

# PROCEDURE FOR THE TRANSFER AND COMMERCIALIZATION OF INTELLECTUAL PROPERTY

Consultation Draft

Mar 1, 2017

## Definitions:

**Commercial-Use License** - a license that permits the licensee to use Intellectual Property for commercial purposes within the licensee's scope of business. The license may be exclusive or non-exclusive and may require the licensee to treat the Intellectual Property as confidential.

**Evaluation License** - a license that permits the licensee to use Intellectual Property for evaluation and other non-commercial purposes on a royalty-free, confidential basis.

**Exclusivity Payment** - a payment, in addition to any payable Direct and Indirect Costs, that is to be made to permit a licensee to obtain a Commercial-Use License for Intellectual Property on an exclusive basis. The Exclusivity Payment is calculated as a percentage of the Direct Costs and shall be shared proportionately among the Creators of the Intellectual Property.

**Policy** - the *Intellectual Property Policy* of Memorial University of Newfoundland.

**Recipient** - the licensee, sublicensee, transferee, assignee or other recipient of any Intellectual Property or Intellectual Property Rights that are the subject of a Transfer.

**Sponsor** - an organization that enters into an agreement with the University related to the creation of Intellectual Property.

## Procedures:

- 1) Where the Policy requires a Member to obtain the written consent of the Vice-President (Research) prior to any Transfer of Intellectual Property Rights, the Member shall first complete and submit to the Vice-President (Research) an [Intellectual Property Disclosure Form](http://www.mun.ca/research/about/IP_Disclosure_March_6.pdf) ([http://www.mun.ca/research/about/IP\\_Disclosure\\_March\\_6.pdf](http://www.mun.ca/research/about/IP_Disclosure_March_6.pdf)) with respect to such Intellectual Property. Before consenting to the Transfer, the Vice-President

(Research) may require the Member to obtain from the intended Recipient and provide to the Vice-President (Research) a **Disclaimer and Indemnification Form** ([http://www.mun.ca/research/about/Disclaimer\\_and\\_Indemnification.pdf](http://www.mun.ca/research/about/Disclaimer_and_Indemnification.pdf)) executed by the Recipient.

- 2) The Vice-President (Research), with the support of the Dean of the School of Graduate Studies where one or more graduate students or postdoctoral fellows have been or may have been involved in the creation of Intellectual Property, and the Provost where one or more undergraduate students have been or may have been involved in the creation of Intellectual Property, shall assist Members in identifying the owners of the Intellectual Property Rights and in determining the contributions of each Member to the development of such Intellectual Property.
- 3) Where Direct and/or Indirect Costs are deemed by the Vice-President (Research) to be payable in respect of the proposed Transfer of Intellectual Property Rights, the Vice-President (Research) will provide consent to the proposed Transfer once an agreement is executed that provides for the payment of outstanding Direct and/or Indirect Costs to the University or provides for a financial or other benefit to the University from the commercialization that is satisfactory to the Vice-President (Research).
- 4) Where the University and a Sponsor enter into an Agreement related to Research and include terms related to Intellectual Property, the following principles shall apply:
  - a. When the Indirect Costs applicable to an externally funded research project have not been fully covered, the Sponsor may be provided with an Evaluation License. Upon payment of the outstanding Direct and/or Indirect Costs, the Evaluation License may be converted to a non-exclusive, confidential Commercial-Use License.
  - b. When the Direct and Indirect Costs of an externally funded research project have been fully covered, the Sponsor may obtain a non-exclusive, confidential Commercial-Use License.
  - c. When the Direct and Indirect Costs of an externally funded research project have been fully covered, and where the terms of an Agreement include an Exclusivity Payment, the Sponsor may obtain an exclusive, confidential Commercial-Use License.
  - d. Where the Exclusivity Payment is not included in the terms of an Agreement, the owners of the Intellectual Property Rights and the Sponsor may negotiate exclusive Intellectual Property terms directly once the Intellectual Property has been disclosed to the Sponsor, the owners of the Intellectual Property Rights have been identified to the satisfaction of the

Vice-President (Research), and an agreement has been reached with the University with respect to payment of the full Direct and Indirect Costs.

- e. In each of the above cases, the University shall retain the rights set out in section 1.6 of the Policy and Members are responsible to ensure that any Assignment of Intellectual Property Rights by Members includes acceptance of these rights by the Recipient.
- 5) Members holding Intellectual Property Rights may wish to avail of assistance from the University with respect to the transfer and commercialization of Intellectual Property or Intellectual Property Rights, in which case the University shall be entitled to reasonable compensation from the Members in consideration for providing such services where the costs of such services have not been covered through some other source of funding to the University.
- 6) The Vice-President (Research), Dean of Graduate Studies, and Provost may delegate their authority described in these procedures. Members should consult with the **Vice-President (Research) web page** ([www.mun.ca/research](http://www.mun.ca/research)) for further information about delegation of authority described in these procedures or in the **Intellectual Property Policy** (<https://www.mun.ca/policy/site/policy.php?id=143>).

Policy Using this Procedure: Policy on Intellectual Property

Responsible Unit: Office of the Vice-President (Research)

Approval Date: TBD

Effective Date: TBD