

Procedures for Handling Incoming Material Transfer Agreements

Material Transfer Agreements (MTAs) are contracts issued in connection with the transfer of research material between an outside organization and Cornell. The Office of Sponsored Programs (OSP) reviews and approves MTAs for incoming material (material that Cornell will be receiving). Agreements for outgoing material (material that Cornell will be sending) are handled by the [Center for Technology Licensing](#) (CTL).

Incoming material may be provided by another university, a government agency or private industry. It is likely to be a necessary component of a research project, and often it is available only from a single source.

Required Documents

Investigators who have received an MTA for incoming material should complete the NFA Form. This form provides OSP with information about the provider, the material to be received and the way that the material will be used. It also verifies that compliance approvals have been obtained.

Once the NFA Form has been completed and signed by the investigator and department chair/dean, the NFA Form and an electronic copy of the MTA should be emailed to osp_mta@cornell.edu.

To expedite the processing of the MTA, investigators should be sure to fill in any information required on the MTA and attach a scope of work, if requested by the provider.

The UBMTA

The [Uniform Biological Material Transfer Agreement](#) (UBMTA) is a standard agreement that was developed by the Public Health Service, in conjunction with representatives of academia and industry, to simplify the process of sharing proprietary materials among public and nonprofit organizations. Cornell and other nonprofit organizations that have signed the UBMTA Master Agreement can transfer materials under the terms of the UBMTA by executing an [Implementing Letter](#) for the transfer.

PHS also developed a [Simple Letter Agreement for the Transfer of Non-Proprietary Biological Material](#), which incorporates many of the same principles as the UBMTA. This Simple Letter Agreement can be used by the organizations that have not signed the UBMTA Master Agreement.

When a provider uses either the Implementing Letter or the Simple Letter Agreement, no negotiation is necessary, and Cornell can sign the agreement very quickly.

Negotiation of MTAs

If the provider does not use the UBMTA or the Simple Letter Agreement, the MTA may require negotiation. Most universities and nonprofit entities use simple agreements that contain few restrictions, and negotiations on these agreements can be completed expeditiously.

The transfer of materials from industry is usually more complex, since for-profit entities often consider their materials to be important proprietary resources. Companies may want to assert ownership of inventions that Cornell investigators make with those materials or control the publication of unfavorable results, each of which would conflict with Cornell policies. Because of the differing needs of the parties, negotiations on MTAs with industry can be time consuming.

Typical areas of negotiation include publication restrictions, intellectual property rights, and confidentiality. In negotiating MTAs, OSP uses the following guidelines to insure that the agreements are acceptable under university policies and consistent with Cornell's academic mission.

Guidelines for MTA Terms

Definition of "Material": The definition of the term "material" is important because the agreement controls the ways in which the material can be used. If the definition is too broad, the MTA could prohibit Cornell investigators from using material that is rightfully theirs to use.

Original material: It is acceptable for the term "material" to include the original material that the provider is supplying, as well as portions, purebred progeny, and unmodified derivatives of the original material. These substances are parts of, or essentially the same as, the original material, and all are rightfully owned by the provider.

Modifications: It's not acceptable for a provider to broaden the definition of "material" to include all derivatives, modifications, and improvements of the material. These are all substances that would have to have been modified in some way by a Cornell researcher, so Cornell could have an ownership interest in them.

Cornell wants to protect its interest in modifications and improvements so that investigators can continue to use these substances in their research. If a provider of the original material also owned all modifications and improvements, the provider could prevent the modifications from being used in further research. It could also prevent information about the modifications, and therefore research results, from being published.

The provider of the material will continue to hold rights in any original material that is encompassed or incorporated in a modification or improvement. In such cases, both Cornell and the provider would have rights in the improved/modified material.

Publication

Restrictions on publication: Cornell will not agree to accept MTA terms that restrict the publication of data obtained through the use of the materials or that make publication subject to the provider's approval. Agreeing to such restrictions could violate Cornell's academic mission of expanding on and disseminating knowledge.

Prior review of publication: Although Cornell won't agree to restrictions on publication, it will agree to give a provider the opportunity to review and comment on manuscripts that contain information about the provider's materials. A provider may be given up to 30 days to review a manuscript before it is submitted for publication.

Delays in publication: In addition to the pre-submission review described above, Cornell will agree to an additional delay to allow the provider to file a patent application or otherwise protect its proprietary information. Cornell's policy is that the combined pre-submission and additional delay periods may not exceed a total of 90 days. Cornell will consider comments submitted by the provider and agree to remove any of the provider's information that Cornell is obligated to keep confidential. (See discussion of Confidential Information below.) Cornell will not agree to allow a faculty member's research data to be considered the provider's confidential information.

Co-Authorship with Provider's investigators: MTAs may include terms that require the Cornell investigator to include the providing scientist as a co-author on publications. It is

only appropriate for the providing scientist to be a co-author if there has been true collaboration between the providing scientist and the Cornell investigator.

Confidential Information: Providers sometimes supply confidential or proprietary information along with the incoming material. In such cases, the MTA may contain terms that require Cornell to maintain the information in confidence.

Defining confidential information: Confidential information must be narrowly defined in the MTA as information received from the provider in connection with the material. It cannot encompass the results of the research. The information must be clearly designated in writing as confidential in order to eliminate any ambiguities as to what the provider claims as confidential.

Term of confidentiality obligation: The term of the confidentiality obligation has to be limited due to the practicality of managing confidential information on an open campus. In general, Cornell will agree to maintain information in confidence for a period of up to three (3) years. The period of confidentiality must always be defined in the agreement.

Intellectual Property

Ownership of inventions: Some MTAs request that ownership of inventions made by Cornell investigators through the use of the materials be assigned to the provider. Granting ownership to the provider would be contrary to Cornell's Intellectual Property policy and to the laws associated with federally funded research. Ownership of such inventions resides with Cornell.

Licensing: Instead of granting or assigning ownership of an invention to the provider, Cornell will agree to give the provider an option to license the invention. Options may be for either an exclusive or a non-exclusive license, with terms to be negotiated between the parties. Cornell will also agree to grant the provider a nonexclusive, nontransferable, royalty-free license for internal research purposes only.

Pre-negotiated Royalty Rates: MTAs sometimes propose pre-set royalty rates. Cornell will not agree to pre-negotiated royalty rates because it is difficult to anticipate the appropriate royalty rate for an invention that hasn't yet been made. There are also tax concerns involved because pre-setting royalty rates could give the provider an advantage over other potential licensees of an invention. Under tax law, this arrangement could be considered the private use of property that has been financed with tax-exempt debt, thereby jeopardizing Cornell's tax status.

Conflicts between terms in MTAs and other MTAs or sponsored research: Cornell must avoid agreeing to grant both the provider of a material and the sponsor of research using the material an exclusive license to the same invention. Therefore, it is extremely important that Cornell investigators inform OSP of any potential conflicts.

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