

**INTELLECTUAL PROPERTY PROCEDURES  
North Carolina A&T State University**

**TABLE OF CONTENTS**

	<i>PAGE</i>
<b>SECTION 1. INTRODUCTION -----</b>	<b>2</b>
<b>SECTION 2. INVENTIONS AND DISCOVERIES -----</b>	<b>3</b>
Ownership	
Disclosure	
Consideration for Research Sponsors	
Revenue Sharing	
Inventor Request for Waiver of University Rights	
Responsibilities of NC A&T Personnel	
<b>SECTION 3. COPYRIGHTS -----</b>	<b>8</b>
Definitions of Copyrightable Material	
Ownership	
Student Works	
Licensing	
Copyright Registration Notice	
Distribution of Income	
Internal Publications	
<b>SECTION 4. OTHER INTELLECTUAL PROPERTY -----</b>	<b>12</b>
Trade and Service Marks	
Proprietary Information	
Tangible Research Property	
<b>SECTION 5. ADMINISTRATION OF INTELLECTUAL PROPERTY -----</b>	<b>13</b>
Organization	
University Intellectual Property Committee	
Office of Technology Transfer	
Technology Marketing	
Technology Licensing	
Publication and Public Use	
<b>APPENDIX</b>	
Terms of Reference	
Summary of Applicable Policies and Procedures	
University Invention Reporting and Assignment Agreement	
Invention Disclosure Form and Questionnaire	
Software Disclosure Form and Questionnaire	
New Technologies Inventory	

**SECTION I. INTRODUCTION**

These procedures are developed to implement "The University of North Carolina Patent and Copyright Policies dated 1984 and revised 1990 and apply to all employees and students of North Carolina A&T State University, both full and part time, and visitors. In this context, intellectual property includes inventions and discoveries, copyrights, trade and service marks, proprietary information, and tangible research property. Each of these is addressed in separate sections that provide definitions of terms, describe the roles and responsibilities of University personnel, and outline the procedures for various administrative actions for intellectual property dispositions.

The aim of the intellectual property procedures is to promote the progress of science and the useful arts by utilizing the benefits of the patent system consistent with the purposes for which it was established by Article I, Section 8, of the Constitution of the United States as follows:

The Congress shall have the power...To promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.

As defined by the University System Policies, North Carolina A&T State University has an interest in all inventions or discoveries of University faculty, staff and students that are conceived or first actually reduced to practice as a part of or as a result of University research or activities within the scope of the inventor's employment by the University, or that involve the use of University time, facilities, staff, materials or funds administered by the University. Faculty, staff, and students, whose inventions are made on their own time and without the use of University facilities, materials, or resources and which inventions are, therefore, their exclusive property as specified by the Patents and Copyrights Policies, may avail themselves of the opportunity to submit the invention to the University for possible patenting and/or commercialization and management under terms to be agreed between the inventor and the University.

The provisions of the Intellectual Property Procedures are subject to any applicable laws, regulations or specific provisions of the grants or contracts which govern the rights in inventions made in connection with sponsored research. Under the terms of certain agreements between the University and various agencies of government, private and public corporations and private interests, the University may be required to assign or license all patent rights to the sponsor. The University retains the right to enter into such agreements whenever such action is considered to be in its best interest as well as in the best interest of the public. Ordinarily, the University will not agree to assign rights in future inventions to private corporations or businesses.

## **SECTION 2. INVENTIONS AND DISCOVERIES**

## **PATENT OWNERSHIP**

The Patent and Copyright Policies of the University of North Carolina, as amended from time to time, shall be deemed to be a condition of employment and/or enrollment at North Carolina A&T State University. With the exception of “Inventions Made On Own Time”, every invention or discovery that results from research or other conditions covered by these Policies shall be the property of North Carolina A&T State University.

In the event there is a question as to whether the University has an ownership claim to an invention, the invention should be disclosed according to the procedures. Such disclosure is without prejudice to the inventor's ownership claim. In determining ownership interest in an invention, the designated official may determine that the University has no property interest in an invention because its conception and reduction to practice was unrelated to the inventor's duties as a University employee, involved only insignificant use of University resources (such as office space or libraries normally available to all faculty and staff), or other such reasons as may be set forth in the procedures. The inventor will receive a written statement confirming the University's property interest.

