

## Guidelines for the Administration of Industrial Relationships

**Function:** Industry and External Affairs

**Procedure** N/A

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### Background

Collaboration between government, universities and industry partners fuels the American innovation economy, and SUNY and the RF have a history and tradition of cooperation with industry as a means to advance knowledge and discovery for the benefit of the public. Industry partnerships are particularly successful where the interests of our partners are complementary to the University's mission of teaching, research and public service. These Guidelines for the Administration of Industrial Relationships are designed to guide administrators to be cognizant of applicable policies and best practices as they support industrial relations and navigate the contracting process with industry partners.

### Guidelines

#### Relationships

Industrial relationships can take many forms, including but not limited to:

- Sponsorship of research
- Research collaboration
- Use of facilities and equipment
- Internships
- Technology licensing
- Donations of tools and equipment
- Gifts and endowments
- Co-location
- Business incubation
- Individual consulting
- Clinical trials
- Material Testing

In many cases, a relationship with a company partner will embody more than one of the foregoing forms, in which case campus administrators should apply these guidelines as is reasonable under the circumstances and may make efforts to streamline reporting and other administrative tasks as appropriate.

#### Agreements

The RF makes available to its administrators various forms and templates reflecting best

practices to facilitate many of the types of partnership identified above. These tools are hosted within the [RF Keystone](#). Administrators seeking Keystone credentials should e-mail a request to [keystone@rfsuny.org](mailto:keystone@rfsuny.org).

## Authority

The RF's authority to administer transactions on behalf of SUNY derives from the [June 1, 1977 Agreement](#) between the two entities. Any question or ambiguity regarding the appropriateness of the RF acting as administrator in a specific research or research-related program should be directed to SUNY's [Office of General Counsel](#). The [RF charter](#) also provides a framework for evaluating whether proposed activities are within RF's corporate purposes, which are:

- a. To assist in developing and increasing the facilities of State University of New York to provide more extensive educational opportunities for and service to its students, faculty, staff and alumni, and to the people of the state of New York, by making and encouraging gifts, grants, contributions and donations of real and personal property to or for the benefit of State University of New York;
- b. To receive, hold and administer gifts or grants, and to act without profit as trustee of educational or charitable trusts, of benefit to and in keeping with the educational purposes and objects of State University of New York; and
- c. To finance the conduct of studies and research in any and all fields of the arts and sciences, of benefit to and in keeping with the educational purposes and objects of State University of New York.

RF Officers and their designees should not execute on any transaction with an industry partner which conflicts with the [June 1, 1977 Agreement](#) or [RF charter](#). See also [Delegation of Authority Policy](#).

## Publications

[SUNY's Policy on Unrestricted Dissemination of Research Activities](#) requires unrestricted dissemination of the conduct, progress, and results of sponsored research, and RF adheres to the intent of this policy in its contracting with third parties. Where an industry partner is sponsoring or otherwise supporting research at SUNY, it may be appropriate for RF to grant the partner access to manuscripts or other proposed publications of the project's staff for the purpose of identifying confidential and/or potentially patentable subject matter. In such cases, a reasonable delay of publication may be necessary and appropriate. However, agreements with industry partners should never include a right of a sponsor to suppress or prevent the dissemination of research results generated by a SUNY researcher absent extraordinary circumstances, such as for the protection of state and national security, in which case it may be appropriate to submit to the Chancellor or his/her designee a request for exception under the above-referenced policy.

## Outside Activities

The SUNY community is rich with intellectual capital, and SUNY researchers may be approached directly to work with private industry on projects within their field of expertise. Such activities can provide opportunities to gain valuable experience and knowledge that can improve the quality of teaching and research at SUNY, and our researchers therefore are encouraged to develop external relationships and to participate in appropriate outside activities, provided the activities do not pose an unmanageable conflict with their university duties. See also RF [Conflict of Interest Policy](#); [SUNY Conflict of Interest Policy](#); and RF [Guidelines for Managing Conflicts of Interest in Innovation and Partnerships](#).

## IP Ownership

RF's [June 1, 1977 Agreement](#) with SUNY requires that [SUNY's Patents and Inventions](#) and [Copyright](#) policies govern all patent and copyright matters arising from RF activity. The RF is SUNY's authorized agent to own and manage intellectual property in which the University has an interest pursuant to the above-referenced policies. [SUNY's Computer Software Policy](#) shall also apply.

