

Figure 4 – Risks associated with assigning IP

Please consider the following scenario to assess a potential risk of agreeing to assign intellectual property to a company sponsor.

- A company-sponsored research project results in the development of new IP.
- Per the terms of Penn State's "new" company friendly IP policy – Penn State offers to transfer ownership of this new IP to the company sponsor.
- The sponsor requests ownership of the new IP and after the execution of an Assignment Agreement, the sponsor owns the new IP.
- Independently of Penn State and without input from Penn State the sponsor files a patent application to begin the process of protecting the new IP.
- The sponsor's patent application includes the new IP developed at Penn State, but (as is typical) the patent application is broader than the Penn State research results.
 - The claims in the patent application extend well beyond the Penn State research results.
 - The broad patent claims include areas of planned future research by the Penn State research group.
 - The sponsor's patent application will be pending for years. Therefore, the claims allowed by the United States Patent and Trademark Office will not be known for years.
 - In the normal course of events a pending patent application becomes publicly available 18 months after it is filed.
- The uncertainty associated with the sponsor's pending patent application may preclude other potential sponsors from supporting further research in this area by the Penn State research group.