All faculty, staff, and students, and visitors engaged in University related or sponsored research shall sign a North Carolina A&T State University Patent Agreement (Appendix). Students who are pursuing only non-research related studies shall not be obligated to sign a NC A&T Patent Agreement. However, if the student should make an invention which is, or may be, subject to University ownership in accordance with the Patent and Copyright Policies, the student shall disclose the invention to the University as provided under these Procedures, and the University, together with the student, shall determine an equitable resolution of ownership rights.

## **DISCLOSURE**

Federal agencies fund a significant amount of research at NC A&T, and the University is obligated by federal regulations to report promptly to the appropriate sponsor any inventions conceived or reduced to practice during the course of a government-sponsored research program. The University similarly is obligated to report inventions to industrial sponsors who provide financial support for research.

In order to preserve rights in unpatented inventions, it shall be the duty of the inventor, or of the supervisor if the inventor is not available, to report to the Office of the Vice Chancellor for Research any publication, submission of manuscript for publication, sale, public use, or plans for sale or public use, of an invention, if a disclosure has previously been filed. If an invention is disclosed to any person who is not employed by the University or not working in cooperation with the University upon that invention, a record shall be kept of the date and extent of the disclosure, the name and address of the person to whom the disclosure was made, and the purpose of the disclosure. After disclosure to the Intellectual Property Committee, the inventor shall promptly notify the Office of the Vice Chancellor for Research of the acceptance for publication of any manuscript describing the invention or any sale or public use made or planned by the inventor.

It shall be the responsibility of the faculty or staff member first to discuss their discovery with the Department Head, at which time the possibility of exploring patenting should be considered. Students should first discuss an invention with their instructor, who shall assist them in further discussion with the University. Detailed procedures for the disclosure and evaluation of inventions are discussed in Section 5 of these procedures.

In those cases in which the University has obtained a patent without obligation to sponsors, if no arrangement has been made for commercial development within a reasonable period from the date of the issuance of the patent, the inventor(s) may request in writing a release of the University's patent rights. The Intellectual Property Committee will promptly either grant the request or will advise the inventor of the University's plans for the development of the invention.

As to any invention in which the Committee has determined that the University has an interest, the inventor, upon request, shall execute promptly all contracts, assignments, waivers or other legal documents necessary to vest in the University or its assignees any or all rights to the invention, including complete assignment of any patent or patent applications relating to the inventor. University personnel may neither (a) sign patent agreements with outside persons or organizations which may obligate the University's rights and interests as stated in the Patent Policy or as provided in any grant or contract funding the invention, nor (b) without prior authorization use the name of the University or any of its units in connection with any invention in which the University has an interest.

#### **CONSIDERATION FOR RESEARCH SPONSORS**

Research agreements with private sponsors shall provide that all inventions which are conceived or reduced to practice by University employees as a part of the sponsored research shall belong to the University. The sponsor may receive an option to license such

inventions on terms to be negotiated, said option to be exercised within a specified period following the disclosure of an invention or the filing of a patent application. When the nature of the proposed research allows identification of a specific area of technology or application which is of interest to the sponsor, the University may accept research agreements with terms and conditions which entitle the sponsor to specific commercial rights within the defined field of interest. Otherwise, the specific terms of licenses and rights to commercial development shall be based on negotiation between the sponsor and the University at the time of exercise of an option by the sponsor and shall depend on the nature of the invention and its application, the relative contributions of the University and the sponsor to the work, and the conditions deemed most likely to advance the commercial development and acceptance of the invention. In all cases where exclusive licensing is deemed appropriate, such licensing agreements shall require diligent commercial development of the invention by the licensee.

## Revenue Sharing

The University shall share revenue which it receives from patents or inventions with the inventors. As noted in earlier sections, specific provisions of grants or contracts may govern rights and revenue distribution regarding inventions made in connection with sponsored research; consequently, revenues the University receives from such inventions may be exclusive of payments of royalty shares to sponsors or contractors. Moreover, the University expects to contract with outside persons or organizations for the obtaining, managing and defending of patents, and any royalty shares of expenses contractually committed to such persons or organizations may be deducted before revenues accrue to the University.

