



# Intellectual Property

## *Legislative IP Study* *January, 2014*

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# NDSU Intellectual Property (IP)

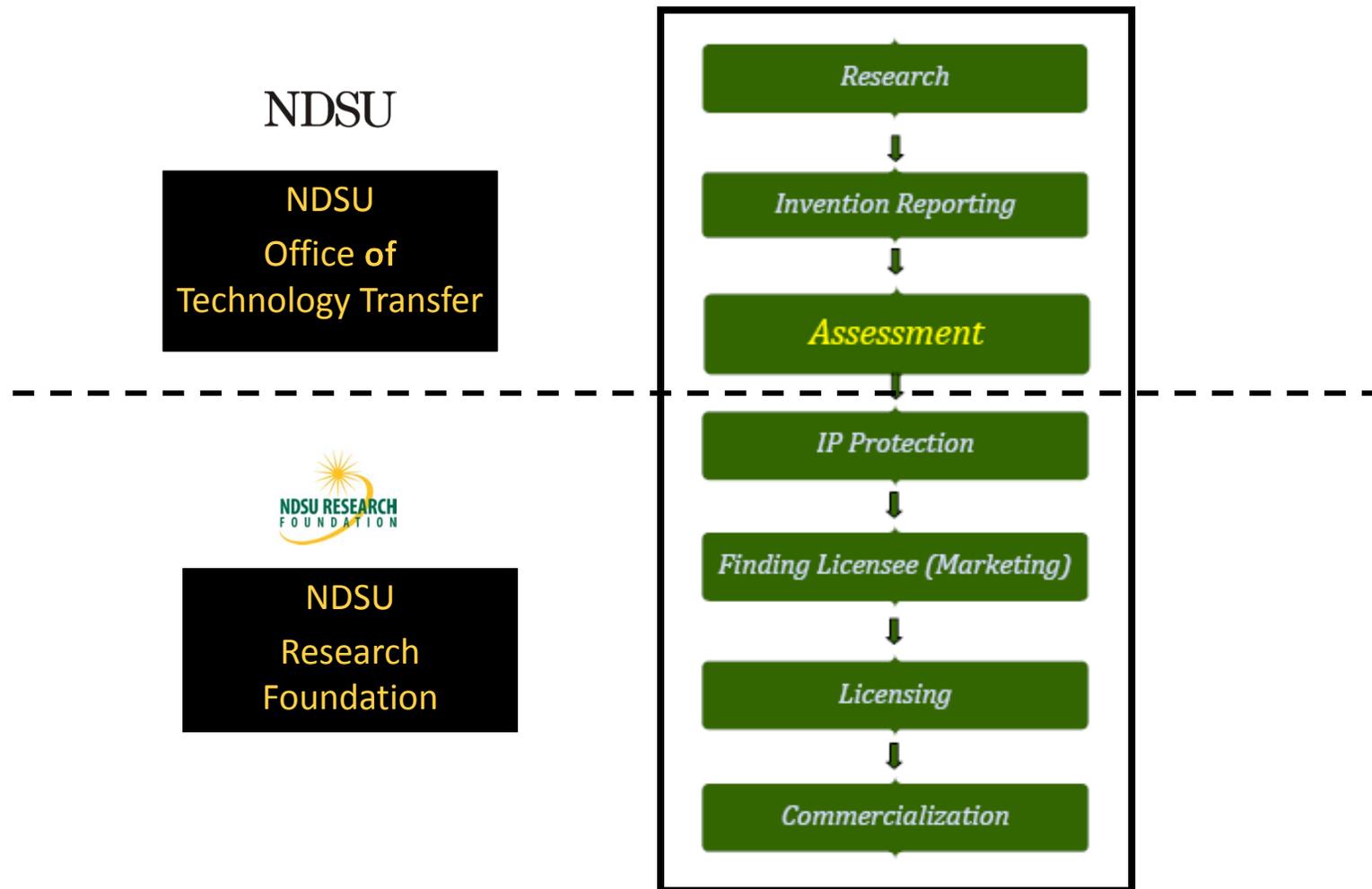
- NDSU policies:
  - IP Policy-190—consistent with NDUS Policy 611.2 +Plant Varieties
  - NDSU averages around 50 inventions per year.
  - Conflict of Interest Policy-151.2



# Another Form of Intellectual Property at NDSU

- Plant Variety Protection (PVP)
- Filed in USDA PVP office vs USPTO
- Varieties released from NDSU and assigned to NDSURF
- Protection somewhat similar to patents
- Seed labeling-certified seed
- Infringement

# NDSU - TTO and NDSU/RF



# IRS Rev. Proc. 2007-47

## Bond Financed Facilities

- Can't pre-establish license terms in a research agreement.
  - Private Business Use – limited to 10% over life of bond.
  - Government research permitted consistent with Bayh-Dole.
- Same license terms as a non-sponsor.
- Royalty rate and license terms at time of license.
- Non-exclusive royalty free to sponsor to use similar to Federal Government – does not grant commercial license (Source: Adapted from UNC).

