

## FOUNDATION POLICY ON INTELLECTUAL PROPERTY LICENSING

**Background:** Old Dominion University Research Foundation (the “Foundation”) holds Intellectual Property including copyrights, trade-marks, trade secrets, and patents or patent pending registrations for the benefit of Old Dominion University. From time to time opportunities are presented to the Foundation, University, or various researchers for the commercial or scientific exploitation and development of the Intellectual Property; therefore, the Foundation has developed the following policy governing the licensing or transfer of Intellectual Property:

### **Intellectual Property Licensing and Transfer Policy**

In considering any IP licensing opportunities or possible transfer of IP rights or technology, whether in whole or in part, the Foundation will be guided by a threshold determination as stated below.

#### **1. Threshold Questions and Level of Authority:**

- A. If the proposed IP transfer does not involve a change in ownership or title, but only involves the granting of a license and royalty payments to the Foundation in exchange for the use of the owned IP, then no Board involvement is required and the request may be reviewed and approved by the Executive Director or the Executive Director’s designee.
- B. If the proposed transfer involves an outright sale of any or all rights to an owned IP or technology, or the creation of a joint venture or other equity arrangement, then the transaction must be approved by the Foundation Executive Committee and, if deemed prudent by the Executive Director or the Executive Committee, by the full Foundation Board.

Those seeking Foundation approval should be prepared to provide the information as indicated in below:

#### **2. Due Diligence**

Prior to requesting the Foundation’s approval for any license or transfer, the following information must be provided to the Foundation:

- A. **Background information** on all the Principal Parties to the proposed transaction. For the purpose of this Policy, Principal Parties means any person, corporation or other business entity seeking to license, purchase or enter into an equity arrangement regarding the IP. This background information should include at minimum, an Internet search of the Principals and their key management personnel. The search should provide pertinent information as to i) their character and reputation, ii) other business ventures and iii) evidence of the experience and expertise necessary to accomplish the functions and activities proposed. This background information should also contain iv) sufficient financial information to demonstrate the financial

capacity of the Principal parties to perform as proposed. Note: additional background information may be requested, on occasion, if necessary due to the size, scope or proposed activities of the parties.

- B. **A Business Plan** should be submitted. It should contain an outline of the proposed transaction including a statement as to the manner in which ownership and/or royalties are to be apportioned and a description of the initial activities contemplated. The plan should also include designated performance milestones for actions or outcomes with a time limit provided for the attainment of each milestone. Finally, the plan should address what actions will be taken with respect to the license or transfer in the event the proposed business or performance objectives are not met.

In cases involving equity arrangements, the Plan must address the possible failure of the enterprise. For example, in the event milestones cannot be achieved or proposed time limits are exceeded, a means of terminating and/or altering the license or transfer terms must be included. If a new business entity is contemplated, the structure of that entity must be described in the Plan.

Pro-forma financial projections should be provided showing the anticipated financial structure, returns and cost estimates related to the proposal.

Finally, the Vice President for Research (or designee) should provide a statement that the proposed arrangement is consistent with University and Foundation policies and interests and has been reviewed by both University and Foundation Counsel.

### 3. **Foundation Approval Process:**

The Foundation wishes to ensure an agile and expedited approval process while ensuring that the interests of the Foundation, University, Researchers and other interested parties are protected. Towards this end, the Foundation will first review the materials provided, and if necessary, request additional materials or information that may be relevant to the approval process. It may also perform its own independent research or conduct other inquiries necessary to complete the due diligence process. When appropriate, the Executive Committee may also review the proposed License or Technology Transfer with representatives of the University.

The Foundation will also provide an opportunity for discussion of the proposal by all interested parties.

If Executive Committee approval is required, it will document its decision on the proposed transaction including a short summary of the reasons for the approval/disapproval.