

Universiteit van Amsterdam

Innovation Exchange Amsterdam (IXA)

Text brochure Public Privat Partnerships

Partnering successfully with a company; how to approach this and what IXA can do for you

The University of Amsterdam (UvA) wants the knowledge generated by research and teaching to have a beneficial social and/or economic impact. The University and its researchers cannot achieve this on their own. As a result, collaboration with external private parties often takes place. This requires making good agreements. The way to approach this, who can help with it and what you need to look out for is explained in this pamphlet.

IXA can help you organise partnerships

A successful partnership agreement between UvA researchers and external parties starts at Innovation Exchange Amsterdam (IXA), the valorisation expertise centre of the UvA, HvA (Amsterdam University of Applied Sciences), VU and Amsterdam UMC. The IXA experts provide advice free of charge during the exploratory and negotiation stage, when making agreements on using the results, and when drawing up contracts or protecting knowledge.

'An eye for each other's objectives' keeps a partnership balanced

The objective of a university is to teach and conduct research, and in so doing to create social impact. The objective of companies is to generate profit, and in so doing to maintain growth and continuity.

Universities and companies have differing reasons for wanting to collaborate. Companies are in search of talent and desire access to the newest scientific knowledge and innovations. They want to use this to develop new products or services, in order to get a jump on the competition in the marketplace. In collaborating with companies, universities seek to find applications for the results of scientific research, as well as new academic challenges. In addition, partnerships with third parties can also be partially funded with subsidies and other income.

In a successful partnership, the parties are aware of each other's interests and points of departure. They acknowledge these, without losing sight of their own objective. A good partnership agreement will strike a balance between the various interests.

Selecting a type of partnership and approach

Before collaboration can begin, the parties must decide which type of partnership best suits their plans. The selected approach will determine how the agreements should be recorded. Sometimes this could be a consultancy agreement. In other cases an extensive partnership agreement would be the best. The type of agreement depends on the kind of project, its duration, the budget and the parties' wishes.

Prior to a partnership, the parties must answer the following questions.

- What do they intend to achieve with the project?
- How do they want to address the project?
- Which agreements will apply to the project?

Over the course of time, points of departure have been formulated for a number of established subjects (e.g. publication, intellectual property rights and liability), that acknowledge the interests of both the company and the university. For a general overview of these agreements, see page 4 for the *Public-Private Partnership Model*.

Publication should always be an option

It is essential for the university and science that the research results can be published. The interest of companies is that they get a jump on the competition. Companies often want to deploy a publication strategically and so could have different wishes regarding it.

A university *has* to be able to publish, even if the publication has negative consequences for the company. This is non-negotiable. If a company wants to be able to stop publication at any cost, it should not become involved with a university.

Postponing publication for a matter of time is often an option, for example in cases where the results being published need patent protection. Generally speaking, three to six months should be enough for this. In most cases, a review period of one month is acceptable for both parties. Sometimes a shorter period will apply to abstracts and academic posters.

Who has the intellectual property rights?

The intellectual property rights (IP rights) belong to whoever generated the results that the IP rights pertain to. According to relevant legislation – the Patents Act 1995, Copyright Act and the Collective Labour Agreement Dutch Universities (i.e. *Rijksoctrooiwet 1995*, *Auteurswet* and CAO NU) – the employer of the individual who generated the results is the owner of the IP rights.

According to the state aid regulations, results generated with public funds may be transferred (or be licensed) to a company if that company has paid the entire (integral) costs *or* if the company pays a price at fair market value for the results. The university conducts research using public funds. If the university does not ask the going market price from a company for use of the IP rights, the company will have an advantage over other companies. This is prohibited.

Going market price

The market price for research results is difficult to determine. In any case, it is necessary to negotiate about this. Often a royalty is agreed upon – a percentage of the turnover generated by the licence.

Another possibility is to grant the company an option. If the results are interesting enough, the company can decide to negotiate with the university about the market price for the results *and* their exclusive use at a later stage.

Anti-shelving stipulation

If a company obtains exclusive rights, it is required to actually use the results. It may not shelve the university's results, for example to market a competing (yet poorer) product. In other words, the intellectual property may not be used 'defensively', strictly as a means of barring others from the marketplace. So if a university does grant exclusive rights, it will always negotiate an *anti-shelving* stipulation: the exclusivity will lapse if the company does not use the intellectual property or makes no efforts to do so. In addition, the university always retains the right to use the results for further academic research and teaching.

Liability: the risks

Every project entails risks. One risk is that the project does not yield what was hoped for. Since the results of academic research by nature are unpredictable (a hallmark of research), the university will agree to a 'best-efforts obligation'. The university agrees that it will make every effort to conduct the project, but will not guarantee certain results. In addition, often the agreement is reached that the university is not liable for the applicability of the research results.

There is also a risk that the university fails to do what it agreed to or fails in the performance of an agreement. If the university can be held responsible for this, the university will be liable for the damage that directly ensues.

Agreements on Public-Private partnership collaborations - flowchart

Publication agreements

- a. Basic rule: publication must always be possible
- b. Basic assumption: review period will not exceed one month
- c. Confidential information of partner will not be published
- d. If a patent is applied for, this may cause no more than six months' delay
- e. PhD candidate: obtaining a doctorate is always possible, postponement only in relation to patent application (cost of postponement borne by company)

Intellectual property (IP) agreements

- a. Basic rule: 'ownership follows inventorship'
- b. Exclusivity of intellectual property only possible if full cost for research (full cost-model) is paid
- c. The current market value of the patent is used as a basis for the valuation when intellectual property is being transferred
- d. Anti-shelving stipulation: if intellectual property goes unused, the licence or transfer will lapse
- e. The UvA may always use intellectual property for its own R&D

Liability agreements

- a. Basic rule: liability never exceeds commission sum or subsidy amount
- b. If the UvA's interest in the partnership is substantial, the risk taken may also be somewhat larger
- c. Research comprises a best-efforts requirement, not a results requirement
- d. The UvA is not responsible for damage following from the use of results (company indemnifies the UvA)
- e. The UvA will always adhere to the 'Netherlands Code of Conduct for Academic Integrity' (*Nederlandse Gedragscode Wetenschappelijke integriteit*) in conducting its research

Please note that depending on the type of research partnership, different agreements will be made. Examples of partnerships include equal partnerships, commissioned research, consortia; in some cases perhaps funded by the government and/or private parties.

In conclusion

The point of departure regarding partnerships with external parties is that the university must be able to freely conduct research. The university must be able to publish the research results and use these in teaching. This principle which the University of Amsterdam adheres to has been set out in the 'Netherlands Code of Conduct for Academic Integrity' of the Association of Universities in the Netherlands (VSNU).

If you're planning to collaborate, let IXA help out

A successful partnership agreement between researchers and external parties starts at IXA. The legal experts and company developers at IXA can provide advice and support when drafting and recording agreements on the use of research results, and with regard to public-private partnerships. The Grant Support team at IXA can also advise UvA staff on research funding and support when they are applying for research grants.

Consult the IXA experts – make an appointment or visit our offices.

IXA UvA can be reached at

ixa@uva.nl +31 (0)20 525 5417 www.ixa.nl