

## Program Description

Stony Brook's Commercial Licensing and Express IP terms for Applied Research (CLEAR-IP) streamlines the commercialization of SBU research, reduces time to the market and the realization of the resulting economic and societal benefit. CLEAR-IP offers industry partners several licensing options for accessing the intellectual property developed from an applied research project, while eliminating lengthy contract negotiations between businesses and the University pertaining to intellectual property (IP) licensing.

### 1. Scope/Applicability

- a. Subject to the following limitations, all for-profit company sponsored research agreements and government-funded incoming subcontracts under one million U.S. dollars (USD\$1,000,000.00) in total value.
  - i. Not available for projects that include outgoing subcontracts to other entities, including consortiums.
  - ii. Not available for clinical trials, or projects including the development or testing of therapeutics/prophylactics, medical devices or human diagnostics.
  - iii. Certain options may not be available for subawards from certain government, non-profit, and consortia that are subject to agreements prohibiting CLEAR-IP license terms and/or conditions.
  - iv. All budgeted costs for the project are paid by company sponsor, exclusive of cost-shared projects with one or more of SBU's innovation centers or programs (e.g., CoE's, CAT, SPIR).
  - v. Agreement includes the payment of all requisite university indirect costs (IDC) by the company sponsor (i.e., no waiver of indirect costs requested).
- b. **Terms Applicable to all three CLEAR-IP Options:**
  - i. All project intellectual property (Project IP) including research results (e.g., data, reports), patent applications, copyrights, and software generated under the CLEAR-IP agreement are addressed.
  - ii. Commercial rights to the university's pre-existing background IP are identified and separately negotiated (i.e., excluded from the rights granted under a CLEAR-IP agreement).
  - iii. Upon completion of the project, a new technology disclosure (NTD) must be submitted to Intellectual Property Partners (IPP) listing the faculty, staff and students that contributed to the development of the Project IP using IPP's [Inventor Portal](#).
  - iv. The University retains their ownership interest (i.e., sole ownership or joint ownership) in any Project IP.
  - v. The company sponsor will use commercially reasonable diligence to exploit the Project IP and bring products or processes to market.
  - vi. If government (federal/state, local), or third-party non-profit funds are used to support the project, the licenses in the CLEAR-IP agreement will be subject to applicable terms that are required to "flow-through" from the government or third-party agreement to subcontractors and/or consultants, such as government rights under the Bayh-Dole Act.

## 2. CLEAR-IP Licensing options

### a. The Traditional:

- i. Free non-exclusive research license to use any Project IP and university-identified background IP explicitly listed in the agreement for research only during the term of the project.
- ii. All terms pertaining to licensing Project IP for commercial purposes are subject to good faith negotiations and conducted on a case-by-case basis in accordance with national standards.
- iii. Free exclusive 3-month option (from time of NTD disclosure) to negotiate a fee-bearing license, exclusive or non-exclusive, to commercialize Project IP.

### b. The NERF - Pre-paid Commercial Non-Exclusive Royalty Free (NERF) License:

- i. Financial Terms:
  1. Payment of a one-time fixed fee of the greater of \$10,000 or 15% of total project budget due upon invoicing.
- ii. Grant of Rights:
  1. Non-exclusive license under the Project IP to develop, make, manufacture, have made, use, sell, have sold, import, export, lease, otherwise transfer, and/or offer for sale products and services in the Territory and in the Field of use.
  2. The right to engage a bona fide business partner of the company sponsor to make/manufacture, develop, offer for sale or sell products or services.
  3. Exclusive 6-month option to obtain a fee-bearing exclusive license to the University's rights in project intellectual property. Terms of an exclusive license will be subject to good faith negotiations and conducted on a case-by-case basis in accordance with national standards.
- iii. Field of Use: all fields.
- iv. Territory: worldwide.

### c. The Exclusive:

- i. Financial Terms:
  1. Payment of one-time fixed fee of the greater of \$15,000 or 20% of total project budget due upon invoicing at the start of the project.
  2. 1% royalty on net sales invoiced by the company sponsor beginning when the company's sale of products/services exceed \$20M total, cumulative sales.
  3. The company sponsor will control and bear the expense of preparation, filing, prosecution, and maintenance encompassing the licensed Project IP.
- ii. Grant of Rights:
  1. Exclusive license under the Project IP to develop, make, manufacture, have made, use, sell, have sold, import, export, lease, otherwise transfer, and/or offer for sale products and services in the Territory and in the Field of Use.
  2. Includes the right to grant sublicenses.
- iii. Field of Use: all fields

- iv. Territory: worldwide
- v. Reporting: Applicable annual royalty and commercialization reporting.
- vi. Reservation of rights:
  - 1. The university reserves the right for itself, and its faculty and staff to: (1) use the licensed Project IP for internal research and educational purposes, (2) to grant other educational and non-profit institutions the right to use licensed Project IP for their internal research and educational purposes, and (3) to publish or disseminate information about the licensed Project IP.

**3. Process with respect to Faculty:**

- a. Faculty acknowledgement of PI and participating researchers obligations
- b. Submission of an NTD to IPP, upon completion of the project listing all faculty, staff and students that contributed to the development of the Project IP using IPP's [Inventor Portal](#).
- c. Listing (in the SOW) of all pre-existing, university-owned intellectual property (NTDs, patent applications, software) developed by the PI/Co-PI's laboratories that will be used in carrying out the project.