

Guidebook of IP/Technology Transfer

Track 1

Entry-level Tech Transfer Professional

Topic 1.11.3

Joint IP Agreements

Joint IP Agreements

- What are they? When are they needed by the TTO/TTP?
- What role do they play in the IP management/technology transfer process?
- What are the elements of a standard Joint IP Agreement?

Joint IP Agreements

What are they? When are they needed?

- Joint intellectual property (IP) Agreements are contracts that define the responsibilities, rights, and obligations of parties that jointly own intellectual property
- Without a Joint IP Agreement, joint owners have no structure or guidance on how the joint property will be managed
- Without the structure and guidance on how the owners will share responsibilities, rights, obligations.....
 IP ownership is chaos
 and its value diminished or lost

Joint IP Agreements

What role do they play in the IP management, technology transfer process?

- Essential whenever a jointly invented invention is managed by the TTO
- Jointly invented (and thus, jointly owned) inventions are common between collaborating PSRI (especially universities)
- When a TTP learns that an invention is co-invented by an inventor from another institution, he/she should contact the counterpart TTO

Joint IP Agreements

What role do they play in the IP management, technology transfer process?

- The two (or more) TTPs should agree to put a Joint IP Agreement in place as soon as possible
- Although a written Agreement should ultimately be signed, PSRI TTOs can often have an initial, simple verbal agreement on the basic terms and conditions
- Experienced TTPs/TTOs do very little negotiating of Joint IP Agreements – most agree quickly to the standard sharing of rights, responsibilities, and obligations

Joint IP Agreements

What role do they play in the IP management, and technology transfer process?

The are essential for:

- effective IP management
- Fair allocation of IP costs
- Defining responsibilities for IP management, marketing, licensing, accounting and revenue distribution
- Licensing : without a formal Joint IP Agreement, knowledgeable companies will not enter into a license agreement

Joint IP Agreements

What are the elements of a typical Joint IP Agreement?

- Definition of the jointly owned IP
- Assignment of lead responsibilities for managing the IP (typically patent application preparation, filing, prosecution, maintenance fee payment)
- Assignment of responsibilities for marketing (lead vs. support)
- Assignment of responsibilities for Term Sheet development and license negotiations

Joint IP Agreements

What are the elements of a typical Joint IP Agreement?

Assigning responsibilities for:

- license management including monitoring, accounts payable, reporting, etc.
- late payment/debt collection
- Calculation and reporting of gross revenue, expenses, revenue to be shared
- Revenue distribution

Joint IP Agreements

What role do they play in the IP
management/technology transfer process?

The Parties defined

Joint Intellectual Property Agreement

This Joint Intellectual Property Agreement (the "**Agreement**") is entered into as of the _____, **20XX** (hereinafter called "**the Effective Date**") between **XXXXXXX.**, with its registered address at _____, (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, The Parties jointly own that certain intellectual property defined hereinbelow (the “Joint IP”); and

WHEREAS, The Parties wish to own and manage the Joint IP in a manner that is of mutual benefit; and

WHEREAS, The Parties realize said mutual benefit requires a sharing of rights, responsibilities, and obligations, and therefore the Parties wish to said sharing according to the terms and conditions defined herein; and

NOW THEREFORE,
the Parties hereby agree as follows:-

Defining the Joint IP

“Joint IP” shall mean all those invention disclosures, patent applications, and issued patents described and listed in Attachment 1.

Management and Cost of IP

- The Parties agree to mutually select and engage with the outside IP service provider.
- The IP service provider will acknowledge that the Parties are equal co-owners of the Joint IP; the IP service provider will send all bills to Party A, which shall be responsible for paying said bills.
- The Parties shall share all IP expenses equally.

Management of IP

- The Parties agree that Party A will take the lead responsibility for managing all communication with the IP service providers and national IP office.
- Party A will be responsible for submitting all documentation and communication with the national IP office; communication between IP service providers, inventors, and national IP offices.
- Party A will be responsible for providing copies of all communication and documents related to IP management to Party B, in a timely manner.
- The Parties will make all IP-related decisions jointly
- In the event the Parties cannot agree on a decision, they agree to abide by the decision of the outside IP service provider

Marketing & Licensing Management

- Party A shall take primary responsibility for managing the marketing of the Joint IP, to potential licensees.
- The Parties agree to collaborate fully on the development and implementation of a marketing campaign.
- Party A will keep Party B fully apprised of all significant contacts made with potential licensees, in a timely manner.
- The Parties will agree on those companies which will be engaged with for potential license discussions.
- The Parties will agree on the management of the discussions and information exchange with potential licensees.

Marketing & Licensing Management

- The Parties will agree on the general terms and conditions of a future license agreement; the Parties will agree on a license agreement template to be used for licensing the Joint IP.
- Party A will take the lead in communicating and negotiating with potential licensees, and will keep Party B fully apprised of all such communication and negotiation.
- Party A will negotiate and draft the license agreement in direct engagement with the potential licensee; Party A will keep Party B fully and timely informed.
- All negotiation decisions will be made jointly by the Parties.

Marketing & Licensing Management

- The Parties will agree on the general terms and conditions of a future license agreement; the Parties will agree on a license agreement template to be used for licensing the Joint IP.
- Party A will take the lead in communicating and negotiating with potential licensees, and will keep Party B fully apprised of all such communication and negotiation.
- Party A will negotiate and draft the license agreement in direct engagement with the potential licensee; Party A will keep Party B fully and timely informed.
- All negotiation decisions will be made jointly by the Parties.

Licensing Management

- Both Parties will be signatory parties to any license agreement.
- Party A will have lead responsibility for direct communication with licensees
- Party A will keep Party B apprised of any significant issues that arise with the license and/or licensee

Management Fee & Revenue Sharing

- Prior to any revenue sharing, IP expenses will be reimbursed out of said revenue.
- After deduction of IP expense reimbursement, as compensation for its management responsibilities, Party A take a fifteen percent (15%) share of all license revenues.
- After IP reimbursement and payment of Party A's 15% management fee, the Parties shall share revenue equally.

Term

The Parties agree that this Agreement shall last for the life of the last-to-expire Joint IP

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Thank you