

Material Transfer Agreements **Preferred Terms and Conditions**

- **Intellectual Property**

- a) The Supplying institution (“Provider”) frequently retains ownership of the original materials (“Materials”) that they provide. This is acceptable. However – Imperial is reluctant to permit the Provider to own modifications of the Materials that have been created during the research with the Materials and involving intellectual input. The IP clauses are often the most contentious and frequently involve a lot of negotiation particularly when the Provider is a commercial company. MTAs with major pharmaceutical companies are often problematic which is why the Research Office advises purchasing Materials where possible. In some cases, it is possible to agree joint ownership of the IP – although this is not an ideal situation as it raises further issues that require additional drafting. (eg stating which party is responsible for filing patents and which party would take the lead in any future commercial exploitation). The governing law of the MTA also becomes an issue in cases of joint ownership (see further below).
- b) Many commercial companies expect to own any arising intellectual property merely as the quid pro quo for supplying the Materials. Imperial is reluctant to agree this as in the event your research gives rise to an invention Imperial would not receive any commercialisation income – and consequently neither would you under Imperial’s Awards to Inventor Policy. Imperial cannot agree to this where the research is funded by a charity where the terms and conditions of grant funding would be in conflict with MTA. Accepting an MTA where the Provider owns all the arising IP could have extremely detrimental effects on a future research programme as anything developed in the course of the research would be encumbered. This could encompass antibodies or cell lines which you could otherwise have expected to use for many years to come. If you have recently joined Imperial and are just starting out on a new programme of research it is very important to discuss your requirements with the Research Office so that your developments can be ‘ring-fenced’.
- c) Background IP should always remain with the original owner. The MTA should not grant the Provider any licence in or to Imperial’s Background IP.

- **Publications**

- a) Imperial should always retain the right to publish all research results arising from the use of the Materials, subject only to any right of the Provider to review draft publications or to require (time-limited) delays in publication in order to remove the Provider’s confidential information or permit patents to be filed. Any such review of a draft publication should be in confidence & should not jeopardise your ability to make the first publication of the research.
- b) There are no fall backs to the above position and it should generally be considered an inviolable right of academia to publish. The Research Office takes a robust position on this as any failure to secure the right to publish could damage Imperial’s charitable status. Any veto on publication is also likely to conflict with charitable funding terms.

- **Confidentiality**

- a) The preferred position is that Imperial has no obligation to keep confidential any information received from the Provider. The fallback position is that Imperial will agree to keep the Provider’s information confidential where such information is (i) clearly marked “confidential” at the time of its disclosure, or (ii) oral information that is confirmed in writing marked “confidential” within 30 days of its oral disclosure.
- b) Sometimes the confidentiality clauses in an MTA require closer scrutiny as the Research Office needs to ensure that nothing disclosed to the Provider by Imperial falls under the definition of confidential information owned and controlled by the Provider. If this is the case the MTA will require redrafting as such a form of wording would prevent you from publishing the results of your research with the Materials.

- c) We also prefer to cap any time limit set by the Provider for keeping the information confidential. Three to five years is a more 'normal' time period. The Research Office is reluctant to agree longer periods without good reason.
- d) Finally – although we prefer that the Provider confirms oral disclosures in writing – we prefer to avoid this obligation on Imperial / you. This avoids the situation where you might impart confidential information verbally but be too busy (or forget) to confirm it in writing. If this were to happen – there is the danger that you could divulge confidential information but the Provider could argue that they had no obligation to keep it confidential as (because the disclosure was not confirmed in writing) the information did not fall within the definition of confidential information.

- Governing law and jurisdiction

- a) The preferred position is that the MTA will be governed by English law and any disputes will be heard in the English courts.
- b) Foreign law can cause problems from several perspectives including (i) the risk that in any dispute concerning the MTA Imperial would be at risk of incurring significant legal costs in a foreign country and (ii) that the foreign law may imply certain provisions into the MTA that would not apply if the MTA was construed according to English law. In addition – if negotiations with the Provider concerning the ownership of arising IP prove difficult, the compromise position may be to agree joint ownership. The problem with joint ownership is that there are different rules regarding what each owner is allowed to do with the IP under different laws and whether or not a joint owner needs the other party's permission before taking certain actions. In certain jurisdictions (including the USA) a joint owner does not need the other owner's permission prior to entering a licence agreement with a third party - potentially leading to the loss of revenue income.
- c) In the USA, laws differ between the various states and several US universities are located in states that, by reasons of their state law, are not permitted to enter into agreements under the law of a foreign state. These institutions can thus take the stand that if we want their materials we must accept their state law. This often leads to further delays as provisions have to be amended or redrafted to cover the joint ownership scenario referred to above. In some cases, certain jurisdictions may not be covered by Imperial's insurance policy and the Research Office may not be able to process the MTA further.

- Warranties

- a) The preferred position is that Imperial will not give any warranties. In legal terms a warranty is a factual statement (that forms part of the MTA) which the party giving the warranty asserts to be true. Breaching a warranty is a serious matter and rather than risk being sued, it is often preferable not to give the warranty in the first place. Many commercial providers of Materials ask Imperial to warrant that the provisions of the MTA will not conflict with other third party agreements. It is not prudent to do this by nature of the academic environment.
- (b) Occasionally an MTA may require the Recipient to warrant that it (i) has adequate insurance cover in place, (ii) it will maintain the cover, and (iii) it will provide proof of cover to the Provider. Complying with (ii) and (iii) would be an additional administrative burden and such clauses may need to be rejected.

- Indemnities

- (a) Along with any liability & exclusion clauses, an indemnity clause is a means of apportioning commercial risks between the parties to the MTA. The preferred position is to give no indemnity – however it is possible to agree to indemnify the Provider against Imperial's negligence or breach of statutory duty. Other indemnities will probably fall outside the scope of Imperial's insurance cover and therefore will not be given. In particular, Imperial will not indemnify the Provider for any use to which the Provider may wish to put the results of the research reported to the Provider by Imperial.