## Licensing Generally

Consistent with its mission to serve SUNY, RF routinely transfers University technology to the private sector through intellectual property licensing. In exchange, RF usually receives

royalties, which may include: equity; fixed up-front or periodic payments; minimum payments; periodic payments; running royalties based on a percentage of sales or some other formula; termination payments; and/or other forms of consideration. See RF's [Equity Participation Guidelines](#) for information on equity-based transactions. RF's [Royalty Awards Procedure](#) has additional information on handling incoming royalty payments.

The RF has endorsed the Association of University Technology Managers' [Nine Points to Consider in Licensing University Technology](#), a set of considerations of which administrators should be aware when engaging in transfers of university technology. These principles generally apply to most technology transactions across disciplines and industry sectors:

1. Reserve the right to practice licensed inventions and to allow other non-profit and governmental organizations to do so.
2. Exclusive licenses should be structured in a manner that encourages technology development and use.
3. Strive to minimize the licensing of "future improvements".
4. Universities should anticipate and help to manage technology transfer related conflicts of interest.
5. Ensure broad access to research tools.
6. Enforcement actions should be carefully considered.
7. Be mindful of export regulations.
8. Be mindful of the implications of working with patent aggregators.
9. Consider including provisions that address unmet needs, such as those of neglected patient populations or geographic areas, giving particular attention to improved therapeutics, diagnostics and agricultural technologies for the developing world.

### **Licensing to Early Stage Companies**

The primary goal of university licensing is to encourage broad development and use of technology, and RF's role as steward of SUNY technology requires that we exercise prudence and diligence in selecting and qualifying the companies to which we grant licenses. There are additional considerations complementary to the AUTM Nine Points that are frequently attendant to transactions with early stage companies. In this context, an early stage company is generally an entity that is pre-revenue and/or in operation for less than three years, often referred to as a startup. The following guidelines are designed primarily for case managers working with early stage companies seeking to license SUNY technology from the RF:

1.) Request a commercialization plan. Early stage companies by their very nature can be particularly difficult to evaluate for fitness to commercialize a given technology because they lack a track record and often have very lean resources. Requesting a technology commercialization plan early on in licensing discussions with an early stage company helps to focus negotiations and work toward a clear and concise license or option agreement that meets the objectives of both parties. An appropriate plan should include at least:

- a. A description of the technology;
- b. Potential applications;
- c. Market niche summary, including drivers and barriers to entry;
- d. Entry strategy, including action steps to achieve commercialization; and
- e. Resources to be devoted to the commercialization effort.

In reviewing commercialization plans, case managers should validate information using the patent and market intelligence tools made available by RF and should evaluate the reasonableness of other assertions using their best business judgment, then work in an iterative process with the company to develop an agreement that balances the objectives of the company with the interests of the University and its researchers. In most cases, the commercialization plan, or at least critical milestones, should be included as an appendix to the agreement as described in #3, below.

2.) Fields of use should be narrowly tailored. Preserving the ability of the University to pursue multiple applications of a given technology with the industry partners best positioned to achieve success with each application encourages the broadest utilization of university technology. Because most early stage companies have limited resources, it is unlikely that

most can pursue multiple technology applications simultaneously. Therefore, the extent of a field of use granted to an early stage company should be driven by the ability of that company to achieve commercialization within it. The commercialization plan should identify the action steps and resources necessary to achieve commercialization and in turn articulate a field of use which is reasonable and appropriate for the company to meet its commercial objectives, yet narrowly tailored to preserve the ability of the University to pursue beneficial relationships with other partners.

3.) Progress reports should be thorough, frequent, and track progress toward milestones. The commercialization planning process should enable the parties to identify clear milestones that must be achieved on the path to commercialization success. Milestones should be SMART – Specific, Measurable, Attainable, Reasonable and Time-bound. Meeting an investment target of a specific dollar amount by a specific date, achieving a certain regulatory approval within a given time frame, or offering a product for sale by a deadline all represent SMART milestones. Milestones should also be identified in the agreement or an appendix thereto as substantive performance obligations that the licensee must achieve to continue as a licensee in good standing. Case managers should also consider tying the renewal, term and termination of an agreement to the achievement of agreed upon milestones to preserve the ability of the University to redeem a technology from a company which is no longer viable. Licensee reports detailing progress toward milestones should be required on a quarterly or at least biannual basis to ensure compliance.

Each of these guidelines is embodied in the [RF License Agreement for Early Stage Companies](#).

## Change History

Date	Summary of Change
July 6, 2020	Updated Function.
January 10, 2013	Document created.

## Feedback

Was this document clear and easy to follow? Please send your feedback to [webfeedback@rfsuny.org](mailto:webfeedback@rfsuny.org).