIAL.

RECIPIENT agrees to use the MATERIAL in compliance with all applicable statutes and regulations

## **No Business Relationship or License: limits the rights**

### **No Business Relationship or License**

Nothing in this Agreement shall obligate either Party to enter into a business relationship with the other Party. No right or license, either expressed or implied, under any Material or patent is granted to the Receiving Party under this Agreement.

# Term

The Parties agree that this Agreement shall last for a period of X. Upon termination of this Agreement for any reason, Recipient shall, at the discretion of the Provider, return all Materials to Provider, or destroy all Materials.

**Note:** if the MTA does not expressly state a termination date, the Provider may terminate the bailment at its convenience, for any reason.

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**Thank you**