

## **Montana State University Policy on Material Transfer Agreements (MTAs)**

The Technology Transfer Office (“TTO”) is the office designated by Montana State University (“MSU”) to review all academic and commercial MTAs for incoming material. The TTO is authorized to sign MTAs on behalf of MSU if they are acceptable under MSU’s policies and consistent with MSU’s academic mission. The TTO strives to review MTAs in a timely fashion to minimize any potential delays in research involving the requested materials or information. MTAs are reviewed by and signed by an authorized University official to protect certain interests of MSU and its faculty. It is important that faculty investigators also review MTAs to make sure that they personally agree to comply with the terms and that the terms of the MTA are consistent with the objectives of their research.

The single most significant delay in finalizing these agreements is in negotiating acceptable terms with companies, and in some cases with other universities. While the majority of MTAs require little negotiation, the ones that require negotiation, often involve material or information transferred from entities outside the university to MSU’s faculty. In particular, the majority of negotiations involve a company’s desire to own intellectual property and to control publications related to their Material. MSU needs to preserve freedom to publish in a timely manner and seeks to retain rights to Montana State University’s inventions until the providing company or an alternative entity takes a license and commits to actively commercialize them. Without these rights, MSU would lose its ability to ensure its inventions reach the marketplace and benefit society. The following guidelines are used by the TTO to review agreements and are provided so that both faculty and the providers of material can understand MSU’s position on certain terms typically included in MTAs.

### **Definition of "Materials"**

MTAs typically define "Materials" to be those materials that the Provider is supplying. In addition to the original materials being provided, the defined term "Materials," may include other items. Typical and acceptable additions include: portions, purebred progeny, and unmodified derivatives of the original material. The definition of Materials is important because the MTA contains a number of terms directed to the Materials. Materials usually can not be provided to another party, be used for commercial purposes, and are owned by the Provider. On occasion, MTAs will broaden the definition of Materials to include derivatives, modifications, and improvements of the materials and similar terms that could be construed to be new Inventions. MSU can not agree to include in the definition of Materials any subject matter that has the potential to be an Invention.

## **Publications**

Providers sometimes seek terms that would place restrictions on publications resulting from MSU's use of the materials. In such cases, the Provider is interested in protecting confidential information related to the materials and new information generated through MSU's use of the materials. On the other hand, Montana State University needs to preserve its ability to publish its research.

### **Terms at issue:**

#### **A. Restrictions on publication or publication only with Provider's prior approval**

Some MTAs include terms that explicitly restrict any publication of data obtained through the use of the materials. In other cases, Providers seek terms that would make any publication of data obtained through the use of the Material subject to the approval of the Provider. As an academic institution, MSU can not accept MTAs that place a restriction, or have the potential to place a restriction, on publications.

#### **B. Provider's prior review of publications**

Although MSU can not agree to most restrictions on publications, it is customary for MTAs to require MSU to provide manuscripts or other types of written or oral disclosures involving the use of the Provider's materials to the Provider for review and comment prior to disclosure (e.g. submission to a journal for publication, presentation of a poster or lecture, etc). The Provider is typically afforded thirty (30) to sixty (60) days to review and comment on a manuscript prior to MSU's disclosure, (the "Pre-submission Period"). MSU may agree to such terms in an MTA. Faculty should review their MTAs to ensure that they agree with the term of the Pre-submission Period. MSU will not agree to periods greater than sixty (60) days without the prior approval of its requesting faculty member.

#### **C. Delays in publication**

In addition to the Pre-submission Period, the Providers' MTA may contain terms requiring a further delay in the submission of publications to a journal, or other disclosure, upon the request of the Provider in order to allow the Provider to file a patent application ("Delay Period"). Delay Periods range from thirty (30) days to sixty (60) days. While these Delay Periods may be acceptable to MSU, Faculty should review their MTAs to ensure that they agree with the term of the Delay Period. MSU's policy is that the combined Pre-submission and Delay periods can not exceed a total of ninety (90) days.

## **Confidential Information**

Confidential and proprietary information may be provided along with the requested Material. MTAs often contain terms requiring MSU to maintain such information as confidential. It is important for faculty investigators to review confidentiality terms in MTAs to ensure that any information, such as sequence information or the molecular structure of a compound, which is required to be kept confidential under the MTA will not be required for the publication of research results.

## **Intellectual Property**

The most frequent negotiations in MTAs are related to intellectual property/inventions resulting from the use of the Provider's materials by MSU. Since the Provider is often supplying the materials at no cost to MSU, it is customary for the Provider to request some access to intellectual property/inventions developed by MSU through the use of its materials.

Term at issue:

### **Ownership of inventions**

Provider MTAs at times seek terms that will require any inventions made through the use of the materials ("Inventions") be owned by, or assigned to, the Provider. In addition, some Providers may seek terms that would require MSU to assign inventions to the Provider if MSU breaches the terms of the MTA, or if MSU uses the Material for research other than what is described in the MTA. It is onerous and inappropriate for the Provider to obtain ownership of inventions made through the use of their materials. Furthermore, such ownership is contrary to MSU's policy and the laws associated with federally-funded research. Montana State University can not accept such terms, and may replace any such terms regarding ownership or assignment with language that grants the Provider the opportunity to take a license to any such Inventions.

## **Miscellaneous Provisions**

In addition to the broad categories of terms described above which are typically included in incoming MTAs, there are a number of other issues related to both incoming and outgoing MTAs which must be reviewed and often require modification.

Term at issue:

### **Parties to the agreement**

Montana State University, and not the Faculty member or a Department or School, is the party to all MTAs. Many MTAs are drafted with the faculty investigator as the party to the agreement. MSU will modify the agreement such that "Montana State University, on behalf of Dr. \_\_\_\_\_, agrees..." Although MSU's faculty investigator is not a party to the agreement and although the faculty investigator does not have the authority to bind MSU to the agreement, MSU may require that the investigator sign a side letter to indicate that he or she has read the agreement and agrees to abide by its terms. The investigator's signature on the side letter may be required before MSU's authorized representative will sign the agreement. Any questions regarding the terms of the agreement may be directed to the Technology Transfer Office.

### **Outgoing Materials**

MSU's standard Material Transfer Agreement should be executed by the TTO prior to a faculty member or researcher sending any biological or other research materials outside the university, whether to another university or a company. All requests for MSU proprietary materials should be directed to the TTO. The TTO will prepare a Material Transfer Agreement and is the authorized signatory for MTAs, on behalf of MSU.

For assistance with incoming or outgoing MTAs, please contact:

Technology Transfer Office  
Montana State University  
304 Montana Hall  
Bozeman, MT 59717  
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