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# The Technology Transfer Office

## what we do, and how we can help you

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## University of Vienna Technology Transfer Office (TTO)

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## Who are we ?

**Ingrid Kelly**      [ingrid.kelly@univie.ac.at](mailto:ingrid.kelly@univie.ac.at)

- PhD in Molecular Biology, University of Cambridge
- Qualified as European Patent Attorney in 2001
- More than 13 years of experience in IP, primarily in the pharma industry
- Technology Transfer Manager at University of Vienna since 1.4.12

### In collaboration with:

**Lucas Zinner** (Head of Research Services)

**Vivian Salpius** (Legal Counsel) and colleagues

<http://forschung.univie.ac.at/en/home/>



## What is Technology Transfer ?

**Purposeful transfer of the results of fundamental research from universities and research institutions into the economy via protection and out-licensing of intellectual property**





## Why Technology Transfer?

- Long-term revenue stream, feeds back into research
- Generate return on public funds invested in University
- Create commercial awareness among University staff, students and alumni - exposure to the “real world”
- Promote entrepreneurship
- Assist in economic development, job creation
- Fuel industry’s “pipeline”
- Move technology out of the ivory tower and into the marketplace for the benefit of society



## Technology Transfer in Austria

- pre- 2002:  
“Professor’s Privilege”
- The turning point:  
Austrian Universities Law 2002  
§106 - University is an employer in the sense of the Austrian Patent Law and therefore owns inventions made by employees



Only 10 years of systematic University Technology Transfer in Austria



## Our main areas of activity

- Educating University personnel in practical IP matters
- Invention spotting
  - Including review of draft papers before journal submission to check for patentable subject matter
- Assessment of inventions made by University personnel
- Filing and management of University patents
- Marketing of University inventions
- Assisting and advising in establishing spin-off companies



## Our main areas of activity (cont.)

- Reviewing and amendment of Contracts and Agreements relating to transfer of University technology



- Creation and implementation of University policies related to all of the above



## ***What is a University Invention ?***

- An invention made by an employee of the university, and therefore falling under §11 of the Austrian patent law relating to employee inventions
- The law applies to employees of all nationalities
- Note that the law does not apply to students unless they have an employment contract that states otherwise

This potentially leads to difficulties, especially when a third party wishes to claim its contractual rights to a University invention, but the University has no power to force the student to assign his or her rights.





## Universities and Austrian Patent Law

- The law (§ 12 PatG) states that employees are obliged to report their inventions to the employer (i.e. the Tech Transfer Office) without delay. If they fail to do so they may be liable for any consequent losses!
- The University then has 3 months in which to assess the patentability and potential commercial value of the invention. During this time both employee and employer are obliged to keep the invention secret.
- Before the expiration of this time limit the University may either:
  - Claim all rights to the invention, or
  - Return the rights in the invention to the inventor, who may seek to patent and license the invention at his or her own cost



## What is a (University) employee invention?

### §7 PatG

(3) Eine Diensterfindung ist die Erfindung eines Dienstnehmers, wenn sie ihrem Gegenstande nach in das Arbeitsgebiet des Unternehmens, in dem der Dienstnehmer tätig ist, fällt und wenn

- a) entweder die **Tätigkeit**, die zu der Erfindung geführt hat, zu den dienstlichen Obliegenheiten des Dienstnehmers gehört oder
- b) wenn der Dienstnehmer die **Anregung** zu der Erfindung durch seine Tätigkeit in dem Unternehmen erhalten hat oder
- c) das Zustandekommen der Erfindung durch die **Benützung der Erfahrungen oder der Hilfsmittel des Unternehmers** wesentlich erleichtert worden ist.

So an employee invention qualifies as such because:

- the invention was conceived during the normal duties of the employee, or
- there was motivation from the workplace to create the invention, or
- the use of workplace facilities/resources and experience facilitated the creation of the invention

## Who is an inventor?

**An inventor as defined under US patent law is someone who conceived the invention as defined in at least one claim of the patent/application**



Note that an “inventor” as stated on the IDF may be a contributor who does not meet the standards for inventorship as defined by US patent law

*e.g. a lab/group head who provided no more than general direction and guidance*

*e.g. a lab technician who worked hard, but merely followed instructions from someone else*



## First steps – reporting a possible invention

- ❖ If you think you may have made an invention you should complete an invention disclosure form (IDF) for submission to the TTO
  - ❖ The IDF provides the basis for a patentability assessment and valuation, and includes:
    - A description of the invention
    - A summary of the closest „prior art“
    - Information as to any contractual obligations
    - A statement as to the relative contributions (in %) that each inventor has made to the invention.
      - this determines each inventor's share of remuneration, in the event that the invention is commercialized at some point
  - ❖ The IDF must be signed by all inventors

