

## Model for Managing Intellectual Property in Consortia



**Based on a successful model that has been developed as part of the Department of Trade & Industry's Biotechnology Exploitation Programme (BEP) Challenge initiative.**

Ownership of intellectual property (IP) normally rests with the employing institution. In most circumstances, ownership of an invention by an investigator in a single institution is thus easily dealt with. However, handling joint inventions that might arise from a consortium, and how this is to be exploited commercially, requires carefully prepared agreements.

These notes are intended for guidance only. It is very important that any consortium agreement be drawn up by an experienced intellectual property lawyer: it is not a task to be left to 'someone with legal experience'.

### **Consortium agreement**

Any consortium agreement should include clauses that address the following:

- Detailed specification and descriptions of all background IP already developed and therefore owned by each of the consortium partners.
- It needs to be understood that background IP belonging to one party can only be used by other members of the consortium under a separate agreement that should specify the IP and conditions attached to its use.
- Any foreground IP emerging from the collaboration should, as early as possible in the project, be identified and the proportional contribution of each party *to the invention, ie ownership of the IP*, be agreed.
- Foreground IP should normally be freely available to each member of the consortium during the project and for a predetermined period from the conclusion of the project.
- For joint inventions, one of the partners should be designated the 'lead' for that invention, and their organisation's Technology Transfer Office (TTO) should thereafter protect and handle the invention on behalf of, and provide regular reports to, the parties involved.
- Exploitation of all IP generated by the consortium, although it may be owned jointly or separately by the collaborators' institutions, should be available to be commercially exploited to the benefit of the consortium as a whole.

### **Commercialisation agreement**

***For commercial exploitation of IP arising from the project, the collaborators' institutions, ie the IP owners, need to enter into an agreement (either separately or as part of the collaboration agreement):***

- As early as possible in a project, the relative contribution of the partners involved *in reducing an invention to practice or showing proof-of-concept* should be agreed, (eg, one institution might own the IP, but a second might expend considerable resources in reducing it to practice). This contribution should be recognised and, in due course, appropriately rewarded. If this work

is done by the second institution under a paid contract from the first, then they might be eligible for no share, or a reduced share, of the revenue from the invention.

- For a specific portfolio of IP, the components of which might be owned by different partner institutions in the collaboration, agreement should be reached between the institutions or their TTOs as to which institution is the most appropriate to take the lead in commercialising that IP portfolio.
- This agreement should include details of the costs, how they will be shared or allocated, the preferred route(s) for commercialisation, proportions of revenue or equity share to be attributed to the various parties involved, and other related matters such as royalty or assignment conditions.
- Shared information for the parties involved is required, along with regular reports during all stages of the commercialisation process.
- Regular follow-up checks, and in some cases, further management of the IP might be required.
- Timing and distribution of funds generated by the commercialised IP need to be specified and monitored regularly.

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