



**Best Management  
Practices in Intellectual  
Property Administration  
or  
Lessons Learned Dealing  
with IP at WSU**

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# Background

- **Bayh-Dole Act – 1980**
  - **Gave control and priority for ownership of IP to universities for IP resulting from federally funded research.**
  - **Hatch and other formula funds throughout our system means USDA has a position relative to virtually all our IP.**
  - **Government retains certain rights.**

# University Policies

- **Role of Intellectual Property Office / Research Foundation**
  - **Charge is to facilitate the transfer of WSU research results (IP) to the private sector**
- **Patent Funding Options**
  - **Boundary between university and the research foundation affects ability to fund patents**
- **Royalty Distribution Policies: utility, seed-propagated, vegetatively propagated**

# Royalty Distribution at WSU

Cumulative Net Income	Inventor	University
\$1-\$10,000	100%	
\$10,001 - \$200,000	50%	50%
Above \$200,000	25%	75%

Notes: Royalty distribution schedule for utility patents and trademarks. None of the royalty stream comes to experiment station. Department gets a portion of university share

# Plant Breeding Royalty Distribution

## Seed Propagated

- 70% of net to ARC for program support
- 10% to breeder team
- 10% to ARC for admin
- 10% to WSURF

## Vegetatively Propagated

- 50% of net to ARC for program support
- 30% to breeder team
- 10% to ARC for admin
- 10% to WSURF

# Working with Faculty and Staff

## Education of faculty and staff regarding IP policies

- **Cooperation is essential – some will disagree with Bayh-Dole and perception it violates LGU mission**
- **Understanding and acceptance of following are critical:**
  - **IP process is opportunity for program support, personal gain, and seeing research have societal impact**
  - **Necessity to protect research notes and materials (e.g., collaborative breeding; lab data security)**
  - **Responsibility to disclose potential IP in a timely manner & work with IP office to file IP protection**

# **Working with Faculty and Staff (con't.)**

## **Education of faculty and staff regarding IP policies**

- **Responsibility to obtain incoming and outgoing Material Transfer Agreements and to understand the implications for the research program**
  - **Examples**
    - **loss of IP from research product if material coming in has restrictive clauses (marker library case)**
    - **loss of IP & trauma with commodity commission relationship due to unprotected germplasm distribution (cherries, wheat)**

# **What I have learned about educating faculty and staff**

- **Have clearly worded policies at the university and experiment station level & have forms on web**
- **Train, remind, and give feedback to unit leaders**
- **Give introduction to topic at new faculty orientation**
- **Be responsive to questions as they arise, involving unit leaders in discussion with faculty**
- **Offer to discuss at department faculty meetings and at all-faculty meetings**



# Working with Commodity Organizations

- **Allow for a long time to arrive at first agreement. Typically little understanding of intellectual property issues and practices**
- **Can be conflict between commission's perception that IP should be available (to all their producers) vs. making exclusive or otherwise good business sense licensing arrangements.**
- **May also be conflict between commission's desire to have the IP available to their producers (within your state) and requirements of federal funding and/or good business.**

# **Working with Commodity Organizations Examples**

- **PNW Potato Variety Marketing Institute – several years to establish**
- **WA-2 – first apple variety released by WSU. Effort to arrive at written plan for commercialization with Tree Fruit Research Commission**
- **Red Raspberry – International licensing**
- **Clearfield wheat – PNW seed distribution partnership**

# Working with Businesses

- **Smaller companies may be similar to commodity commissions in lack of knowledge and unrealistic expectations**
- **Most issues should be addressed at time of writing research contract (no contract – no IP expectation)**
- **Faculty member may urge signing of unacceptable contract stating “no IP will be developed”. Obtain a signed document that states the expectation of no IP and apprises the faculty member of the implications in the event IP were to be developed.**

# **Working with Businesses**

## **Example**

- **WSU Microwave Sterilization Consortium**
  - **Formed in 2001. Six industrial partners, plus the US Army Natick Soldier Systems Center, with technical support from National Food Processors Association, Dublin Technical Service Center . Two new industrial members joined the consortium in 2003. Fee is \$30,000 per year.**
- **Five years free license to the patents generated from the consortium's work. Companies can also apply for joint patents.**
- **Took university VP-level decision to get approval**

# Working with Businesses Another Example

- **Animal genetics company**
- **Wanted to “donate” to faculty member’s research, avoiding F&A on research contract – encouraged by faculty member**
- **Wanted access to markers being developed by faculty member**
- **After negotiation, company came to understand value of research contract, which gave it the “first option to negotiate a license” to the IP coming out of the funded research**

# Summary Suggested Practices

- **Celebrate and publicize IP successes**
- **Work closely with university intellectual property office**
- **Consider funding a position that is the day to day liaison with intellectual property office and faculty and who will manage many of the IP activities of the experiment station**
- **Understand laws and university policies. Consider translating them into experiment station policies written in terms that faculty and administrators will understand.**
- **Post policies and document templates in one place on the web so faculty and department chairs don't have to work hard to find them.**

- **Educate department leadership, faculty, and staff about protection of IP and advantages of paying attention to details and disclosing IP**
- **Anticipate IP issues with commodity groups and engage them in discussion early, understanding that arriving at an agreement may take several years.**
- **Engage potential industrial partners early to arrive at a win-win contractual relationship**