



UC San Diego

Policy & Procedure Manual

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CONTRACTS AND GRANTS (RESEARCH)

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UNIVERSITY OF CALIFORNIA	
SUMMARY OF SPONSOR PATENT RIGHTS APPLICABLE TO FUNDING AGREEMENTS WITH INDUSTRIAL (FOR PROFIT) SPONSORS OF RESEARCH	
<p>This summary is to inform potential industrial Sponsors of research at the University of California of University policy on patent rights arising under sponsored research. A specific, written agreement must be executed between University and Sponsor as a condition precedent to the Sponsor having any rights to patentable inventions arising under its funding. The terms and conditions set forth in such agreement shall define the actual patent rights of Sponsor.</p> <p>Subject to the General Conditions stated below, research funding agreements may provide a time-limited right of first refusal to the Sponsor for commercial rights to patentable inventions (other than plant patents) conceived and reduced to practice under the sponsored research, based on the following funding schedule:</p>	
<p>When the Sponsor pays or provides:</p> <p>A. All direct and indirect costs (including an appropriate share of the Principal Investigator's salary) for the research to be undertaken.</p>	<p>The Sponsor may be granted a right of first refusal to:</p> <p>An exclusive or nonexclusive license for the life of any U.S. patent at Sponsor's option. Right to sublicense may be granted under exclusive license only.</p>
<p>B. All direct costs (including an appropriate share of the Principal Investigator's salary), but not full indirect costs. Indirect costs must be paid by Sponsor unless a waiver is approved by the Vice-President--Financial and Business Management in very exceptional cases.</p>	<p>An exclusive license not to exceed seven years years from the date of license and nonexclusive thereafter for life of U.S. patent; or, at Sponsor's option, a nonexclusive license for the life of U.S. patent. Right to sublicense during exclusive period of license may be granted.</p>
<p>C. Less than all direct costs, but a portion thereof, in the form of money, expendable materials or supplies, or other substantial assistance.</p>	<p>A nonexclusive license for life of U.S. patent, to the extent possible in view of University's obligations to other sponsors of the same project.</p>
<p>D. Salary or stipend moneys in support of a fellowship or research assistanceship only.</p>	<p>Right of refusal for commercial rights not applicable, but Sponsor will be considered as a potential licensee if the recipient is a named inventor, rights are assigned to University, and to the extent permissible under other funding agreements.</p>
<p>General Conditions:</p> <ol style="list-style-type: none"> (1) All research support agreements, except for Category D., shall be based on a defined, specific-term research protocol and detailed budget. (2) All licenses will be royalty-bearing, rates negotiable and based on general industry practices for the type of invention involved. (3) All licenses must provide for diligent development, commercial marketing or use as one condition for retention of the license. Diligence provisions will normally require a license issue fee and appropriate minimum annual royalties. (4) Licenses under corresponding foreign patents may be granted where possible on terms and conditions similar to U.S. licenses, except that Sponsor must agree to reimburse University for its foreign patent prosecution costs. 	
<p>Authority: Actions of The Regents of The University of California of 16 Nov. 1956, 15 Feb. 1957 and 17 Feb. 1968.</p>	
<p>May 1982</p>	