

Guidebook of IP/Technology Transfer

Track 3

Advanced-Level Technology Transfer

Topic 3.12.2

Licensing Tangible/Personal Property

- Licensing tangible/personal property as part of an IP/bioproperty/technology package is possible if good MTA practice has been maintained prior
 - the material **CANNOT** have been transferred to anyone outside the institution without a proper MTA
- Assuming the material has been well controlled by MTAs and is not in anyone's possession without a bailment,
- The tangible/personal property can be included in the license

The license agreement including tangible/personal property as part of an IP/tangible property asset license

- The tangible property and intellectual property (most likely patents, maybe trade secret too) to be defined distinctly and separately – in the *Definitions* section
- The license should make it very clear that the license is a bailment only – licensor retains perpetual ownership throughout licensee's possession
- In the *Grant* section, licensor will grant separate use rights to each type of property
- In the *License Fee* section, the fee may be comprised of two separate fee-components, one for tangible property, the other for IP – at licensor's discretion

The license agreement including tangible/personal property as part of an IP/tangible property asset license

- In the *Royalty* section, the license should explicitly combine a two-component royalty structure:
 - royalty rate on patent use
 - + royalty rate on tangible property use
 - combined royalty rate for use of both assets

The license agreement including tangible/personal property as part of an IP/tangible property asset license

- A section dedicated to handling of tangible property details details of transfer from inventors receipt of shipment and proper maintenance rigorous and systematic labelling of licensor's materials; also storage details
- For some tangible materials, it is essential that the licensor is obligated to maintain certain, detailed quality control specifications for the materials
- The licensor may need to explicit reserve the right to inspect licensee's facilities in order to assure certain management standards are being met

The license agreement including tangible/personal property as part of an IP/tangible property asset license

- Explicit requirement that licensee will disclose to licensor any invention made that has a “but for” condition of licensor’s rights
- Any “but for” conditioned invention to require a separately negotiated agreement between licensee/licensor prior to “commercialization”
- The license should explicitly describe how the parties will handle:
 - clonal propagation (unchanged propagation)
 - slightly modified propagation
 - significantly altered propagation

The license agreement including tangible/personal property as part of an IP/tangible property asset license

- Upon termination of license, a defined procedure for disposition of tangible property in licensee's possession should be made clear. Some choices:
 - materials to be kept and used by licensee
 - all materials returned to licensor
 - all materials destroyed
 - all materials returned or destroyed – licensor's discretion

Track 3

Advanced-Level Technology Transfer

Topic 3.12.2

Licensing Tangible/Personal Property

Thank you