When in Doubt, the Agreement RULES

A sponsored research agreement (SRA) is the standard contract through which Stanford faculty can receive funding from industrial partners for research of mutual interest. While an SRA is often the subject of extensive negotiation, regardless of the final agreed terms, it governs all aspects of the project: scope of the research program, overall cost and timing of payments, intellectual property ownership and licensing rights, publication review by sponsor, termination, liability and other boilerplate terms.

ICO has developed an SRA template that implements Stanford policies and practices related to accounting, licensing options, and publication review, among others (available at: http://www.stanford.edu/group/ICO/industry/industrySRA.html). While many industrial partners propose terms that are at odds with Stanford’s, and which are not always applicable to research projects, ICO’s job is to negotiate efficiently through the differences. The objective is to end with an agreement that both parties can live with and, with luck, reuse in the future.

Define the Research Program First

Successful research projects require a solid foundation, and that is unquestionably the research work statement. Sponsors have differing requirements in this regard, but a useful description includes clear objectives, deliverables (most often a report) and sponsor obligations to provide materials or equipment, if applicable. Project descriptions should not include commitments to produce inventions or achieve performance objectives. It’s research, after all! Finally, the budget—prepared by OSR, RMG or ERA—is often included in the agreement as a separate attachment.

Terms Not to be Ignored

There are certain terms that Stanford requires, regardless of the starting point:

- Accounting: With a fixed-price agreement, provided that objectives are met, the sponsor pays the specified cost. For cost-reimbursable agreements, Stanford reports on costs and is paid accordingly. Stanford also typically proposes rebudgeting authority, offering the researcher the opportunity to shift funding among categories consistent with research goals if results suggest a change of direction.

- Rights in inventions: Like most US research institutions, Stanford owns all IP generated during research. Generally, Stanford grants the sponsor a license to use inventions for internal research, along with options to license inventions non-exclusively or exclusively. Sponsors, depending on their particular circumstances, have varying interests in such inventions, and depending on those interests, may ask for rights that aren’t consistent with Stanford policies, which can complicate negotiations and occasionally result in unique compromises.

- Publications: Stanford rigorously protects the rights of its researchers to publish, and will only agree to sponsor review of publications for undisclosed inventions and inadvertent disclosure of sponsor confidential information.

ICO Tidbits:

ICO recently finalized a Master Research Agreement with Ford Motor Co. For a list of all master agreements, see: http://www.stanford.edu/group/ICO/industry/industrySRA.html#ma

ICO Newsletter