

**Transferring
Materials and Information
with
Material Transfer Agreements (MTAs)**

November 4, 2014

What is a Material Transfer Agreement (MTA)?



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What is an MTA?

- An MTA is a written agreement that governs the terms and conditions in which one party provides (or transfers) physical materials, information or data to another party for evaluation, experimentation, or research.

What are the Materials?

The Materials may include:

- biological materials (DNA, cultures, cell lines, plasmids, nucleotides, proteins, transgenic animals, cDNA libraries, seeds, live plants/rootstocks)
- chemical compounds (drugs, chemicals or nanoparticles)
- devices (medical devices or apparatuses)

What are Information and/or Data?

The Information and/or Data may include confidential or proprietary:

- information or documents related to the Materials, such as DNA sequences or performance characteristics
- Data or data files about people, such as income, health, education or other data



- MTAs may sometimes be called:
 - ✓ Bailment Agreements
 - ✓ Collaboration Agreements
 - ✓ Confidentiality Agreements such as
 - ✓ Confidential Disclosure Agreements (CDAs)
 - ✓ Non Disclosure Agreements (NDAs)
 - ✓ Data Transfer Agreements
 - ✓ License Agreements



- MTAs may sometimes be associated with other agreements:
 - ✓ Confidentiality Agreements
 - ✓ Sponsored Research Agreements
 - ✓ Clinical Trial Agreements

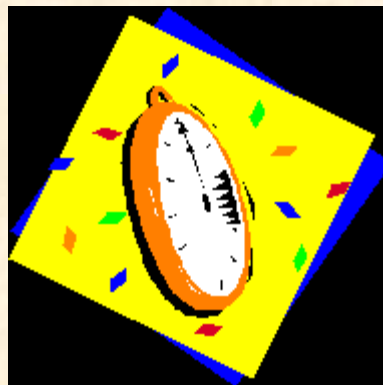
- MTAs are generally categorized as:
 - ✓ Incoming MTAs
 - ✓ Outgoing MTAs

Characteristics of an Incoming MTA:

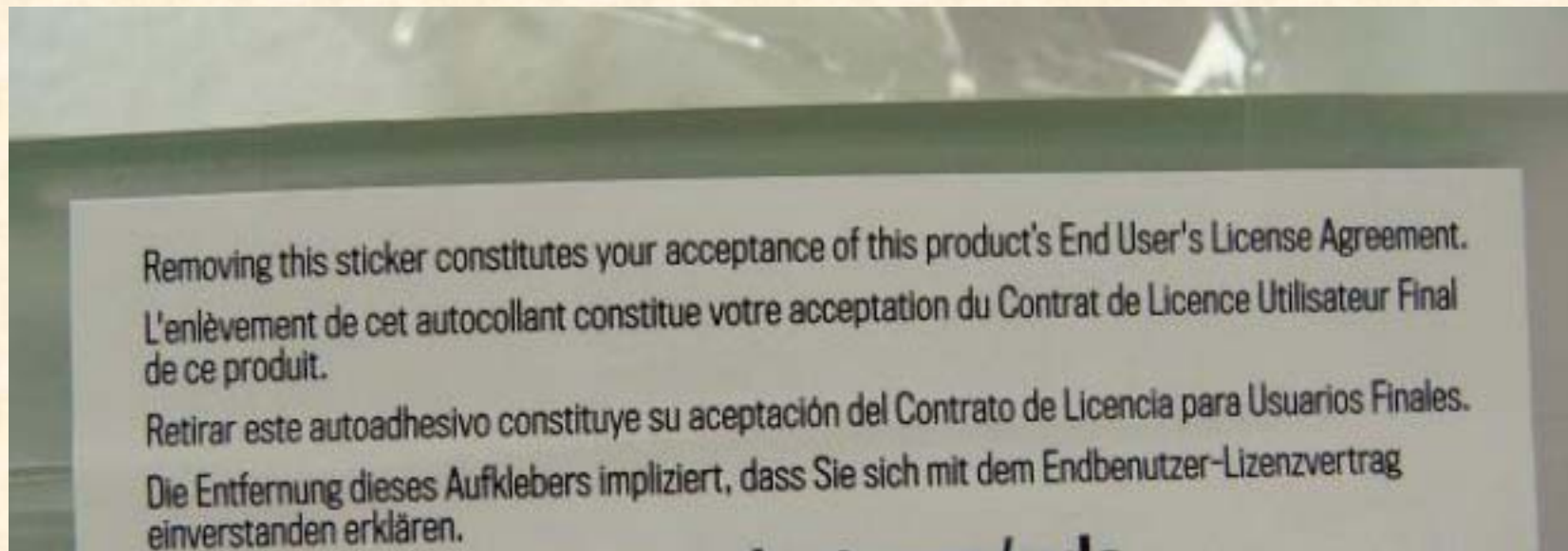
- Your Principal Investigator (P.I.) requests to **RECEIVE** materials from an outside organization (Example – a local seed company)
 - The outside organization will almost always require your organization to use their MTA
 - Your organization will probably have to negotiate changes to the terms and conditions of the outside organization's MTA

