

Tangible Research Property

This Guide Memo covers ownership and distribution of tangible property which results as a product or by-product of research activities.

The following policy and procedures are directed toward the administration and distribution of tangible research property (TRP) which is owned and/or controlled by Stanford. The policy and procedures are subject to Stanford's contractual obligations and are to be interpreted and applied consistent with and complementary to Stanford's other policies affecting the administration of tangible properties.

Section headings in this Guide Memo are:

1. DEFINITION OF TRP
2. OWNERSHIP OF TRP
3. CONTROL OF TRP
4. INCOME FROM TRP
5. PURPOSE OF TRP PROCEDURES
6. IDENTIFICATION OF TRP
7. DISTRIBUTION OF TRP FOR RESEARCH PURPOSES
8. DISTRIBUTION OF TRP FOR COMMERCIAL PURPOSES

1. DEFINITION OF TRP

Tangible research property (TRP) is defined for purposes of this Guide Memo as tangible (or corporeal) items produced in the course of research projects supported by Stanford or by external sponsors. TRP includes such items as:

- ▶ Biological materials
- ▶ Computer software
- ▶ Computer data bases
- ▶ Circuit diagrams
- ▶ Engineering drawings
- ▶ Integrated circuit chips
- ▶ Prototype devices
- ▶ Equipment

TRP is separate and distinct from intangible (or intellectual) property such as inventions, patents, copyright, trademarks, trade secrets, etc. which are subject to other policies and guidelines (see Guide Memos 75, Patents, and 76, Copyrightable Materials and Other Intellectual Property). Individual items of TRP may be associated with one or more intangible properties such as copyright or patents.

2. OWNERSHIP OF TRP

TRP normally is either owned by Stanford or is subject to the ownership and other provisions of contracts and grants. For example, items such as microorganisms produced under a government grant usually belongs to Stanford as expendable property, subject to the terms and conditions of the grant. Equipment which is fabricated at Stanford for subsequent off-campus use by a

research sponsor (e.g., an instrument for a space satellite fabricated at Stanford under contract with NASA) is usually owned exclusively by the sponsor.

3. CONTROL OF TRP

- a. **Freedom of Access** — The University's Secrecy in Research Guidelines, adopted by the Senate in 1969, state:

"... that the principle of openness in research — the principle of freedom of access by all interested persons to the underlying data, to the processes, and to the final results of research — is one of overriding importance."

Consistent with these Guidelines, it is Stanford's policy to promote the prompt and open exchange of TRP and associated research data with scientific colleagues outside the investigator's immediate laboratory.

- b. **Control Responsibilities** — It is the responsibility of the principal investigator (or laboratory director or department chairperson, if the TRP is not developed as part of a sponsored research project) to control the development, storage, use, and distribution of TRP made in the course of research activity, subject to provisions of applicable grants or contracts and University policy. Such control includes determining if and when distribution of the TRP is to be made beyond the laboratory for others' scientific use.
- c. **Commercial Considerations** — Because TRP may have potential commercial value as well as scientific value, the investigator may wish to make TRP broadly available for others' scientific use by means which do not diminish its value or inhibit its commercial development or public use. Although valid non-commercial reasons may exist for the temporary delay of TRP distribution outside the laboratory for others' scientific use (e.g., safety factors or the need to more fully characterize the TRP prior to distribution, etc.) scientific exchanges should not be inhibited due to potential commercial considerations.

4. INCOME FROM TRP

- a. **Recoverable Costs** — TRP may not be sold for profit, although licensing agreements which include provision for royalty income may be negotiated for commercial use of the intangible property rights associated with the TRP (see section 8.c below). When distributing TRP to research colleagues outside the laboratory, costs of the raw materials and handling may be recovered from the recipient, with the income returned to the account which funded those costs.
- b. **Contractual Obligations** — If any of the initial costs were funded from sponsored agreements, the Sponsored Projects Office (SPO) should be asked to advise on the contractual obligations regarding distribution of the TRP and disposition of the recovered costs. If any costs are charged for TRP distribution, adequate documentation must be maintained for audit purposes.

5. PURPOSE OF TRP PROCEDURES

The following procedures for identification and distribution of TRP are designed to aid the traditional open distribution and exchange of TRP for research purposes, preserve the potential commercial value of TRP, assist the further development of TRP for public use, and protect the

University and its employees from liability claims arising from the use of Stanford TRP by others.

