

**1. Do the sponsors pay the IP Fee upfront, like other IP Fees, in the work-for-hire agreement?**

*No, they do not. Once the IP is disclosed after the class ends, the sponsor has a limited time under the agreement to elect the IP. If and only if the sponsor elects the IP, the sponsor will then pay the IP fee.*

**2. In a work-for-hire agreement, if the sponsor does not want the Project IP, who owns the IP?**

*In a work-for-hire, the students preassign their Project IP right to Purdue University, so Purdue can later transfer these rights to the Sponsor upon payment of the IP Fee. If the Sponsor declines the Project IP or does not pay the IP Fee, the rights will revert from Purdue University to the student inventors through cancellation of the preassignment. The PI should contact an Industrial Contract Analyst to approve the cancellation.*

**3. When must the IP fee be paid by the sponsor?**

*For fall courses, the sponsor must elect the IP and pay the fee by the last day of February following the conclusion of the course. For spring courses, by the last day of June following the conclusion of the course.*

**4. Are a sponsor's in-kind contributions eligible for funding the work-for-hire arrangement?**

*Yes, a sponsor may provide or supplement the funding with in-kind equipment, materials, etc. as long as the lead faculty member for the course approves and the in-kind contribution supports the class project. In-kind contributions cannot substitute for the IP fee.*

**5. If a student drops the class or earns a non-passing grade, will the student still share in the IP fee?**

*This determination should be made by the discretion of the faculty, dependent upon the student's level and quality of participation.*

**6. Will the University use the IP fee to offset debt that the student owes?**

*No, the student's share of the IP fee will be paid directly to the student as long as the student is in good standing in the class.*

**7. If the faculty member elects to have the student project managed by a project manager or a lab director, can the manager/director share in the IP fee?**

*The fees are intended for individuals who contribute intellectually to the development of the intellectual property. If the lab director or project manager contributes in this way, they would*

*share the faculty member's share. In addition, faculty members should manage the class to ensure that non-paid or non-university personnel are not potential co-inventors.*

**8. Can multiple sponsors fund a student class project in a single course?**

*Yes, though if the sponsors desired IP rights, the rights would be joint among the sponsors, unless the sponsors can be clearly matched with separate student teams.*

**9. When there are multiple teams in a class with one sponsor, how is the IP Fee handled?**

*The goal of the approach is to encourage academic collaboration over competition. For that reason, no matter which team produces the IP, the IP fee will be shared by all the teams being sponsored by the one sponsor. The IP Fee will be charged at a rate of \$5,000 per team, up to a maximum of \$20,000. So, if Sponsor Company ABC sponsors 6 teams in a course, and the Sponsor elects one (or any number) of disclosed IP from the class, the Sponsor pays \$20,000. The IP Fee is split among all of the team members, no matter if only one of the teams generated the IP.*

**10. Who signs the confidentiality agreement to ensure the students comply?**

*The lead faculty in charge of the course signs an acknowledgment to the confidentiality terms contained in the agreement. There is also an exhibit to the agreement that addresses confidentiality between sponsors and students that will be used when the sponsor desires confidentiality from the students.*

**11. When a work-for-hire is funded by a sponsor, do the funds for the class project still go to the discretionary account?**

*Yes, after the funds are collected by SPS PostAward they will be deposited in an industrial contract support account administered by SPS and tracked for this specific class project.*

**12. If the student is also the employee of the sponsor of the class, does the IP generated in the class belong to the student or the employer?**

*The student, because the student is participating in the class for credit. This is why the agreement between Purdue University and the sponsor is important, as it requires the student to assign the IP to Purdue. A student who is also employed by the sponsor should be sure the employer understands that when working on the project at the Purdue, any IP would inure to Purdue and not to the employer.*

**13. If the students create a prototype with materials supplied by the department or donated by the sponsor, and there is no work-for-hire agreement in place, who owns the prototype at the end of the class?**

*Under the Intellectual Property Policy I.A.1, the prototype is a type of Intellectual Property known as Tangible Research Property that is owned by the students who created it because the class*

*was taken for credit and the materials were supplied course-wide, and there was no work-for-hire agreement in place for the student class project. The source of materials is not pertinent to the question of the ownership of the Intellectual Property. Neither the faculty member nor the sponsor should request a return of the materials, and it is suggested that if the students are to be charged for the materials, such should be done prior to the start of the course. It is also recommended that the students be required to sign a release and waiver of liability arising from the prototype. The PI should request an Industrial Contract Analyst to prepare the student prototype release. The sponsor could negotiate directly with the students to purchase the prototype from them, at a value to be determined by the sponsor and the students.*

**14. Are there IP rights in the end-of-the-class report and/or works of authorship?**

*Yes. If the sponsor desires a copy of the report or the work of authorship, the agreement is necessary. You should be aware that by presenting a report to a sponsor in a situation where there is no agreement, the IP would belong to the student and if disclosed in a report, could have unintended consequences.*