**Sponsored Research Agreement Summary**

A Sponsored Research Agreement (Agreement) is a contract between a university or other research Institution (Institution) and a company (Sponsor) that wants to conduct research in the Institution’s lab. Below is a high-level summary of the agreement intended to help introduce the document to readers. The summary is purely for informational purposes and should not be construed as legal advice for any particular facts or circumstances.

The **statement of work** is a high-level outline of the research to be conducted under the agreement and what, if any, deliverables are expected upon completion of the research. The statement of work is typically a short document attached to the Agreement.

The **principal investigator** is the person, typically a faculty member or senior scientist, responsible for designing and carrying out the research program. The PI’s responsibilities also include supervising graduate students, post-docs or other laboratory staff. A new PI cannot be appointed to the program without the agreement of both parties.

The **period of performance** governs the start and end dates for the research program. The completion date for the program cannot be modified without the *written* agreement of both parties.

The **payment** sections of the agreement outline the financial terms for the research program, including the method, schedule and accounting requirements for all payments. There are two types of payment arrangements to choose from: “fixed-price” payments and “cost-reimbursement” payments.

The **termination** section of the agreement defines the terms under which the contract may be terminated by either party before project completion. It includes the notice requirements for termination and the payment obligations associated with terminating the agreement. For example, if the research is being conducted on a “fixed-price” basis, upon termination of the contract, both parties must determine what, if any, reimbursement the Institution will make to the Sponsor for unfinished research.

The **confidentiality** terms govern the management of any confidential information being transmitted from the Sponsor to the Institution. The Institution may only use confidential information received from the Sponsor for the purposes of the research program. This section of the agreement may also define additional terms required to protect new research results prior to filing of a patent.

The **publications** section of the agreement outlines the Institution’s right to publish results of the research program. It also defines the amount of time (30 days) the Sponsor has to review the results to identify any confidential information. The Sponsor may ask for removal of confidential information included in the results and a delay in the publication of results (up to 60 days) in order to file any associated patent applications.

The **intellectual property ownership and licensing options** sections of the agreement outline ownership rights and licensing terms for any inventions or copyrightable material produced by or discovered during the research program. If the invention or copyrightable materials are conceived or first produced only by Sponsor’s personnel *without* significant use of Institution funds or facilities, ownership belongs to the Sponsor. If a significant amount of the Institution’s funds or facilities were used during the discovery or production of an invention or copyrightable materials, or the invention or material was made by the Sponsor and Institution together, those items will be jointly-owned by Sponsor and Institution. The Institution will own any invention conceived or first produced by Institution’s personnel during the research program but, for any patents on those inventions, the Institution will grant the Sponsor a non-exclusive, non-transferable, royalty-free license for internal research purposes. In addition, the Sponsor may also elect to take a non-exclusive, non-transferrable, royalty-free commercial license to the invention (in which case, Sponsor will reimburse Institution’s patent costs) or negotiate a royalty-bearing exclusive commercial license.

The Sponsor may not **use the name** of the Institution or any image, trademark or individual associated with the Institution in any public announcement, disclosure or publication without written consent of the Institution’s IP office.

**[**Sponsored Research agreements may include a **representations and warranties** section stating any assurances that the Institution gives the Sponsor. This section also outlines the Institution’s position with regard to legal matters arising from the agreement.]

Any **notices** required in this agreement must be made in writing and delivered according to the specifications outlined in the “notices” section of the agreement.

The **assignment** section of the agreement states that the contract may not be assigned to a third party without consent from both the Institution and the Sponsor, unless the assignment is to an affiliate or a successor following a change of control or asset sale.

The **governing law and export controls** sections of the agreement state that the Agreement and all activities associated with the research program are governed by Massachusetts state and U.S. federal law, including U.S. export laws and regulations.

The **mediation** section of the agreement defines the terms of mediation for any dispute that arises between the parties. A single mediator will conduct the mediation and the expenses of the mediation will be shared equally between the two parties. The mediator will not have authority to impose any settlement terms on the parties. If the dispute is not resolved by mediation within forty-five days, both parties are able to pursue other legal remedies.

The **force majeure** section of the agreement states that neither party will be responsible for failure to perform its obligations under the agreement for reasons outside of its control. For example, natural disasters, governmental interference or labor disturbances are all considered outside a party’s control.

**Counterparts** are copies of the same document that each party individually signs. This section of the agreement allows for different copies of the same agreement to be signed by the individual parties involved.

The final section of the agreement simply states that the contract will constitute the **entirety of the understanding** between the two parties. Amendments to the agreement (including the statement of work) can only be made in writing and must be signed by authorized representatives from both parties.