6. IDENTIFICATION OF TRP —

- a. **Identification System** — Each item of TRP should have an unambiguous identification code and name sufficient to distinguish it from other similar items developed at Stanford or elsewhere.

The Office of Technology Licensing (OTL) should be consulted for assistance in developing appropriate identification systems and for information regarding use of existing University systems (e.g., Biological TRP Registry, Trademark Registry, etc.).

- b. **Ownership Marks** — Where applicable (e.g., computer software), each item should also carry the name of the TRP owner and such other marks and legends as may be required to meet Stanford's contractual obligations and administrative needs, including notice of copyright, trademark, government rights, etc.

Information regarding identification, marks, and legends required under research contracts and grants can be obtained from the Patent and Copyright Affairs (PCA) group in the Sponsored Projects Office (SPO).

7. DISTRIBUTION OF TRP FOR RESEARCH PURPOSES

a. Biological TRP —

- i. **Transmittal Letter** — Each distribution for non-commercial research purposes should be accompanied by a letter of transmittal which includes the following, des the following, or equivalent, wording:

"For Stanford's records, please indicate your agreement (1) to accept S— (insert Biological Registry No.) to be used only for non-clinical research by you in your research laboratory, and (2) to not distribute S— to any other individual or entity, by signing and returning a copy of this letter to me."

- ii. **Precautionary Language** — If there is a possibility of biohazard or other risk associated with the transport, storage or use of a particular TRP, or if the recipient is likely to use the TRP for clinical research, the Office of the University Counsel should be consulted for advice regarding appropriate precautionary language in the TRP distribution agreement.

- b. **Software TRP** — Distribution, for research purposes only, of computer software owned by Stanford (see Guide Memo 76) may be made without restrictions if control of subsequent use by the principal investigator is not desired. For example, a principal investigator may wish recipients to follow a specific research protocol. Any such distribution is subject to the applicable contract or grant provisions and an agreement by the recipient that commercial development of the software is not to be undertaken.

- i. **Distribution Agreement** — If software owned by Stanford has commercial value or if it is considered desirable to control subsequent use, distribution for research purposes must be coordinated with OTL and must be accompanied by an appropriate agreement with the recipient. OTL will arrange for trademark and copyright registration as needed. OTL will also provide wording for the distribution agreement as necessary to preserve

commercial value and provide coordination with existing or prospective commercial licensing activities.

- ii. **Distribution Services** — The Software Distribution Center (SDC), operated by OTL, provides a convenient service for distributing software for research use, charging recipients only the cost of distribution. In addition to attending to any legal and other details, including mailing, etc., SDC also makes arrangements for collecting departmental costs associated with providing software for non-commercial use and returning these to the department. Faculty and staff are encouraged to use this service for all software distribution activities.
 - iii. **Contractual Obligations** — When software results from sponsored research, the PCA group in SPO should be consulted regarding contractual obligations and regulations affecting ownership, disposition of various rights, and restrictions on the distribution and use of TRP and any associated income.
- c. **Other Forms of TRP** — Distribution of TRP other than biological products should normally follow the procedures outlined above for the example of computer software.

8. DISTRIBUTION OF TRP FOR COMMERCIAL PURPOSES

- a. **Distribution Agreement** — If TRP developed by Stanford as a result of research activities is to be distributed to outside users for commercial purposes, the distribution agreement must contain provisions negotiated by OTL covering the terms under which the property may be used, limits on the University's liability for the property or products derived therefrom, and disposition of any royalty income to Stanford from the licensing of intangible property rights associated with the use of the tangible property.
- b. **Income Distribution** — Distribution of any TRP-related royalty income other than patent royalties will be similar to the patent royalty income distribution policy (see Guide Memo 75, Patents, except that the "inventor's share" will normally be distributed to a research account in the laboratory which produced the TRP (subject to any contractual obligations regarding distribution of income). Questions regarding distribution of any royalty income to individuals should be referred to OTL. Any distribution to individuals is subject to prior approval of the Vice Provost and Dean of Graduate Studies and Research.
- c. **Contractual Obligations** — If the TRP results from sponsored research, the PCA group in SPO should be consulted regarding contractual obligations and regulations affecting ownership, notices, acknowledgements, disposition of various rights, and restrictions on the distribution and use of the TRP and any associated income.