

# SPECIFICITIES OF LICENSING FROM THE POINT OF VIEW OF AN ACADEMIC INSTITUTION

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*...based on a presentation done by Pascale Meister at the 2013 Davos  
LES pan European conference*

- **INTRODUCTION: WHAT IS PACTT / ACADEMIC LANDSCAPE IN SWITZERLAND**
- **BEFORE LICENSING: RESEARCH**
- **MODUS OPERANDI OF TTOs**
- **IP PROTECTION**
- **RELATIONSHIP WITH OUR INVENTORS**
- **CONTENT OF ACADEMIC LICENSES**
- **LICENSING VS ASSIGNMENT**
- **CONCLUSION**

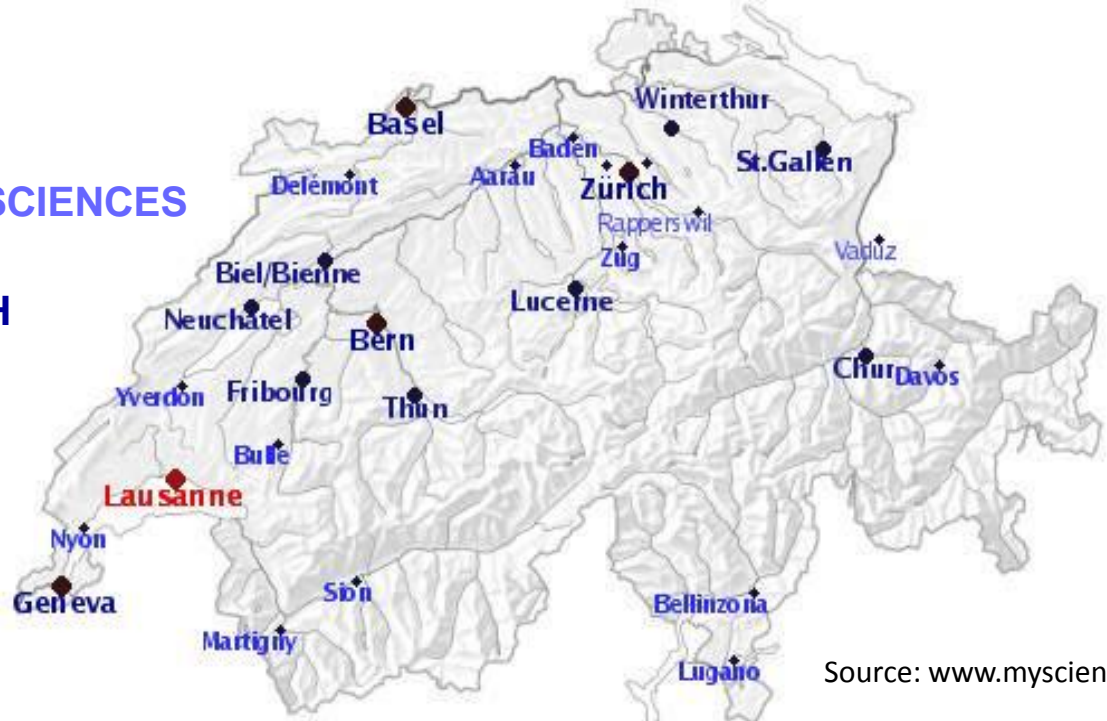
- **PACTT** (*Powering Academia-industry Collaborations and Technology Transfer*) is the Technology Transfer Office of the University (UNIL) and University Hospital of Lausanne (CHUV), Switzerland

- **MISSION:**

- PACTT supports the researchers in their collaborations with industrial and academic partners and in their ambition to create spin-off companies.
- PACTT transfers the researchers' innovative results to the economy for public benefit through protection of intellectual property and licensing

## SWITZERLAND

- HIGH SCHOOLS OF APPLIED SCIENCES
- UNIVERSITIES AND RESEARCH CENTERS



Source: [www.myscience.ch](http://www.myscience.ch)

Switzerland is a federal State... therefore we have different types of high schools, which are linked to either the Federal Government (EPFL, ETHZ) or to the Cantons (Cantonal Universities, and High schools of applied sciences) and have specific legal status.