The revenues (net, if applicable per the preceding paragraph) which the University receives from a patent or invention will be applied first to reimburse the University for any incremental expenses incurred by it in obtaining and maintaining patents and/or in marketing, licensing and defending patents or licensable inventions. **After provision for such expenses, the inventor's share of such revenues shall be as follows: 50% of the first \$500,000 of the net revenue and 35% of net revenue thereafter.** In the case of co-inventors, each such percentage share shall be subdivided equally among them, unless the University in its sole discretion determine a different share to be appropriate. Applicable laws, regulations or provisions of grants or contracts may, however, require that a lesser share be paid to the inventor. In no event shall the share payable to the inventor or inventors in the aggregate by the University be less than 15% of net royalties received by the University.

The Division of Research shall receive 25% of the net royalty to provide operating funds to cover the cost of service provided to the University with regard to intellectual property matters. To the extent practicable, and consistent with State and University budget policies, the remaining revenue received by the University on account of an invention will be reinvested for research purposes, including research in the inventor's department or center, if approved by the Chancellor upon recommendation of the Vice Chancellor for Research.

### **Inventor Request for Waiver of University Rights**

If the inventor believes that the invention was made outside the general scope of his or her University duties and does not choose to assign the rights in the invention to the University, he or she shall, in the invention disclosure, request that the Intellectual Property Committee determine the respective rights of the University and the inventor in the invention and shall include information on the following points:

- (a) The circumstances under which the invention was made and developed;
- (b) The employee's official duties at the time of the making of the invention;
- (c) Whether he or she requests waiver or release of any University claims or acknowledgment that the University has no claim;
- (d) Whether he or she wishes a patent application to be prosecuted by the University, if it should be determined that an assignment of the invention to the University is not required under the Patent and Copyright Policies; and
- (e) The extent to which he or she would be willing voluntarily to assign domestic and foreign rights in the invention to the University if it should be determined that an assignment of the invention to the University is not required under the Patent and Copyright Policies.

### **RESPONSIBILITIES OF NORTH CAROLINA A&T PERSONNEL**

Employees engaged in external consulting work or business are responsible for ensuring that agreements emanating from such work are not in conflict with University policy or with the University's contractual commitments. Such employees should make their University obligations known to others with whom they make such agreements and should provide other parties to such agreements with a statement of University policies on patents and copyrights.

All members of the NC A&T community -- including visiting scientists and fellows -- who participate in either sponsored research or University-funded research or who use significant funds or facilities administered by the University must agree to the terms of NC A&T's Patent Agreement and sign the agreement. By accepting such funds or using such significant facilities, the individual agrees to assign to NC A&T his or her title to intellectual property created through the use of such funds or facilities.

It is the responsibility of each laboratory administrator or department head to distribute these forms and to collect signed copies. The forms should be signed in triplicate: one copy to be retained by the individual, one by the laboratory, center, or department, and one forwarded to the Vice Chancellor for Research.

### **SECTION 3. COPYRIGHTS**

The policy of the University with regard to copyrightable works is intended to foster the traditional freedoms of the University faculty, staff, and students in matters of publication, through a fair and reasonable balance of the equities among authors, sponsors, and the University. At the same time, it is intended to ensure that copyrightable materials in which the University has a legitimate interest are utilized in a manner consistent with the public interest.

#### **DEFINITIONS OF COPYRIGHTABLE MATERIAL**

It is expected that laws and judicial interpretations of laws governing protection of intellectual property will change from time to time, particularly as they apply to new and rapidly changing technologies such as computer software. New paradigms may require new approaches. As such, these procedures differentiate between traditional intellectual property, such as books, incorporated under *Traditional Works*, and newer forms, such as computer software, incorporated under *Encoded Works*.

*Traditional Works:* Copyrightable Traditional Works such as books, manuscripts, artistic

works, movies, and television programs historically have been the property of the author. It is not the intent of these procedures to change significantly the relationship between the author and the University that has existed through the years.

*Encoded Works:* Encoded Works include software and other technologies used to support the electronic capture, storage, retrieval, transformation and presentation of digital data and information or to interface between digital forms and other communications and information media. The University will exercise its equitable ownership interest in Encoded Works under the circumstances identified below.