Complexity of MTAs:

- Many are very easy, but many are very difficult
- 1 to 25 pages or more
- A few 100 to several 1,000 words
- Sometimes “signed” on line; PDF of signed MTA; or originals signed in duplicate or triplicate
- May take 1 day to 1 year or more to draft, negotiate and sign



Example of envelope “sticker” agreement



Example of online “click” agreements

- Please read the below MTA.
- Acknowledge by checking the “I Agree” below the MTA.
- After acknowledging, you will be taken to the Seed Request webpage.

A hard copy of this 'shrink wrap' MTA will be sent with your seeds. Thank you for your cooperation.

UC DAVIS C.M. Rick Tomato Genetics Resource Center Material Transfer Agreement

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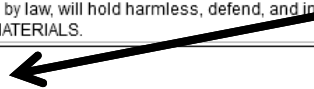
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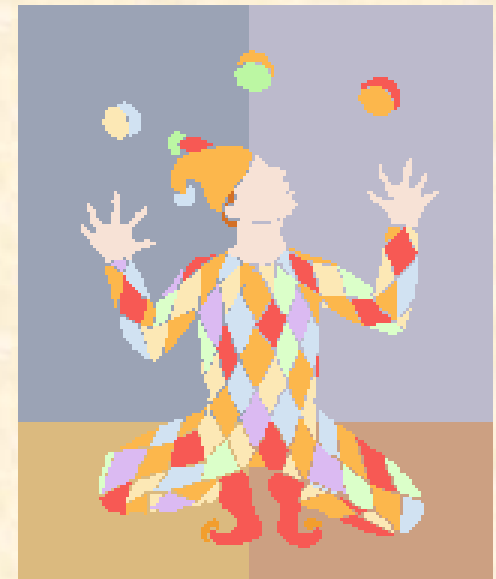
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I have read and agree with the terms of the MTA. Agree



Important Terms in an MTA

1. Definitions of Material, Modifications, Research, Confidential, Information, etc.
2. Use of the Material
3. Confidentiality Obligations
4. Inventions and Intellectual Property Rights
5. Warranties
6. Liability and Indemnification
7. Publications and Reports
8. Governing Law and Jurisdiction
9. Termination
10. Legal Parties



Definitions (1.):

1. Definitions

A. ORIGINAL TRANSFERRED MATERIAL

B. MATERIAL

C. PROGENY

D. UNMODIFIED DERIVATIVES

E. MODIFICATIONS

F. RESEARCH USE

G. RECIPIENT INVESTIGATOR

H. CONFIDENTIAL INFORMATION



Definition of “Material”

- Most MTAs use a carefully defined term (e.g., “Material”) to describe the material being transferred.
- Elsewhere in the MTA, the provider will:
 1. assert ownership of the Material,
 2. restrict use of the Material,
 3. restrict the transfer of the Material, and
 4. ask that the Material be returned or destroyed upon completion of the research.
- These provisions are generally acceptable when the definition of Material is limited to a precise description of the Material that is actually being transferred.

Acceptable Definitions of Material:

- Original Transferred Material - The physical material actually transferred to the Recipient by the Provider.
- Progeny -unmodified descendants of the Material.
- Unmodified Derivatives - unmodified sub-unit or product expressed by Original Material - e.g. protein expressed by DNA/RNA.

Unacceptable Definitions of Material:

- Derivatives - very broad, can mean anything derived from use of the Original Transferred Material
- Modifications - substances created by modifying the Original Transferred Material -e.g. plasmid inserted in cell
- Improvements
- Information
- Data

Acceptable Uses of the Material (2.A):

- Research Use defined or described in the MTA
- In compliance with applicable rules and regulations
- In noncommercial research, even if sponsored by companies

Unacceptable Uses of the Material (2.A):

- Commercial purposes
- In humans
- Outside the defined research use
- Transfers to third parties

Confidentiality Obligations (2.C):