# NDSU Research Foundation (NDSU/RF)

- Separate 501(c)(3) non-profit corporation.
- Owns and manages Intellectual Property (IP) developed at NDSU.
- [www.ndsuresearchfoundation.org](http://www.ndsuresearchfoundation.org)



# NDSU/RF Services

- Coordinates IP protection (patent, trademark, PVP certification, copyright).
- Market IP to industrial and commercial entities.
- Negotiate licenses to practice IP rights.
- Administers executed license agreements.
  - Monitor for continued development of technology.
  - Monitor for compliance and payments.
- Facilitate start-up companies utilizing NDSU developed IP.
- Enforcement of IP rights.

# Net Licensing Revenue Distribution Procedure

- After recovery of patenting and licensing expenses:
  - 30% to the inventors/breeders
  - 40%\* to the Depts/Units
  - 30%\* Retained by NDSU/RF\*\*



\*Varies some in Ag

\*\*30% of NDSU/RF share in Endowment

# Status of Technology

- Crop Varieties—R&D is mostly done and is ready for commercialization.
- Other Inventions—expensive to patent, very early stage, need considerable R&D to develop into a commercial product or attractive for licensing.
- ND Venture Grant Program—can be a good tool to develop a technology and assess start-up potential.

# Licensed IP from Research

- Patentable inventions.
- Plant Variety Protected (PVP) plant varieties.
- Trademarks—associated with horticultural varieties.
- Copyright—software.
- Research tools, germplasm, software, know-how, etc.



# Major Revenue Contributors

- Hard red spring wheat.
- Potatoes.
- Edible beans.
- Ag. Licensing approx. 85% of revenue.
- Recent Licenses:
  - Dakota Russet potato to Hoverson/RDO.
  - Rio Rojo small red bean to Treasure Valley.



# NDSURF Start-up Companies

- Dakota Technologies - Fargo (Equity).
- Fluorescence Innovations - Minneapolis (Equity).
-  **TREE MINER, INC.** - Maryland  
THE VERTICAL DATA MINING COMPANY™  
(Equity and License) – FY-11.
-  **ELINOR** - Elinor Specialty Coatings  
SPECIALTY COATINGS LLC - Fargo (License) – FY-11.

## NDSURF Start-up Companies (continued)

-  – Fargo (RTP) and Walcott (Equity and License) – FY-12.
- HQC BioSciences – Christine and Fargo (RTP)(Equity and License) – FY-14
- Renuvix LLC - Fargo (RTP) (Option to license) –FY-14.
- 2 start-ups in Formation/Negotiation and 2 Contemplated.

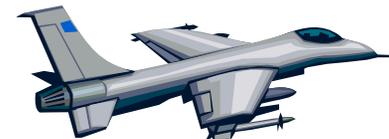
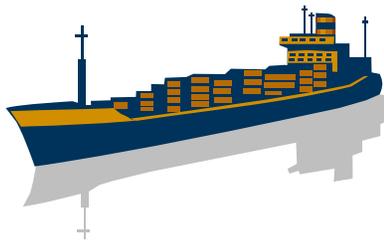
# NDSURF Licensing Success

- FY-13 \$2.17 million in licensing revenue--ranks well with other land grant universities and universities w/o medical schools.
- 51 licenses executed—15 exclusive - 36 non-exclusive.
  - 4 of top 5 wheat varieties on 46% of ND acres.
  - 9 of top 10 durum varieties on 92% of ND acres.
  - Liquid silicon- FY-13.



# NDSURF Licensing Success (continued)

- Biomedical device coating FY-12.
- Magnesium primer coating for aerospace-FY-06
- Magnesium Primer coating for marine and some vehicles-FY-14



# NDSU/RF and NDSU TTO Contact Information:



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# NDSU IP Policies are Consistent With Other Universities

- NDSU retains ownership of IP and provides industry sponsors with an option to license.
- Ex. “MIT cannot transfer ownership of its IP to others. Policy, tax regulations, pervasiveness of government funding in our labs, export control laws, and the resultant regulations that affect the majority of our patents prevent the institute from doing so.”