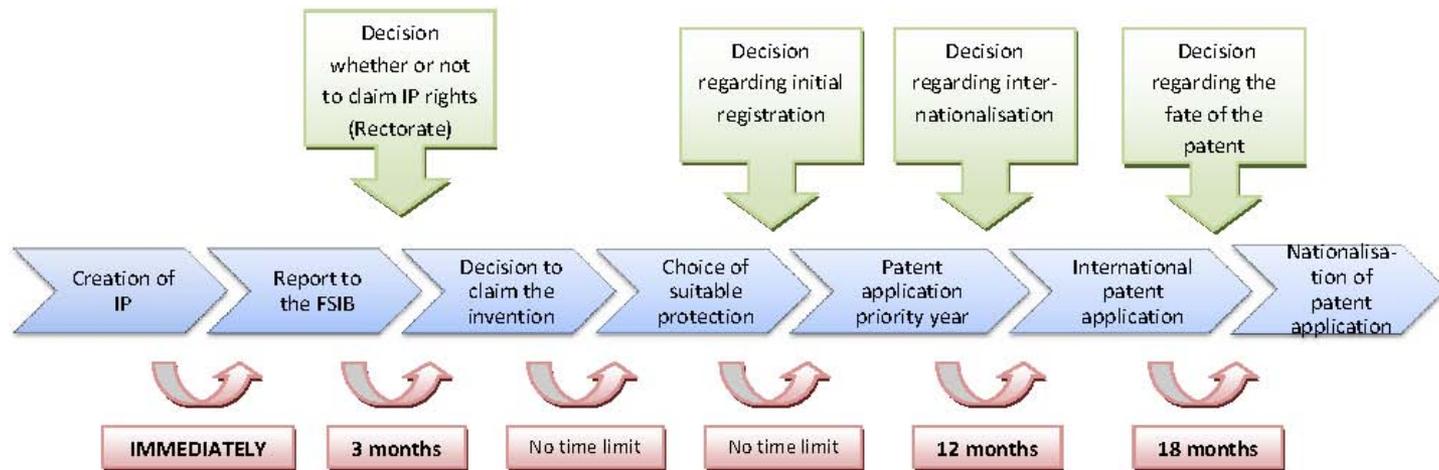


## Assessment of the Invention Disclosure

- The University has 3 months in which to review the invention and decide whether or not to take possession
- A preliminary review of the Invention Disclosure is usually carried out in-house
- As a next step, the Austria Wirtschaftsservice is often asked to conduct an in-depth analysis on patentability and marketability of the invention
- A recommendation is then made to the Vice-Rector, who communicates the University's decision to the inventors
- In the event that the invention was jointly made with another research institution or company, decisions on next steps are made in conjunction with the other owners



## FROM REPORTING A SERVICE INVENTION TO A UNIVERSITY PATENT



## Filing and Management of Patents

Once the University has a claimed an invention it can - but is not obliged to - file a patent application at its expense on that invention.

The University has full discretion in its patenting strategy, selecting the countries in which to file, and deciding on when to abandon any patent rights.

The inventors work together with an external patent attorney to draft the patent application.

A first “priority” application is typically filed at the European Patent Office (EPO).





## Mounting Costs

- The drafting and filing of a first patent application costs several thousand euros but during the subsequent 12 months (the priority year) costs are usually minor
- Upon expiry of the priority year a decision needs to be taken on whether to continue with the patent application
- If the University wants to continue it will typically file a PCT (“international”) application at this time, which is a centralised procedure that for a reasonable fee keeps open the option of pursuing patent protection in most countries of the world
- After 30/31 months from first filing the “national/regional phase” may be entered. This is when the PCT application is converted into individual national applications, often necessitating expensive translations. This is the point at which costs can explode
- If by this time no licensee has been found, and prospects for commercializing the invention are not good, the PCT national phase will not be entered and the PCT application will lapse



## Patents or Publications: mutually exclusive options ?

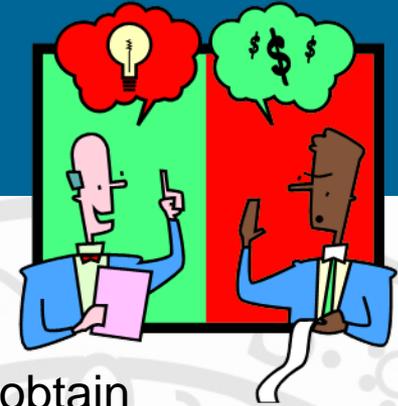
- Absolute novelty is one of the requirements for obtaining a patent in most countries
- Publishing the invention (or disclosing it any other written or verbal manner) before filing a patent will rule out obtaining a valid patent in most countries
- Publication is an option once a first patent has been filed
- However, publishing in the 12 months after first filing (priority year) can be risky, since further developments to the invention may occur during this period and may be added to the subsequent filing (e.g. PCT application)
- Increasingly, universities and research institutions worldwide include patent output as an element in the rating of researchers