## LICENSED TECHNOLOGIES COME OUT OF RESEARCH:

- **FINANCED** by public funds, foundations or commercial partners
- **CONDUCTED** « alone » or through collaborations with other academic institutions and industry partners



**AGREEMENTS** (Collaboration, Sponsored Research, Material Transfer, etc...)



Repartition of **OWNERSHIP** and **RIGHTS OF USE OF THE RESEARCH RESULTS** depends notably on context, technology concerned, part of the costs financed by partner, own resources invested, etc...

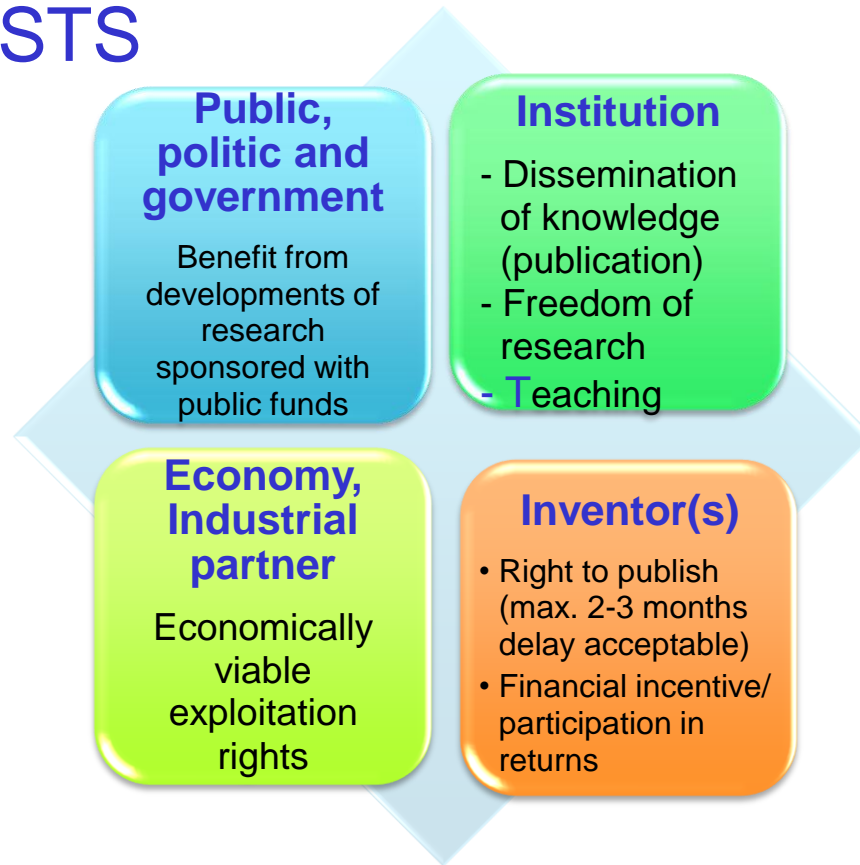


Importance of **RESERVATION OF RIGHT OF USE OF RESEARCH RESULTS** for research and teaching



**OPTIONS TO NEGOTIATE LICENSES** (in general, **LICENSES** should be negotiated only once the results are known)

## DIFFERENT INTERESTS TO BE TAKEN INTO ACCOUNT :



- Maintain **ACADEMIC FREEDOM**
  - right to publish without censorship or unnecessary delay
  - right to direct the course of research
- Maintain **OWNERSHIP OF OUR IP** and preserve the right to use our own technology and our know-how
- Manage patent application & maintenance
- **COVER** a maximum of **OUR COSTS**
- Manage institutional **LIABILITY**
- Be conscious of and **RESPONSIVE TO PUBLIC, GOVERNMENTAL OPINION AND** governmental **DECISIONS**

- **MAINLY INVENTIONS** -> Patent Applications and granted patents
- **DESIGNS** -> Design Application and granted designs
- **KNOW-HOW (TRADE SECRETS)** - > Often critical for licensee, but problematic in academic context (importance of publications, mobility of people, culture of sharing...)
- **TRADEMARKS** -> Rather rare...
- **NON-PROTECTED TECHNOLOGIES** (for example non-patented biological material)
- **WORKS OF AUTHORS** -> *In general belongs to the scientist (≠ not to the institution), EXCEPT for COMPUTER PROGRAMS which are treated like Inventions*



