



## **EXECUTIVE SUMMARY**

### **Cross-Border Intellectual Property Management Framework**

**Developed by**

**The Intellectual Property and Venture Capital Working Group of the  
Canada-California Strategic Innovation Partnership (CCSIP)**

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The Cross-Border IP Framework released by the Intellectual Property and Venture Capital Working Group of CCSIP is a comprehensive resource that aims to inform researchers about the complex issues surrounding IP when working in a collaborative international context, and propose potential IP management solutions. It is intended to serve as a primer for scientists, researchers and other innovators at research institutions across Canada and California, and effect positive change in the IP management practices along the Research, Development and Delivery (RD&D) commercialization continuum.

As a guide to best practices, it provides key considerations and sound approaches for the development of clear agreements that promote the management and commercialization of IP emerging from cross-border research collaboration. With a strong focus on the needs of the researcher, it recognizes the unique requirements of each research endeavour and strikes a balance between the academic obligation to publish and the commercial requirement to protect IP. It also aims to help innovators mitigate key risks associated with IP management during the R&D process.

Leveraging the unique expertise of Angus Livingstone, Managing Director University-Industry Liaison Office at The University of British Columbia, and President of UBC Research Enterprises, Inc.; Sanjay Goorachurn, Counsel, Smart & Biggar; Tom Sweeney, Chair of the CCSIP IP and Venture Capital Working Group; and Brett Sharp, Director of Operations and Technology Transfer Manager of the University Industry Liaison Office with the University of British Columbia, this 89-page framework emphasizes several important key messages about IP management for cross-border research teams. Among the most important recommendations:

- Ensure clarity on IP ownership and IP rights for all institutions concerned
- Actively manage all IP from the beginning of a collaborative research project
- Acquire professional support to ensure that all IP is properly managed throughout the research and commercialization process

Cross-border considerations aside, these recommendations are particularly important for all researchers who are generating IP with commercial potential. The implementation of rigorous IP management practices throughout a research project increases the potential for private sector investment that is often required to commercialize results.

The contents of this report are also presented online on the Cross-Border IP Framework wiki page in the belief that this will:

- Render the report more widely accessible;
- Enhance a reader's ability to search for various topics within the report;
- Provide a seamless link to the supporting reports and websites referenced in the text, and
- Permit its contents to be updated in an ongoing manner by a wide range of contributors.

We hope that this wiki will become a living document that grows and evolves with time and use, and adds value to our Canada-California research community.

### **Overview of the Framework: Content**

The Cross-Border IP Framework provides:

- A comparative review of the technology transfer environments, current and anticipated changes to IP laws in Canada and California (United States), and important related considerations for research collaborators;
- A set of sample research, inter-institutional and technology transfer agreements; and
- IP management guidelines to enhance the likelihood of the successful transfer of early stage technologies to receptor companies, the subsequent financing of these companies, and ultimately the commercialization of innovative products leading to economic growth and benefit to society.

### **A Key Recommendation and Cross-Border Best Practice: The Segregation of IP by Jurisdiction**

Given the unique requirements, regulations and legislation of different regions and countries, it is recommended that researchers from U.S. and Canadian universities engaging in cross-border R&D collaboration identify the IP generated from their joint activities within their respective laboratory or institution (in most cases) and to solidly address the concept of joint IP ownership in such collaborations. Generally, U.S. federal laws impose many barriers that make it difficult to justify the development of joint IP with innovators and institutions beyond their borders.

For example, U.S.-based universities are required to adhere to the *Bayh-Dole Act* or the *University and Small Business Patent Procedures Act (1986)* which deals with intellectual property arising from research funded by the federal government. Given the stringent requirements of this Act, most U.S. universities adopt the most literal and restrictive interpretation of this legislation to ensure compliance and mitigate potential issues. Among its many clauses, the Act provides the U.S. Government with *March-in-Rights* on all federally-funded research. Although this right has not been exercised to date, this clause allows the US government funding agency, on its own initiative or at the request of a third party, to grant additional licenses to other reasonable applicants<sup>1</sup>.

Given this and other terms defined in the Bayh-Dole Act, U.S. universities are typically precluded from assigning IP to partner organizations and are, in many cases, bound to ensure exclusive licenses contain provisions requiring the licensee to substantially manufacture goods in the U.S. It is generally advised that Canadian and U.S. research partners segregate and identify IP emerging from their collaborative activity according to their jurisdiction (provided no funds from the U.S. Federal Government were used by Canadian researchers to generate their IP). For additional recommendations on IP segregation, please reference Chapter 4 in the in the Cross-Border IP Framework.

### **Highlights of Additional Best Practices on IP Management**

Strong IP management practices should begin in the research laboratory and continue through the management of contracts and IP by the research institution and the receptor company. For IP with high commercial potential, research institutions in both jurisdictions should proactively create an **IP Due Diligence Binder (IPDD)** that contains all relevant information and documents to help facilitate eventual IP Due Diligence review by potential investors. This is particularly important when engaging cross-border investors. The binder serves as a check list for the institution, to ensure that all of the appropriate agreements are in place. It also reduces the time and cost associated with the IPDD, significantly enhancing the prospects for a positive review by investors. For additional information on the proposed contents and development of an IPDD, please refer to Chapters 3 and 4 in the Cross-Border IP Framework.

### **Learn More about Cross-Border IP Management**

If you are an investigator considering collaborative research that stimulates the exchange of ideas and knowledge across the 49<sup>th</sup> parallel, the Cross-Border Intellectual Property Framework is truly required reading. Looking to learn more?

[Download the Executive Summary](#)

[Download the Complete Cross-Border Intellectual Property Management Framework](#)

[Review the Cross-Border IP Management Framework Wiki](#)

For additional questions, insights and feedback, please contact or submit comments via email at: [IPFramework@ccsip.org](mailto:IPFramework@ccsip.org). Your input will help to keep this living document relevant and valuable for members of our Canada-California community, and their many research collaborators.

*Special thanks are extended to the following organizations for their contributions: (i) Foreign Affairs and International Trade Canada (DFAIT) for its sponsorship of this report, (ii) the Partnership of Smart & Biggar / Fetherstonhaugh, one of Canada's leading IP law firms, for its commitment to the framework and its content and, (iii) the University of British Columbia, one of Canada's leading academic research institutions, and particularly its University-Industry Liaison Office, for its profoundly relevant insights in the area of public and private IP agreements.*

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<sup>1</sup> [http://en.wikipedia.org/wiki/Bayh%E2%80%93Dole\\_Act](http://en.wikipedia.org/wiki/Bayh%E2%80%93Dole_Act)