## **OWNERSHIP**

Ownership in copyrightable works produced by University authors shall remain with the authors except in the following situations where such rights of ownership, as it may require, shall vest with the University:

- a. *Subordination to Other Agreements:* Copyright ownership of all material that is developed in the course of or pursuant to a sponsored research or other agreement to which the University is a party shall be determined in accordance with the terms of the sponsored research or other agreement. In the absence of terms specifically assigning ownership, the copyright shall become the property of the University only if the terms of such agreement directly or indirectly create University obligations as to intellectual property developed thereunder or if ownership is conferred upon the University by operation of another provision of these procedures.
- b. *Work for Hire:* The copyright of material that is created by employees, other than instructional faculty, within the scope of University employment or by instructional faculty pursuant to a specific direction or assigned duty (other than the teaching of courses) from the University or any of its units shall be the property of the University.
- c. *Use of University resources (Regarding Encoded Works Only):* Copyright ownership of Encoded Works which are developed with the “substantial use” of University resources, funds, space, or facilities shall reside in the University. For purposes of these procedures, University resources include grants, contracts or awards made to the University by extramural sponsors. The use of University resources is “Substantial” when it entails the use of University resources not ordinarily used by, or available to, all or virtually all members of the faculty. As the concept of Substantial Use evolves with changes in the customary working environment, the term may be refined by the University from time to time and such definition shall be incorporated into these procedures.

## **STUDENT WORKS**

The University makes no claim to copyright ownership of works created by students working on their own, i.e. not within the scope of an employment relationship with the University or with one of its employees, and not making Substantial Use of University resources. Students working on a project governed by an agreement to which the University is a party shall be bound by the terms of that agreement.

Students who are hired to perform specific tasks that contribute to a copyrightable work will ordinarily have no rights to ownership of that work, regardless of the source of funds from which they are paid. In such cases, the party who owns the copyright of the rest of the work will ordinarily retain copyright ownership of the portion contributed by the student.

Unless subject to other provisions, copyrightable works prepared by students as part of the requirements for a University degree program are deemed to be the property of the student and are subject to the following provisions:

- a. The original records of an investigation for a graduate thesis or dissertation are the property of the University but may be retained by the student at the discretion of the student's major department.
- b. The University shall have, as a condition of the degree award, the royalty-free right to retain and use a limited number of copies of the thesis or dissertation, together with the right to require its publication for archival use.

## **LICENSING**

Copyrightable works developed by University faculty, staff, or students using University resources usually and customarily provided (such as office space, library facilities, or regular salary) are owned by the authors. Such works need not be licensed to the University. Copyrightable works developed with use of University resources over and above those usually and customarily provided shall be owned by the authors but licensed to the University. The minimum terms of such license shall grant the University the right to use the copyrightable work in its internally administered programs of teaching, research, and public service on a royalty-free, nonexclusive basis. All expenses incidental to such licensed use shall be borne by the University.

## **COPYRIGHT REGISTRATION AND NOTICE**

In general, all university-owned works should be protected by copyright notice. Such copyright notice should be composed and affixed in accordance with United States Copyright Law.

The responsibility for determining the need for copyright registration of a University-owned work shall rest with the department head or supervisor where the work was prepared. Such recommendation shall be forwarded through the dean or equivalent officer to the Office of Technology Transfer and Commercialization.

### **DISTRIBUTION OF INCOME**

Except in the case of Works for Hire, royalty income received by the University through the sale, licensing, leasing or use of copyrightable material which the University owns pursuant to any section of these procedures shall be distributed in accordance with the royalty distribution provisions of the University's Intellectual Property Procedures, as amended from time to time.

### **INTERNAL PUBLICATIONS**

An institute, center, or other unit of the University that is itself a publisher and that engages faculty members and other employees to write for publication by that unit as a part of their professional duty or produce other copyrightable materials, such as audiovisual materials or computer software, may adopt rules providing that copyright in materials prepared by such faculty members and other employees in the course of their professional work for that unit vests in the unit and not in the author. These rules are subject to the recommendation of the Intellectual Property Committee and approval of the Vice Chancellor for Research

### **VIDEOTAPING AND RELATED CLASSROOM TECHNOLOGY**

Courses taught and courseware developed at North Carolina A&T State University belong to the University. Any courses which are videotaped or recorded using any other media are University property and may not be further distributed without permission from the cognizant academic dean and Vice Chancellor for Academic Affairs. Blanket permission is provided for evanescent video or other copies for the use of students, or for other University purposes. Prior to videotaping, permission should be obtained from

anyone who will appear in the final program. The release form in the Appendix shall be used to obtain this permission. All videotaped courses shall carry an appropriate copyright notice.

#### **CONTRACTUAL OBLIGATIONS OF THE UNIVERSITY**

These Copyright Procedures shall not be interpreted to limit the University's ability to meet its obligations for deliverables under any contract, grant, or other arrangement with third parties, including sponsored research agreements, license agreements and the like.

