



## BULLETIN

### > Materials Transfer Agreements

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## What is a Materials Transfer Agreement?

A Materials Transfer Agreement (MTA) is a legally binding contract used for the transfer of research or other tangible material for evaluation and experimental use, but does not transfer title or ownership of the materials to the user. There are outgoing MTAs for sending materials out to either a company or another institution in which we protect the intellectual property of CU's scientists, and there are incoming MTAs from companies and institutions. The agreements focus on biological materials but the agreements are similar for transferring samples of chemical compounds, transgenic animals, other types of tangible research materials and even some types of software. MTAs are official legal contracts, and both the scientists and the academic institutions are obliged to live up to the provisions they contain. Providers of materials want to have written agreements to be sure that there is a common understanding of how the materials can be used and to determine the rights granted to each party. Breach of these agreements creates legal and financial risks for the institution and investigators involved. Only the Directors of each campus's Technology Transfer Offices have the delegated authority to execute these agreements. Investigator recipients should only sign the MTAs as acknowledgement of the conditions of the transfer.

### Typical IP Terms and in an MTA

Who will own the intellectual property? If we are sending materials created at CU, CU expects to have an ownership interest in inventions created during the recipient's course of investigation incorporating CU's materials. TTO seeks to protect the intellectual contribution and potential commercial interests of CU investigators. In general, our philosophy is "What is yours is yours, what is ours is ours, and what we create together we will own together." If we are receiving materials, to the extent possible, we want to secure rights to enhancements created as part of CU research activity.

### Material Transfer FAQ:

#### 1. How is ownership of combination materials determined when several parties have contributed the physical materials that are now combined?

Equitable ownership of materials is determined in much the same way as ownership of intellectual property. All contributors and co-owners will evaluate the amount they actually contributed. If the collaboration is with another institution, then an Inter-Institutional Agreement (IIA) will be put into place. If it is a company, we will try to obtain joint ownership rights to any inventions resulting from the use of the material.

### Types of MTAs

- ♦ **UBMTA:** Document created by the NIH which simplifies the transfer of materials to other academic institutions already authorized to sign UBMTA's.
- ♦ **Academic MTA:** Transfers materials to other academic institutions. Reasonable intellectual property terms.
- ♦ **Commercial MTA:** Transfers material to a company. Strict terms to protect the researcher's intellectual property. Licensing language included.

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**2. Should I use MTAs when materials are being sent to academic colleagues?**

It is no doubt true that many transfers within academia are still informal, even though the use of an MTA is recommended so that disputes about use and discoveries do not arise. If a material to be transferred includes material that is still owned by a third party provider, further transfer of that material is almost certainly contractually restricted by the MTA or other agreement that covered its receipt. It is improper to transfer material that was received from another source without first contacting the provider. Even if the material to be transferred is owned free and clear by the provider, informal transfers done without MTAs confer little protection on either the provider or the recipient. As more investigators become interested in working with industrial investigators and in developing inventions that can be licensed to provide income to the inventors and/or to the laboratory, there is a need to establish the ownership of inventions.

**3. Who has the authority to sign MTA agreements?**

In almost all cases investigators are required to co-sign the agreement as evidence that they have read it and will comply with its terms. However, since MTAs are contracts, the official signature can only come from those in the institution who are charged with the task of reviewing them and who have been delegated authority to contractually bind the university. The validity of MTAs signed only by investigators, department chairs or other individuals who do not have delegated institutional signature authority is questionable. Delegated authority is usually recognized in an explicit written internal institutional document that names the authorized individuals and defines the scope of authority. TTO directors have the delegated responsibility to sign MTAs.

**4. Are MTA agreements ever enforced?**

The short answer is that they will be enforced when the stakes are highest, and the stakeholders care about them the most. It is impossible to predict which transfers will become a focus of concern. Ignoring detrimental MTA provisions places both investigators and the University at risk.

**5. Is there any way to recover cost of transfers?**

Some materials can be very costly to make, and it may be financially unreasonable to supply them to multiple investigators, or even prohibitively expensive to send them out just once. If this is the only deterring factor, the MTA can include the proposal of a one-time fee of up to \$5,000 to allow recovery of reasonable costs. Such a limited fee can reasonably include the cost of materials, the extra labor required to make them and shipping or other fees. If the material arose under federal sponsorship, such revenue may be considered "Program Income", and may, therefore, be reportable as such. NIH information on Program Income can be found in the NIH Grants Manual. Other federal agencies employ similar concepts.

**6. Are there regulations to take into account when transferring hazardous biological materials within the United States?**

Yes, there are regulations covering the methods used to package and transport hazardous biological materials. In addition, these regulations have recently been modified to require that senders and recipients of such materials be pre-registered with the Centers for Disease Control and Prevention (CDC), and that the individual transfer be registered with that agency.

**7. How much time does it take to get my agreement processed?**

Typically, you can expect to receive your processed agreement from a few days to one week. Sometimes it is necessary to negotiate the terms with the company prior to its completion.

**For additional information on Materials Transfer Agreements, please contact Kathe Zaslow:**  
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**To learn more about TTO processes:** <http://www.cu.edu/techtransfer/about/bulletins.html>

**To download disclosure forms:** <http://www.cu.edu/techtransfer/disclose/>

**For more info or to submit a disclosure, email** [ttocontact@cu.edu](mailto:ttocontact@cu.edu)