

Policy on Tide Research Partnership (TRP) Program

Unit: [Office for Research and Economic Development](#)

Effective Date: 10/1/2019

Revision Date: 10/15/2019

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Purpose

The Office for Research and Economic Development (ORED) continues to facilitate and cultivate strong research and development partnerships with industry, with the overall goal to enhance our role as the 'go to' University for industry partnerships. Building, facilitating, and promoting a better industry-sponsored research contracting process is a theme that is addressed in ORED's Strategic Plan finalized June 1, 2019; specifically, themes 4 and 5, titled "Translating Intellectual Property" and "Economic and Business Engagement," respectively. Contracting and licensing negotiations are often uncertain and protracted, resulting in barriers that limit industry engagement. By removing those barriers, UA will further demonstrate a willingness to be flexible and strategic when it comes to making industry-academia collaborations work; thereby enhancing UA's reputation with respect to industry engagement and increasing the likelihood that UA inventions are commercialized.

The Tide Research Partnership (TRP) Program standardizes the contract and licensing terms to make the process more transparent and highly efficient, which will allow our partners to more efficiently bring innovative discoveries and technologies to the market. In addition, the TRP Program encourages faculty participation and provides the direct opportunity for faculty research programs to benefit. It is our belief that the TRP Program will contribute to a fundamental change in the way industry interacts and engages with UA that will extend well beyond any single research project. These new sustainable relationships will also become an opportunity for students to secure internships and employment with industry partners.

The TRP Program allows a company an option to pre-pay a fee at the time a sponsored research agreement is executed. In exchange for the fee, the company will be granted exclusive foreground intellectual property rights, including worldwide rights to any resulting inventions, with the expectation that UA will receive 1% in royalties when the net sales exceed \$10 million a year. This is a win-win for UA, its business partners, and for Alabama taxpayers.

For companies interested in funding a sponsored research project, UA will offer either the "Tide Research Partnership (TRP) Program" option" or the "Traditional" option, as follows:

Policy

Tide Research Partnership (TRP) Program Option

The TRP Program option allows a company to pre-pay 5% of the total sponsored research agreement, with a minimum fee of \$5,000 and a maximum fee of \$25,000, for exclusive worldwide rights to the resulting inventions. The TRP Program fee is calculated based on the entire project budget including standard University "indirect" or overhead fees that must be paid at the full negotiated federal research rate. In exchange, UA will receive 1% in royalties when net sales of any and all products utilizing the patent rights exceed \$10 million a year. The company must elect to execute an exclusive agreement during the 3-month option period that begins on the invention disclosure notification date. If the company makes this election, the company shall have an additional 3-month period post-election to execute an exclusive worldwide license agreement consistent with the TRP Program option and UA's standard license agreement. The company will be responsible for reimbursing UA for all patenting and legal costs associated with the inventions. The TRP Program option includes no additional fees such as annual minimums or technology commercialization fees. There will be the expectation that the company will demonstrate ongoing efforts to commercialize the intellectual property. With consent of UA, the company is free to sublicense all inventions that may arise from the research project as long as the sublicensee assumes the same terms. The TRP Program fee is due within 30 days of billing, and failure to pay will result in the conversion from the TRP Program option to the Traditional option.

Additional Points for the TRP Program Option:

- Both UA and the Principal Investigator must "opt in" for the TRP Program option.

- For inventions that result from the TRP Program option, the inventors are eligible to receive 60% of royalty payments (an increase from the traditional percentage).
- Existing UA-owned background IP is not automatically included with the TRP Program option.
- The TRP Program option is not available for research awards or sub-awards/subcontracts from government, nonprofit, or other types of non-commercial sponsors, consortia agreement or awards for public service or testing.
- The TRP Program option pre-paid fee will be applied on all original sponsored agreements, as well as to any amendment, renewal, and/or continuation of such agreements.
- If federal funding is used in part to develop the intellectual property, then the license will be subject to other terms such as performance milestones required to satisfy federal Bayh-Dole obligations.

Traditional Option

This default option allows companies the opportunity to negotiate a license for technology resulting from the sponsored research after the intellectual property has been created. This option contains no upfront fees or pre-set royalties. As a result, the sponsor and University work together to negotiate a royalty-bearing license once the intellectual property has been developed. The option to negotiate a license will extend for six months from the first disclosure. Under the Traditional option, no terms of the license agreement are pre-negotiated.

Distribution of the Pre-Paid Fees to Incentivize UA Stakeholders

UA will distribute the pre-paid fees from the TRP Program option the same way it currently allocates indirect cost recovery on sponsored contracts and grants as defined in The University of Alabama Faculty Handbook. ORED will retain 60% of the pre-paid fee and academic divisions will retain 40% of the pre-paid fee. Of the 40% portion, one-half of the pre-paid fee will go to the academic division, one-fourth to the department or area, and one-fourth to the principal investigator. Each academic division sets policies for the use of these divisional and departmental funds. Allowable costs for the spending of pre-paid fees include those that generally have the potential to improve and/or promote research at UA. Allowable costs include, but are not limited to purchasing and maintaining equipment, materials and supplies, travel, paying trainee stipends or salaries (undergraduate and graduate students, or post-doctoral fellows), manuscript costs, research seminar costs, and faculty recruitment and start-up costs. Proposed use of pre-paid fee funds other than those stated here must be approved by the Executive Vice President and Provost and the Vice President for the Division of Finance and Operations, or their designees. Non-allowable costs include faculty salaries and salary supplements.

Scope

This policy applies to faculty, staff, and external entities who participate in the TRP Program.

Approved by:

Russell J. Mumper, Ph.D., Vice President for Research and Economic Development. The TRP Program policy and procedures will be reviewed at least annually and are subject to modification. The Vice President for Research and Economic Development oversees this program, policy and procedures.