In Switzerland, right to publish scientific results is a **CONSTITUTIONAL RIGHT**

- **THAT CAN BE LIMITED ONLY** by complying with the following requirements:
  - limitation has to be **STIPULATED IN A LAW**
  - the restriction must be **PROPORTIONAL** (up to 3 months postponement)
  - researchers must be **TREATED EQUALLY**
  
- **OTHER ISSUE:** Importance of educating researchers on differences between authorship in scientific publication and inventorship

## General Principle (for example under the Swiss labour law):

- Based on patent laws the invention belongs to the inventor, but
- The **EMPLOYMENT RELATIONSHIP** creates an automatic **ASSIGNMENT TO THE EMPLOYER**
- Such an assignment requires that inventive activities are included in the job description (i.e. scientists – researchers)
- For other employees the obligation to announce inventions shall be in the employment contract and in case of assignment an additional remuneration shall be paid
- THIS SOLUTION IS APPLICABLE TO CHUV'S EMPLOYEES



## RELATIONSHIP WITH OUR INVENTORS (2)

- Under the University Law such assignment exist for teachers and ordinary professors (employees with a salary)

- What about other researchers?

➔ For emeritus professors, students etc. we must enter into a **SPECIFIC ASSIGNMENT AGREEMENT**

- IN BOTH CASES OF UNIL AND CHUV A **SPECIAL REMUNERATION** WILL BE PAID IN FORM OF 30% OF THE NET LICENSING REVENUES



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# CONTENT OF ACADEMIC LICENSES (1)

- The **MISSION** of Swiss Universities focuses on “**TEACHING AND RESEARCH**”, therefore it may only develop a minor economic activity in the public interest



**THE DEVELOPMENT, MANUFACTURE AND SALE OF PRODUCTS AND SERVICES WILL BE UNDER THE SOLE LIABILITY OF LICENSEE**

- University's patents are **NOT** intended to **BLOCK** the **MARKET**



**WE DO NOT GRANT LICENSES TO NON PRACTICING ENTITIES (PATENT TROLLS)**

- Obligation of **EQUAL TREATMENT** of all economic players



**A LICENSE AGREEMENT MAY NOT SERVE AS SUBVENTION TOOL**

# CONTENT OF ACADEMIC LICENSES (2)

- University patents cannot be used for reinforcing a **DOMINANT POSITION**  
➔ OUR LICENSES MUST **COMPLY** WITH APPLICABLE **COMPETITION LAWS**
- **SOCIAL RESPONSIBILITY** (healthcare, agriculture, nutrition...)  
➔ UNIL IS VERY ACTIVE IN THE DEVELOPMENT OF VACCINES AND THEREFORE WE REQUIRE FROM OUR LICENSEES THAT **DEVELOPING COUNTRIES** MUST HAVE **ACCESS TO ESSENTIAL MEDICINE AT PREFERRED PRICE**
- **BENEFIT SHARING**: in case of use of **GENETIC RESOURCES** (protocol of Nagoya)  
➔ **SUCH MATERIAL** MUST BE **ANNOUNCED** BY THE RESEARCHERS (TO BE TAKEN INTO ACCOUNT AT THE TIME OF DISTRIBUTION OF REVENUES)

# CONTENT OF ACADEMIC LICENSES (3)

- **EXPORT RULES**, goods for **MILITARY USE** such as bacteriological weapons, encryption systems (ex: forensic department)



WE REQUIRE FROM OUR LICENSES TO **COMPLY** WITH THESE OBLIGATIONS

- **PATENTS** are licensed «**AS IS**» ; the TTO does not perform FTO analysis



WE DO **NOT GUARANTEE** THAT OUR PATENTS DO **NOT INFRINGE** THIRD PARTIES RIGHTS

- **CLINICAL USE** is not systematically covered by the research exception under patents laws



**RESERVATION OF RIGHTS** FOR CLINICAL USE IN THE HOSPITAL

# CONTENT OF ACADEMIC LICENSES (4)

- **FREEDOM OF RESEARCH** must be preserved :



