

SBIR/STTR AWARDS AND INTELLECTUAL PROPERTY

Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) are federal funding programs in the form of grants or contracts awarded to a small business. These programs provide valuable resources to help bring cutting-edge discoveries beyond the lab and toward commercialization.

How Is Intellectual Property Determined?

The small business receiving the SBIR or STTR award may subaward a portion of the funding to an academic institution such as the University of Minnesota. The funding provided to the University via the subaward is federal funding, and the intellectual property (IP) rights are managed as if the federal funding was provided directly to the University. Ownership of intellectual property is governed by US law, specifically the Bayh-Dole Act, which states that ownership is determined by authorship or inventorship.

The small business may negotiate a license from the University to the IP developed during the project. The SBIR or STTR does not give the small business exclusive commercial rights to use project IP developed solely or jointly by the University.

DEFINITIONS

Small Business Innovation Research (SBIR) - Provides federal funding to encourage small business innovation

Small Business Technology Transfer (STTR) - Provides federal funding to encourage partnerships between small businesses and nonprofit research institutions

Intellectual Property (IP) - Includes patentable inventions, copyrights, and software

Background Intellectual Property (BIP) - IP created and owned by either the small business or the University prior to the start of the SBIR/STTR project

Foreground (Project) Intellectual Property (FIP) - IP created during the SBIR/STTR funded project



INTELLECTUAL PROPERTY RIGHTS

SMALL BUSINESS INNOVATION RESEARCH (SBIR)

	Background IP	Foreground (Project) IP		
		Joint Ownership	Small Business Owned	UMN Owned
IP Ownership	SBIR funded project does not change or impact ownership of existing IP	Jointly developed, invented or authored by UMN and small business	Solely developed, invented or authored by small business	Solely developed, invented, or authored by UMN employees
Rights to Use IP for Research Purposes During the Project	No rights granted via subaward	Yes	Yes	Yes
Small Business Rights to Use IP for Commercial Purposes	None provided. Negotiate license if needed for commercialization of project IP. *	Both small business and UMN have non-exclusive rights to use the IP for any purpose. Small business may negotiate an exclusive license after the IP is created.	Small business has exclusive rights to use IP it owns. License not required from UMN.	Small business may negotiate exclusive or non-exclusive license after IP is created.

* At the time the proposal is submitted, the Office for Technology Commercialization Venture Center can provide a letter of support describing the University's willingness to license the BIP to the small business.

SMALL BUSINESS TECHNOLOGY TRANSFER (STTR)

	Background IP	Foreground (Project) IP		
		Joint Ownership	Small Business Owned	UMN Owned
IP Ownership	STTR funded project does not change or impact ownership of existing IP	Jointly developed, invented or authored by UMN and small business	Solely developed, invented or authored by small business	Solely developed, invented, or authored by UMN employees
Rights to Use IP for Research Purposes During the Project	Defined in ARA (see below)	Yes	Yes	Yes
Rights to Use IP for Commercial Purposes	Allocation of Rights Agreement (ARA) negotiated before start of project. ARA defines: <ul style="list-style-type: none"> List of BIP owned by small business and the University Small business' rights to project BIP and project IP during the project Option terms for small business to negotiate an exclusive or non-exclusive royalty bearing license to project IP and BIP University will provide a template Allocation of Rights Agreement (ARA)			

Learn more at the Office for Technology Commercialization Venture Center: z.umn.edu/venturecenter