

# Intellectual Property Rights in Corporate-Sponsored Research

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Intellectual property (IP) is the knowledge and output that results from intellectual activity. In terms of research, IP can be input, such as ideas, findings, or teaching materials, or output, such as authorship, inventions, and patents. Importantly, IP can be [protected by law](#) from use by another person, for example through patents, registered designs, and copyright. When it comes to scientific research, IP issues become more complicated because it is not always appropriate to protect research findings in this way. Research findings can be circulated by publication in peer-reviewed journals. However, in some cases, transferring the knowledge to companies with the ability to transform it into useful products is the most effective way to benefit society.

## Industry-sponsored Research: A Mutually Beneficial Collaboration

Corporations have been funding university research for many years to explore and develop new technologies. The sponsor benefits from the expertise of talented scientists and the university benefits from the research funding. Today, most major universities endeavor to [form collaborations](#) with industry to fund ambitious, large-scale projects. However, the interests of the sponsor and research institution are different and potential conflicts should be considered.

In most corporate-funded projects, university researchers do all or most of the work, meaning that they [own the IP](#). Therefore, sponsors must secure IP rights before they can use the research findings for commercial gain. To ensure that everyone's interests are met, an agreement should be negotiated. During negotiations, sponsors can emphasize any additional values of the collaboration to the university to improve their chances of [securing IP rights](#). These may include sponsor's expertise, access to prototypes and specialized equipment, and employment opportunities.

## Considerations when Negotiating IP Rights

More than ever before, knowledge is being transferred from the laboratory to corporate investors. However, this transfer of information does not always run smoothly. IP laws are complicated and they differ from country to country. Nonetheless, to secure IP rights for commercial purposes, sponsors need to understand these laws and seek a license-based agreement with the university. The ideal outcome for the sponsor would be a non-exclusive, royalty-free license to use the research findings for commercial purpose. However, universities usually have their own policies and can demand a royalty if their research will be used for monetary gains. The sponsor may be able to find a compromise by agreeing on a fixed amount for the royalty.

Research projects are often based on preliminary investigations. Background IP refers to any prior research upon which the current project has been built and represents a potential risk for the sponsor. Understandably, universities are usually very unwilling to grant a background IP license. As a compromise, the sponsor can ask the university to identify relevant background information and steer the project away from any background IP issues.

In most cases, both the sponsor and university are willing to sign a [confidentiality agreement](#), which states that no confidential information will be disclosed to third parties. In addition, a material transfer agreement (MTA) is also signed. In most cases, the MTA exists simply to track materials, but it may also be established to control or restrict the use of high-value materials.

## Protecting your IP Rights as a Researcher

Most researchers are unable to deal with complicated IP laws and to execute the necessary agreements by themselves. Therefore, it is important to seek professional help. Most major universities have their own policies for establishing corporate-sponsored [research agreements](#) in place. Generally, after the researcher and sponsor have agreed on a project, a research proposal is drafted for negotiation. The appropriate university office will control IP and licensing rights and follow its own established procedures to finalize an agreement on behalf of both the researcher and university.

Collaborations between industry and universities combine different expertise and can be highly beneficial to the society. However, if the interests of sponsors and researchers are not aligned, conflicts about IP rights can arise. Establishing the management of IP rights and issues before entering into a funding agreement will ensure that everyone's

interests are met and the sponsor, the research institution, and the society receive the maximum benefit.

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