**LICENSE ON IMPROVEMENTS IS NOT AUTOMATIC**



**TECHNICAL SUPPORT** WILL BE PROVIDED WITHIN CERTAIN LIMITS



**A PUBLICATION CLAUSE** MUST BE PART OF THE LICENSE

# CONTENT OF ACADEMIC LICENSES (5)

## ➔ LOCAL GOVERNING LAW AND VENUE

- Universities are usually not well equipped to litigate in foreign jurisdictions
- In our case, CHUV is a service of the State, therefore the government would be part in litigation procedures
- It requires **SPECIAL AUTHORISATION** in particular in case of litigation before a foreign jurisdiction
- In our case, **EXCEPTIONS** to Swiss governing law and venue can in principle **ONLY** be made in contracts with other **ACADEMIC PARTNERS**



# CONTENT OF ACADEMIC LICENSES (6)

## ➔ POST-LICENSING ACTIVITIES

- Post-licensing activities must be performed by an actor which is **CLOSE TO THE MARKET**
- Post-licensing activities request **IMPORTANT RESOURCES** that TTOs do not have

➔ **MAINTENANCE AND DEFENSE OF PATENTS + MARKET SURVEY HAVE TO BE DONE BY LICENSEE**

# CONTENT OF ACADEMIC LICENSES (7)

## ➔ PATENT LITIGATION

- If licensor is a public entity part of the State, in case of patent infringement by third parties:

➔ **LICENSEE CAN FILE A CLAIM IN ITS OWN NAME ONLY IN JURISDICTIONS WHERE SUCH LEGITIMATION RIGHT IS RECOGNIZED TO LICENSEES**

➔ **FILING A CLAIM IN THE NAME OF THE LICENSOR REQUIRES LIENSOR'S PRIOR AUTHORIZATION THAT MAY BE REFUSED FOR OPPORTUNISTIC REASONS (FOR EXAMPLE IMAGE OF THE GOVERNMENT)**

# CONTENT OF ACADEMIC LICENSES (8)

→ EQUITY

- Special laws exist on participation of the State into private companies. In our case:

→ **CHUV** : EXTREMELY COMPLICATED TO TAKE SHARES IN START-UP



**UNIL** MAY TAKE SHARES ONLY IF :

- 1) THE SCOPE OF THE COMPANY SERVES PUBLIC INTEREST
- 2) THE START-UP DEVELOPS A TECHNOLOGY ISSUED FROM UNIL RESEARCH
- 3) UNIL OWNS LESS THAN 50% OF THE CAPITAL

**PATENT ASSIGNMENTS** might compromise future research or collaborations

In general **PERMITTED ONLY IF:**

- FURTHER INVENTIONS ARE NOT EXPECTED IN THE FIELD
- CLEAR ECONOMIC NEED FROM THE COMPANY TO OWN THE PATENT (VS. EXCLUSIVE LICENCE)
- GUARANTEE THAT UNIVERSITY RETAINS FREEDOM OF RESEARCH
- COMPANY IS REQUIRED TO COMMERCIALIZE THE TECHNOLOGY

Additional requirement at PACTT (notably due to historical and political reasons):

**UNIL AND CHUV ARE NOT ALLOWED TO ASSIGN PATENTS, EXCEPT:**

- IN RESEARCH COLLABORATIONS, SUBJECT TO CERTAIN CONDITIONS
- IF THE ASSIGNMENT SERVES THE ECONOMIC DEVELOPMENT IN THE REGION
- IF THE PATENT IS LIMITED IN ITS CLAIMS AND COVERS ONLY A VERY SPECIFIC TECHNOLOGY

Governance issues impact negotiation power of University TTOs:

- ➔ WE MUST TAKE INTO ACCOUNT AND BALANCE **DIFFERENT INTERESTS**
- ➔ THE **LEGAL FRAMEWORK** OF INSTITUTION IS RESTRICTIVE (LEGAL STATUS TO BE TAKEN INTO ACCOUNT, DELEGATION OF TASKS IS LIMITED, POLITICAL DECISIONS MAY IMPACT OUR FREEDOM OF ACTION, ETC...)
- ➔ OUR LICENSES MUST COMPLY WITH THE **MISSION** OF OUR INSTITUTION AND TO **HIGH SOCIAL AND ETHICAL VALUES**

# THANK YOU !

...I will be happy to answer any question you may have...