- If Confidential Information (C.I.) will also be transferred, C.I. should be defined
- C.I. may be reduced to writing and marked “confidential” when disclosed orally or visually
- C.I. should not include non-confidential information such as UC’s 5 exclusions
- C.I. should not include research results
- Confidentiality obligations should be limited at most to 5 years

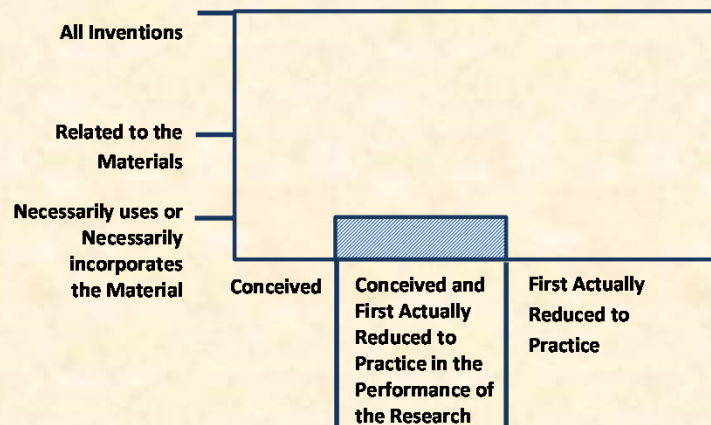


Rights to Inventions, Intellectual Property (IP) and Research Results (2.E):

- Recipient owns its inventions, IP and research results
- Recipient should not assign title to the inventions, IP or research results to the Provider
- Recipient can grant to the Provider a Non Exclusive Royalty-Free (NERF) License to inventions:
 - ✓ for research purposes only
 - ✓ for commercial purposes in rare circumstances - devalues the invention
- Recipient may grant an option to a Commercial License to inventions, but:
 - ✓ It must be Time Limited – 6 months or less unless the Provider pays patent prosecution costs
 - ✓ It must not have a Most Favorite Nations or Right of First Refusal Clauses – No other party will want to negotiate a license
 - ✓ Must not use the MTA to “hereby” grant a license to future inventions that have not been invented yet

Rights to Inventions, IP and Research Results:

- Limit the scope of the inventions that the Provider will get free rights to: “patentable inventions that necessarily use or necessarily incorporate the Materials and are conceived and first actually reduced to practice in the performance of the research under the agreement.”





Warranties (2.F):

- A warranty is a promise by one party that a particular fact is true (i.e., “UC ANR can warrant that its legal name is ‘The Regents of the University of California’”)
- As a practice, because of the consequences attached to warranties, Providers do not agree to make any warranties in MTAs
- Warranties can amount to a promise to indemnify the other party for any damages if the underlying fact(s) prove to be untrue
- If the underlying facts prove to be untrue or misleading, the Recipient may be able to sue the Provider for the breach of the warranty

Liability and/or Indemnification (2.G):

- The Recipient can assume liability and indemnify the Provider for the Recipient's use, storage or disposal of the Material
- The Recipient should not assume liability or indemnify the Provider for the actions of other parties with regards to the Material
- Beware of indemnification arising out of Provider's actions (i.e., related to, or in connection with, our use of the material)

Publications (2.H.):

- Delays
 - ✓ None, if preferable
 - ✓ 30 days for review by Provider
 - ✓ 30 more days for patent issues
- Restrictions on Contents
 - ✓ None, other than not publishing Provider's Confidential Information



Reports to Providers:

- The Recipient can submit reports to the Provider such as a:
 - ✓ Summary Annual Report
 - ✓ Summary Final Report at the end of the study
- Reports should be for the Provider's internal research purposes until the P.I. publishes

Termination (2.1):



- ✓ Include termination terms unless you want the MTA to last forever
- ✓ Agree to a specific number of years after the effective date of the MTA or when the research is completed
- ✓ Can agree that either party can terminate the MTA with advanced written notice – for example 30 to 60 days

Governing Law and Jurisdiction (2.J):

- ✓ Ideally, the MTA should be governed by the law where the research is being done where the Recipient is located - for example, UC ANR prefers California law when UC ANR receives materials
- ✓ The Recipient generally should not accept governing law and/or, jurisdiction outside of its state or country
- ✓ Many MTAs are silent on governing law



Legal Parties (3)



