

Working with Material Transfer Agreements



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Material Transfer Agreement (MTA): What Does it Do?

- MTA's are contractual agreements used for:
 - **The transfer of physical samples of materials (cell lines, plasmids, transgenic animals, chemicals) but not the transfer of ownership of the materials or intellectual property rights that might apply**
 - **Granting the recipient certain rights to use the material/spelling out any conditions/limitations of use**
 - **Setting out “consideration” back to provider for recipient’s use**
 - **Setting out requirements for a “return of materials”**



3 Types of MTAs in Use

- Nonprofit institution → Nonprofit institution
 - **Transfers generally (but not always) made under simple letter agreements. Example in the U.S. the Uniform Biological Material Transfer Agreement (UBMTA)**
 - Nonprofit institution → For profit company
 - **Transfers may be made under a UBMTA format or through standardized nonprofit/university agreements**
 - For profit company → Nonprofit institution
 - **Transfers made using industrial agreements – not standardized**
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Managing the MTA Chaos

- Ensuring use of the appropriate MTA
 - **For materials exchanged with another university or research lab, a simple letter agreement should be sufficient.**
 - **For materials sent to or received from industry**
 - o See “acceptable” prior agreements signed with company
 - o Even if receiving, use your “outgoing” MTA as a guide for acceptable terms



Six Major MTA “Red Flag” Issues That Recipients Should Watch For Incubators

1. Definition of “Materials”
2. Scope of recipient “use” rights
3. Scope of “give-backs” to providers
4. Provider “reach-throughs”
5. Confidentiality and Publication Restrictions
6. Indemnities



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Academia to Company Under “Simple Letter Agreement” (reasonable terms)

- Scope of “material” covered
 - Includes original material and progeny, derivatives that could not have been made “but for” use of original materials; also includes related information and know-how transferred
- Scope of “rights” granted
 - Use for “noncommercial” scientific research – no specific commercial use; no use in humans; no warranties



Academia to Company Under “Simple Letter Agreement” (reasonable terms)

- License for commercial use must be negotiated
 - may not be available
- Other limitations/requirements (optional)
 - **Requirement to report research results back to sending scientist**
 - **Requirement to send copies of manuscripts**
 - **Requirement to indemnify provider for any cause of action**



Industry-to-Academia MTAs: The Issues

- Definition of *materials* (owned by provider) often includes modified derivatives, all classes of compounds and any new materials derived “directly or indirectly” from use of *materials*
- Rights to use materials generally limited to “non-commercial” research



Industry-to-Academia MTAs: The Issues

- Use rights may be restricted to requesting scientist and are generally not transferable outside of the requesting institution even for non commercial use
- Agreement may require “grant backs” or “reach-throughs” giving commercial providers ownership of, or rights in, inventions, research results, royalties



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Industry-to-Academia MTAs: The Issues

- Agreement may require holding *materials* and **information derived from use of materials** in confidence
- Agreement may prohibit publication of *materials* or require approval/right to review manuscripts
- Agreement may require university to “indemnify” for any cause of action attributable to university’s use



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