

Principles for managing intellectual property in research contracts

Recommendations adopted by the General Assembly of the Association of Swedish Higher Education Institutions on 19 October 2016.

Foreword

On behalf of the expert group on issues of research administration for the Association of Swedish Higher Education Institutions (SUHF), a specially appointed working group has previously carried out an analysis of terms and conditions for externally funded research (Appendix A). This analysis, an in-depth review of the contractual conditions for research at Swedish higher education institutions (HEIs), was published on 18 December 2014. The expert group's conclusion was that, in light of the absence of policies and a sharper focus on the HEIs' role in efforts to make their research beneficial to society, further work on these issues should be done.

External pressure on HEIs to manage their contractual relationships professionally is growing in a way that challenges the world of Swedish higher education. Most of the HEIs also see great potential in developing their structures in the task of public outreach and cooperation with society, and several of them are currently working actively on this. As part of these endeavours, a shared view of certain basic contractual principles is necessary. To ensure reasonable terms for research in the long term, the HEIs must also, to a greater extent, speak with one voice in certain fundamental respects.

SUHF's expert group for issues of research administration has therefore participated in a special project headed by Martin Putsén, the Linköping University legal specialist and head of the Legal Office. Commencing with the above-mentioned analysis and the European Commission's Recommendations on the management of intellectual property (IP) rights (Appendix B), the group has compiled the following basic principles of IP management in research contracts.

1 Contracts

In externally funded research, questions of ownership (title) and rights of use must be regulated in writing before the research starts. Researchers, doctoral students and other students who take part in research projects are often themselves the owners of the results they generate. Accordingly, in cases where rights accrue to them as private individuals, they must approve the terms of research before engaging in project work.¹

Depending on how research is funded and who conducts it, imposing various terms and conditions may be reasonable. In addition to pure grant-funded projects, research at HEIs fall into two typical categories: contract (commissioned) research and research involving cooperation and outreach (cooperative research).

- **Contract research** is research in which the entire project is funded, with all its costs covered, by the client (full cost coverage), and the funder also frequently formulates the research assignment.
- **Cooperative research** is research often partly funded by one or more private companies but in which the state, the HEI itself or another grant provider assists by co-funding projects or contributing to the actual work.

2 Dissemination of results

Contracts may not restrict the right to freely publish HEIs' research results (Swedish Higher Education Act Chapter 1, Section 6). However, some delay may be reasonable in certain cases. It should be possible to delay publishing of results for up to a month to enable the other contractual partners to ensure that the material published contains no information that, under their agreement, is intended to be subject to secrecy. Similarly, an additional three months' delay should be possible to allow copyright protection of intellectual property to be applied for.

3 Background knowledge

Previous research findings ('background knowledge') that are to be used in new research must, if possible, be identified before the work begins. The title to this background knowledge should not normally be assigned in research contracts, where either cooperative or contract research is concerned. On the other hand, the owner of the title must confer the rights of use needed to enable other parties to implement the agreed work.

¹ The scope of 'teachers' exemption' is not dealt with or investigated in this presentation. For educational reasons, the word 'researchers' is used here as a collective term for those who are covered by the teachers' exemption rule and can thus obtain certain rights as private individuals.

It may also be reasonable to assign to other parties a right to use background knowledge, to enable them to use their own results after the project ends. For commercial use such assignment must, in this case, take place in return for remuneration at a market rate. However, if an exclusive right of use is assigned, a right to use it for further research and education must always be ensured.

If necessary, the HEI must also ensure a right of use covering background knowledge that belongs to another party but is necessary to enable the HEI's own results to be utilised in future research and education.

Contract research

Distribution of title

The party or parties who has (have) generated results is (are) their author(s). For HEIs, this normally means that its researchers, as private individuals, have rights to the results and the HEI has the right of disposition. Title to (ownership of) joint results should be distributed in relation to the size of the parties' intellectual contributions.

Client's rights

For contract research, the funder must always have a right to use, free of charge, results from its own research and development activities. Normally, the funder can also obtain a non-exclusive commercial right of use. The funder may also receive a right to negotiate additional rights, such as an option right, within a certain period.

Title or an exclusive right of use, too, may be assigned to the client (purchaser) in advance if a non-exclusive right of use is not considered sufficient for the client's needs. In the event of such a transfer, however, the University must act to ensure that the copyright owner receives special remuneration.

The funder should be offered the option of acquiring the title to or right to use jointly owned results, in return for remuneration at a market rate.

The HEI's and individual researchers' rights

A precondition for all research contracts is that the HEI's and its researchers' ability to continue freely conducting research within a particular area of study, and to choose their cooperating partners, should not be restricted. Accordingly, irrespective of rights of use transferred and granted, there is a minimum requirement that the HEI and its researchers be assured a continued right, free of charge, to use the research results in education and academic research collaboration.

Cooperative research

Distribution of title

The party or parties who has (have) generated results is (are) their author(s). For HEIs, this normally means that its researchers, as private individuals, have rights to the results and the HEI has the right of disposition. Title to joint results should be distributed in relation to the size of the parties' intellectual contributions.

Cooperating partners' rights

In cooperative research, assignment of rights of ownership or commercial use to another party requires reasonable remuneration in return, based on the market value of the results for the individual researcher.

Cooperating partners may, where necessary, be offered the option of buying the title or an exclusive right to use jointly owned results, in return for remuneration at a market rate.

Rights of the higher education institution and individual researchers

Opportunities for the HEI and its researchers to continue freely conducting research in the area of study and to choose their cooperating partners may not be restricted. Accordingly, irrespective of rights of use assigned or granted, there is a minimum requirement that the HEI and its researchers be assured a continued right, free of charge, to use the research results in education and academic research collaboration.

4 Appendices

- (A) Analysis of terms and conditions for externally funded research.
- (B) The European Commission's Recommendation of 10 April 2008 on the management of intellectual property in knowledge transfer activities and Code of Practice for universities and other public research organisations (2008/416/EC).