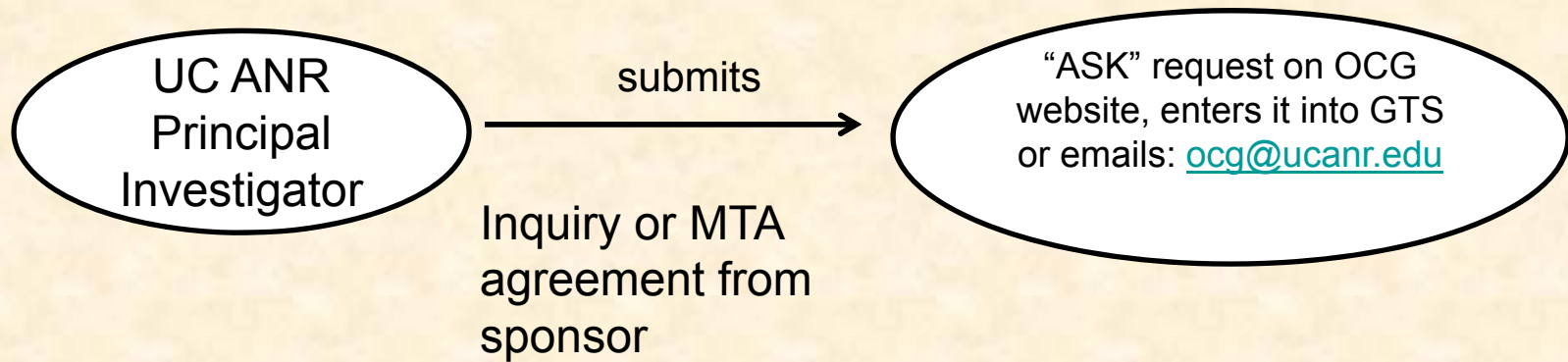
- ✓ MTAs should only be signed by officials who can legally bind the Recipient and the Provider
- ✓ The P.I. or other researchers **should not sign** as legal parties to the MTA – they put themselves at risk of being sued
- ✓ The P.I. can sign as having acknowledged, read and/or understood the MTA

Other Terms in MTAs:

(Other laws, regulations, requirements, policies, etc.)

- Assignability of the MTA to Third Parties
- Export Controls when U.S. Institutions send materials outside of the U.S.
- Fees and Reimbursements
- Human Subjects (IRB)
- Health Insurance Portability and Accountability Act (HIPAA)
- Institutional Animal Care and Use Committee (IACUC)

1. The MTA Process at UC ANR:



- ✓ **PI enters it into GTS and uploads the MTA agreement and submits it to OCG who:**
 - ✓ Reviews the Material Transfer Agreement
 - ✓ Or contacts Provider and sends a copy of our own MTA

2. The MTA Process at UC ANR

OCG Conducts Review:

1. Reviews GTS file entry
2. Reviews material transfer documents for applicability
3. Works with PI to confirm intent/resources
4. If there is a component of funding, then analyst determines whether it should be a standalone MTA or combined with a research agreement/service agreement

2. The MTA Process at UC ANR

OCG Officer or Analyst Negotiates the terms of the MTA

Challenging MTAs:

- Consult with Director and or/Office of General Counsel (OGC) at UCOP
- Ask Innovationaccess for Expectations to Policy
- Have Principal Investigator and/or County Director sign Informed Participation letter

2. The MTA Process at UC ANR

1. The "Bayh-Dole Act of 1980"

<http://www.ucop.edu/ott/faculty/bayh.html>

- The Bayh-Dole Act (and subsequent amendments) are the basis for technology transfer practices in U.S. universities
- The Bayh-Dole Act created incentives for universities, industry and the federal government to work together to commercialize new technologies for the public benefit.

2. The MTA Process at UC ANR

3. The "Tax Reform Act of 1986"

<http://patron.ucop.edu/ottmemos/docs/ott00-01.html>

4. INCOMING MATERIAL TRANSFER AGREEMENTS: Guideline for University of California MTA Negotiators

<http://www.ucop.edu/research-policy-analysis-coordination/resources-tools/contracts-and-grants-manual/chap11.html>

5. Other laws, regulations, policies and guidelines -

- ✓ Health Insurance Portability and Accountability Act (HIPAA)
- ✓ Institutional Animal Care and Use Committee (IACUC)
- ✓ USDA
- ✓ CA Department of Food and Agricultural permits

3. The MTA Process at UC ANR

UC ANR and the other Party agree on every term in the MTA

Who signs the MTA?

- OCG Director/Officer are officials who have the authority to sign the MTA for UC ANR
- The Providing Party's authorized official signs the MTA
- Principal Investigator(s) – not as legal parties, but as having read and understood the agreement
- The Providing Party sends the material, information and/or data to the Receiving Party

Office of Contracts and Grants Contact Information

- Kathleen Nolan

Director 530-750-1306

- Wendy Ernst

Officer 530-750-1305

ocg@ucanr.edu