**SRC Guidance to Faculty Considering Applying for SRC Funding**

SRC is a technology research consortium. The companies that support SRC (Members) can be found at: <https://www.src.org/src/member/roster/>. SRC issues competitive RFPs several times a year, which usually start with a request for white papers. Requests for full proposals are issued after SRC reviews the white papers

Recently SRC has adopted new terms in its contracts that all faculty who are considering applying for SRC funding should be aware of, especially if they or their post-docs/students have entrepreneurial interests. Please consider these terms as you contemplate submitting proposals for funding. Please note that this is just a summary of some of the contract terms that may be of particular interest to you; it is not intended to be a comprehensive review of the entire contract.

**LICENSING OF BACKGROUND IP**. The primary concern for PIs applying for SRC funding involves the disclosure of any/all of their Background IP that would be either used in the research or be necessary to practice any of the project’s results, processes, ideas, procedures, system, methods, operations, principles, designs, concepts, techniques, software, discovery, improvement or inventions. Failure to identify the Background IP prior to the start of the contract results in a non-exclusive, royalty-free license to the Background IP to SRC and its Members, who have the right to sublicense to end users, OEMs, customers and suppliers. This Background IP would include any invention disclosures (and subsequent patent filings) disclosed to the Technology Licensing Office as well as any software required for the project, whether or not it has been disclosed to the TLO.

MIT is also required to identify additional Background IP that may become necessary during the period of SRC funding. This is not a standard procedure for MIT; therefore, it will be incumbent upon the PI to identify any new Background IP (developed outside of SRC funding) to the TLO. This new IP must be provided to SRC and its Members for a fee of $10,000.00. If it is not properly identified, SRC receives a free non-exclusive license.

Note that this licensing (if MIT is legally able to do so) is **NOT** limited to MIT’s common practice of giving rights in Background IP that are needed in order to use the patentable IP arising from the project. It is broader and includes any know how associated with any patent applications; any mask works, including semiconductor masks, layouts or topology; or industrial designs.

Furthermore, the obligation to identify and license Background IP (BIP) on a royalty-free basis applies, where legally able, to inventions you make before *and during* the Contract – for example, inventions you make under *other* grants or research agreements, if you happen to make those inventions before you create or disclose an invention under the SRC Contract

This broad grant of rightslessens the value of the particular Background IP as an asset in any start-up company since investors generally insist on exclusive rights to such IP.  *The TLO will have to consider, in discussions with PIs, the relative merits and costs of continuing patent prosecution for such BIP.*

Therefore, we strongly encourage faculty to submit proposals to SRC that do not require any of their Background IP.

**LICENSING OF FOREGROUND IP.** SRC is automatically granted an irrevocable, fully paid-up, royalty-free worldwide, non-exclusive, license with the right to sublicense to Members and Member’s end users, OEMs, customers and suppliers to any inventions or software developed under SRC funding. Providing these licenses to so many individual companies reduces the ability to license any invention to a start-up company or even a large company that is not part of SRC that would have commercialization interest if it may have exclusive commercialization rights. *The TLO will have to consider, in discussions with PIs, the relative merits of filing patent protection for an SRC-funded invention.*

**PUBLICATION**. Regarding publication restrictions, you must provide a copy of ANY “publication or form of dissemination” (i.e. poster, powerpoint, etc.) to SRC **AT LEAST 60** days prior to publication/dissemination. If necessary to remove SRC or Member confidential information, or to file a patent application, publication/dissemination can be delayed for another 30 days.

Also regarding publication, SRC retains a right to use any work of authorship for any purpose. Therefore, if you need to transfer ownership of copyright to a journal, you will need to retain a non-exclusive right for SRC to use for any/all purposes outlined in the SRA.

**REPORTING**. The SRC reporting terms are burdensome for faculty. The PI must report quarterly, within 6 weeks after the end of a quarter, and submit a yearly Executive Summary. In addition to these standard quarterly reporting elements (research results, future work, accomplishments compared to proposed goals), the faculty must also provide, in a timely manner, the following, via the SRC website ([www.src.org](http://www.src.org)) :

* Information regarding any new software, including new versions of software
* Information regarding any inventions (includes ideas, processes, procedures, systems, methods of operation, principles, designs, concepts, techniques, software, discoveries or improvements)
* Research highlights, workshop and annual review presentations
* Technical highlights and non-technical news
* Dates, locations and logistic arrangements for workshops, reviews, inter-center meetings, advisory group meetings, visits to sponsors
* Also must report names and contact information of any related advisory board members
* Within 30 days of Effective Date, a list of all researchers working on a project (other than students), including institution, contact information and research themes. Must be updated annually.
* Must report all new or graduated students engaged in the project, using the SRC website. Updated annually and when any SRC student is terminated from the project.
* At request of SRC, submit a student report with student status at the beginning, annually, and at the end of the project.
* You must notify SRC if you become aware other research within MIT that is related to your research project or involves similar technology that may negatively impact your ability to conduct the research or meet your obligations under the research.

Please reach out to Laureen Horton at RAS and the TLO if you have any questions or would like to discuss the specific items mentioned above, prior to submitting a proposal.

**Acknowledgement of PI:**

I hereby confirm that I have read and understand the summary of terms above, that they are acceptable to me and that I will act in accordance with them.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name:

Title:

Date: