Iowa State University – Flexible Solutions
For Industry Engagement in Research

www.industry.iastate.edu/flexiblesolutions

Sponsored Funding Option A: Traditional
• The laws of inventorship determine ownership
• Royalty-free non-exclusive license; option to an exclusive license
• No upfront fees for non-exclusive
• No pre-set royalties
• Sponsor and ISU negotiate the terms of an exclusive license after IP is developed
• ISURF owns patent and manages patent activity to protect inventors’ interests and signs and maintains the license agreement

Sponsored Funding Option B: Pre-Negotiated Consideration For An Option To An Exclusive License\(^1\)
• The laws of inventorship determine ownership
• Sponsor pays full cost of the research, including the federally negotiated F&A rate.
• Sponsor prepaids 10% of sponsored research project costs (\$15,000 minimum) for exclusive worldwide rights, with right to sublicense, to all patentable inventions or software arising from the sponsored research project\(^3,4\)
• Sponsor manages, directs, and pays for all patenting activities (must collaborate with ISU on patent claims)
• Sponsor (Licensee) pays 1% royalties on sales when annual sales using patented IP exceed \$20M
• No annual minimums or other technology commercialization fees
• ISU background IP is not included. Exceptions may be requested and will be considered

Sponsored Funding Option C: Ownership Assigned to Sponsor\(^{4,5}\)
• Ownership of ISU intellectual property is assigned to sponsor
• Sponsor pays full cost of the research, including the federally negotiated F&A rate
• Sponsor pays Pre-paid assignment fee (75%)\(^3,4\)

Niche Agreements
• Field Trials (15% F&A)
• Clinical Trials (26% F&A)
• Animal Product Trials (under development)
• Technical Services (under development)
• Consortia
• Fee-4-Service Facilities (no GoldSheet)

Gifts
• Standard gift fee applies (if applicable)\(^6\)
• No scientific or technical data are required to be given to the funder as a condition of the gift.
• The donor makes no claim on the patents, copyrights and other intellectual or tangible property rights.

\(^1\)This option is only available for projects that are fully-funded by the sponsor, including full payment of ISU’s F&A rate. This is not available for federal, non-profit or other noncommercial sponsor’s subawards/subcontracts/flow-through funds or consortia agreements. This option is not available for projects involving the Ames Lab.

\(^3\)The fee is calculated based on the entire project budget including ISU’s federally negotiated F&A cost rate.

\(^4\)Prepaid funds will be treated as royalty-income and distributed as follows: 33% to the PI(s) incentive account, 33% to the PI(s) college, and 33% to ISURF.

\(^5\)The fee is due within 60 days of invoice. Failure to pay the consideration fee under Option B or the assignment fee under Option C will result in the automatic revocation of Option B or C (as applicable) and the implementation of Option A.

\(^6\)This option is not available for projects based on pre-existing ISU intellectual property.

\(^7\)Iowa State University Foundation gift fee is 5%