

Figure 2 - Considerations when assigning IP

- This is the company-friendly IP management policy that was instituted in 2012.
 - All of the Penn State researchers (i.e. faculty, post-docs, graduate students) involved must agree to use this approach.
 - This approach generally requires less time to negotiate the sponsored research agreement.
 - There is a process for the transfer of ownership of IP from Penn State to the company sponsor. It does not happen automatically. For more information see [Figure 3](#).
 - This approach is not suitable for all situations. Three examples of when this approach is not a good fit:
 - It would not be appropriate to transfer IP ownership to a company sponsor if it would jeopardize your ability to obtain research funding from other sponsors in the future.
 - It would not be appropriate to transfer IP ownership to a company sponsor if the IP is core to your research activities and you will rely on this IP for future research activities.
 - It is not appropriate to transfer IP ownership to a company sponsor if the IP was created as a result of research sponsored by a federal funding agency.
 - Penn State's template Sponsored Research Agreement includes a bonanza clause stating that if the company sponsor experiences exceptional commercial success using the IP created at Penn State, Penn State recommends that sponsor share financial benefit proportionally. However, these will likely be rare events. Therefore, Penn State researchers should not expect to benefit financially.
 - It is very important that you help identify any background IP that will be required to practice the new IP. The company sponsor needs to know if there is background IP and if it is available for licensing before the research project starts.
 - After Penn State transfers ownership of IP to the company sponsor, the company will decide whether or not to pursue patent protection. If the company pursues patent protection, Penn State researchers will likely be named as inventors. Inventors have an on-going obligation to assist in the patenting process (i.e. signing documents as appropriate). Penn State recommends that company sponsors consider entering into consulting agreements with Penn State inventors if the company wants a significant commitment of time in support of its patenting process.
 - After Penn State transfers ownership of IP to the company sponsor, not only will the company decide whether or not to pursue patent protection, the company will also decide how broadly to seek patent protection. It is possible that the company will pursue broad patent protection which could impact your future research plans. For more information see [Figure 4](#).