Guidelines for Faculty and Professional Consulting Agreements

**Policies**

The main University policies and procedures relating to faculty consulting activities include the following:

- ♦ 4-84 – Professional Consultation
- ♦ 6-6 – Inventions, Discoveries, and Patents
- ♦ 6-7 – Copyrightable Material
- ♦ 6-11 – Faculty and Professional Staff Involvement in Commercial Enterprises That Have Relationships with the University of Delaware

All of these policies are available at [http://www.udel.edu/ExecVP/polprod/](http://www.udel.edu/ExecVP/polprod/)

**Responsibility for Private Professional Services**

The University assumes no responsibility for private professional services performed by members of its faculty or staff. **The name of the University is not in any way to be connected with the service rendered or the results obtained.** The faculty member must make it clear that his or her consulting work is a personal matter. He or she must not use the official stationery of the University nor stationery having a University address or a University telephone number.

A faculty or staff member shall not accept or retain employment which would bring him or her as an expert or in any other capacity, into conflict of commitment or in competition with the interests and purposes of the University.

**Use of University Facilities and Resources**

The use of University Facilities and Resources is addressed in Section 4: Personnel Policies for Faculty of the *Faculty Handbook* in the subsection “Academic Freedom and Standards of Conduct: Consulting and Other Outside Employment.”

**Rate of Compensation and Tax Consequences**

The University will not comment on or offer input regarding the rate of compensation or the tax consequences associated with faculty consulting activities.

**Intellectual Property Issues**

- ♦ As a condition of employment by the University, all faculty and staff agree to abide by the University’s Intellectual Property Policies and Procedures and to assign to the University all rights to intellectual property developed (a) with the use of University facilities or resources or (b) in the field of expertise and/or within the scope of responsibilities covered by their employment/appointment/association with the University.
Faculty and staff may, within the scope of a consulting agreement, assign rights to intellectual property developed under consulting agreements to organizations engaging their services where the organization has a legitimate prior claim to the technology being developed. Examples include consulting activity leading to the refinement of an organization’s existing product or process or to a development for which the organization has background patents or prior art claims.

It is inappropriate for faculty or staff consultants to assign Delaware intellectual property to organizations engaging their services.

Consulting agreements should be examined to ensure that the assignment of rights to intellectual property evolving from consulting activities does not conflict with the University’s Intellectual Property Policies and Procedures.

Faculty or staff consultants must avoid entering into consulting agreements that are in violation of the terms of their employment by the University.

By assigning intellectual property rights to organizations engaging their services faculty or staff consultants may: (1) be prohibited from further activities in that field, (2) limit opportunities to profit from commercial applications or their work, (3) limit opportunities to obtain funding from industry; and (4) restrict freedom to publish.

**Terms and Conditions Recommended for Inclusion in Faculty Consulting Agreements**

Consulting agreements should recognize that all faculty and staff members have agreed to abide by the University’s Intellectual Property Policies and Procedures and that Delaware intellectual property cannot be transferred to an entity via a consulting agreement. Consulting agreements should also recognize that a faculty or staff member’s first duty and first responsibility is to Delaware. The University recommends including the following language:

“Entity agrees and understands that Consultant is an employee of The University of Delaware. Consultant’s primary responsibility is to the University. In connection with such employment, Consultant has entered into certain agreements with the University relating to ownership of intellectual property rights, conflicts of interest and other matters, and is subject to certain policy statements of the University. If any provision of this Agreement is hereinafter determined to be in conflict with these policies, then the policies will govern to the extent of such conflict, and the conflicting provisions of this Agreement will not apply. Consultant is not aware of any such conflict.”

Consulting agreements should acknowledge the importance of documenting the nature and scope of the consulting activities and outline a process for preparing a written summary or minutes of the consulting activities. All written information provided by the entity to the consultant should be clearly marked “Confidential” or “Proprietary.” The University recommends including the following language:

“The Entity shall from time to time prepare a written summary or “minutes” of the consulting activities of Consultant. Consultant shall also record all documentation relative to Consulting Services separate from his/her other work, including work for the University. The parties shall have the right to periodically compare said
Consider including language such that the consultant has the right to refuse to accept entity confidential information. The University recommends including the following language: “Prior to disclosure of Confidential Information hereunder, Entity shall make a non-enabling summary disclosure to Consultant so that Consultant may determine whether to accept disclosure. Said summary shall be sufficient to enable Consultant to determine whether the disclosure involves technology or information already under development in Consultant’s University Laboratory, or whether he/she is otherwise bound by confidentiality concerning related information and/or technology.

Entity will take reasonable precautions to clearly mark information disclosed hereunder as “confidential” or “proprietary.” Entity will provide to Consultant a written summary of the matters discussed or considered during consulting provided hereunder in a timely manner.

The confidentiality restrictions hereunder will not apply where the information was previously known to or developed by Consultant or Consultant’s research group, where the information is part of the public domain, or where the information came into the possession of Consultant through no fault or wrongdoing of Consultant.”

**Terms and Conditions to be Avoided in Faculty Consulting Agreements**

- Avoid accepting “fiduciary” duty or responsibility. Consultants required to accept “fiduciary” responsibility should be covered by insurance protection provided by the entity.

- Consulting activities should be performed in a relatively narrow and well-defined field. Avoid broad definitions such as “Entity Business.”

- Avoid or use caution in accepting exclusive consulting arrangements. Consider the ramifications of agreeing to consult with only one entity in a broad field.

- Carefully consider the term (duration) of the consulting agreement. Is there an exit? Can the faculty member terminate the consulting agreement “without cause”?

- Carefully review any requirements for representations and warranties, especially with regard to intellectual property issues.