## Publication review by the Tech Transfer Office

- ❖ The TTO will review draft publications before journal submission, to advise on potentially patentable material
- ❖ In all cases, draft publications on inventions for which a patent has been filed or which have been submitted in an IDF should be sent to the TTO, ideally before journal submission.
- ❖ The TTO recognizes the importance to researchers of being able to publish promptly, and will aim to release drafts for publication as quickly as possible.





## Marketing of University Inventions

- ❖ For a University, the goal of filing a patent application is to obtain commercial value from an invention
- ❖ It is also possible to license out non-patented technology and know-how, or works protected by copyright (e.g. software).
- ❖ Marketing of University technology is easiest when the inventors have existing contacts with companies in the field, especially if the invention arises in the context of a collaboration agreement with a company
- ❖ In other cases there may be just a few potential licence-takers, and the TTO can approach them directly
- ❖ Where the field of potential licensees is large or complex, the TTO may contract specialist technology marketing organisations to approach companies on behalf of the university



## Return on Investment: A University Technology Licence

***“License income is highly concentrated, with the top 10% of universities and research institutes earning approximately 85% of all license income.”***

EU Knowledge Transfer Study 2010

A technology licence typically incorporates lump-sum payments (annual, milestones) and variable components, dependent on commercial success of the invention



## Inventor Remuneration

- ❖ The legal obligation for employees to notify inventions to the University is coupled with the legal right to remuneration upon successful commercialization (= out-licensing)
- ❖ The existence of a patent is not a pre-condition for payment of inventor remuneration
- ❖ The employee continues to be entitled to receive remuneration for past inventions even after retirement or leaving the University
- ❖ Income from a licence is paid to the University, which then divides it according to a formula. A part goes to the University (principally to support TTO activities). The rest is split between the Institute or research entity from which the invention originated, and the inventors as a group. The inventors' combined remuneration is then further subdivided according to their % contributions (as defined in the IDF) and paid to each inventor directly



## Spin-Offs

- ❖ Technology developed at the University may be spun-off in a new company dedicated to developing and commercialising the technology
- ❖ Historically, the University of Vienna has not been very successful at establishing spin-offs
- ❖ But, we are keen to encourage the next generation of entrepreneurs, whether current students, employees or alumni of the University
- ❖ Please contact us for an initial discussion if you are thinking in terms of starting your own technology company
- ❖ Funding and guidance for establishing Spin-Offs is available from the Austria Wirtschaftsservice (AWS), and INiTS, among other agencies



## Contracts and Agreements involving IP

The TTO Office reviews all types of contracts and agreements potentially concerning transfer of University technology, such as:

- Material Transfer Agreements (MTAs)
- Confidential Disclosure Agreements (CDAs)/Non-Disclosure Agreements (NDAs)
- Contract research agreements
- Collaboration agreements
- Consultancy agreements
- IP or know-how licence contracts
- Grant applications, especially when an industry partner is involved (FFG)

## Review and Amendment of Contracts

- ❖ Do not be tempted to sign an off-the-shelf contract or a contract presented to you by a third party without having it reviewed
- ❖ All contracts involving IP clauses should be reviewed by the TTO before signature, even if:
  - ➡ There is no existing IP, or
  - ➡ It is not expected that any IP will be generated in the course of the Agreement

Because:

- ❖ **The University should get a fair deal for its services, expertise, creativity, knowledge and know-how**
- ❖ Having a clear and comprehensive contract avoids later conflicts and confusion



## Key Issues in IP Contracts

- **Confidentiality of results** - as far as possible, preserve the rights of University to publish
- **Limitation of Liability**
  - o the University is not in a position to give unlimited liabilities, broad warranties or indemnities against third party claims

## Ownership of results/IP

(Collaboration Agreements, Contract Research etc.)

- **Background vs Foreground** IP
  - Background stays with originator, agreement may grant licence or option to obtain licence
- **clarity**, especially with regard to joint inventions
- ensure University gets **rights** to own inventors' results, or
- University gets appropriately **remunerated** and retains **freedom to use** results for research/education





**Any Questions?**