#### **USE OF THE UNIVERSITY NAME IN COPYRIGHT NOTICES**

The following notice should be placed on University-owned materials in order to protect the copyright:

**Copyright (year) The Board of Trustees of North Carolina Agricultural & Technical State University. All Rights Reserved.**

No other institutional or departmental name is to be used in the copyright notice, although the name and address of the department to which readers can direct inquiries may be listed below the copyright notice. The date in the notice should be the year in which the work was created, with separate dates included for years in which any changes are made to the work.

Additionally, works may be registered with the United States Copyright Office using its official forms. Forms may be obtained from the Office of Technology Transfer and Commercialization to which questions concerning copyright notices and registration also may be addressed.

### **SECTION 4. OTHER INTELLECTUAL PROPERTY**

#### **TRADE AND SERVICE MARKS**

Trademarks and service marks (collectively "trademarks") include any word, name, symbol, sounds or device used by a person or entity in commerce to distinguish its goods/services from those of others and to identify the source of those goods/services. Trademarks used for goods or services distributed by the University shall be owned by the University. Examples include, but are not limited to, names and symbols used in

conjunction with computer programs or University activities and events. The ownership of a trademark is determined by the identity of the entity that uses the trademark. It follows that the fact that a member of the faculty, staff or student creates a trademark used by the University does not confer any ownership rights in the faculty member, staff or student. Consult the Office of Technology Transfer and Commercialization for information about registration, protection, and use of marks.

## **PROPRIETARY INFORMATION**

Proprietary information arising out of University work (e.g. actual and proposed terms of research agreements, financial arrangements, or confidential business information) shall be owned by the University. Trade Secret is a legal term referring to any information, whether or not copyrightable or patentable, which is not generally known or accessible, and which gives competitive advantage to its owner. *Trade secrets* are proprietary information.

## **TANGIBLE RESEARCH PROPERTY**

The University encourages the prompt and open exchange, for others' scholarly use, of software, firmware and biological material resulting from research. However, applicable policies and regulations must be followed in the transfer of tangible research property. The Office of Technology Transfer should be consulted on these issues.

# **SECTION 5. ADMINISTRATION OF INTELLECTUAL PROPERTY**

## **ORGANIZATION**

The Division of Research is responsible for the administration of intellectual property matters at the University. The Chancellor appoints members to the Intellectual Property Committee that is empowered to recommend and implement policies and procedures. The Vice Chancellor for Research chairs this committee and is the intellectual property administrator. The Office of Sponsored Programs negotiates the patent and copyright terms for each research agreement with federal and industrial sponsors, subject to the approval of any non-standard license terms by Legal Affairs. The Office of Technology Transfer and Commercialization markets and licenses the resulting intellectual property.

North Carolina A&T recognizes that the evaluation of inventions and discoveries and the administration, development and processing of patents and licensable inventions

involves substantial time and expense and requires talents and expertise not ordinarily found among its faculty and staff. Therefore, it established within the Division of Research an Office of Technology Transfer and Commercialization with a Director to provide assistance. The University may contract with outside agents for certain services. It may enter into a contract or contracts with an outside organization covering specific inventions or discoveries believed to be patentable and patents developed therefrom or covering all such inventions, discoveries and patents in which the University has an interest. The University may manage an invention using its own resources. The Chancellor, or designee, is authorized to negotiate with reputable agencies or firms to secure arrangements for patent management, including competent evaluation of invention disclosures, expeditious filing of applications on patents, and licensing and administration of patents.

#### **UNIVERSITY INTELLECTUAL PROPERTY COMMITTEE**

The Chancellor shall appoint an Intellectual Property Committee (IPC) consisting of no fewer than three members. The Vice Chancellor for Research shall serve as Chairman of the Committee. The Committee shall be responsible for the following:

- a. Review and recommend to the Chancellor or his delegate changes to these Procedures.
- b. Decide upon appropriate disposition of intellectual property disclosures.
- c. Resolve questions of intellectual property ownership.
- d. Recommend to the Vice Chancellor for Research the expenditure of invention royalties.
- e. Make such recommendations as are deemed appropriate to encourage disclosure and assure prompt and effective handling, evaluation, and prosecution of invention opportunities and to protect the interests of the University and the public.

#### **Invention Disclosure Coordinator**

The Invention Disclosure Coordinator shall be appointed by the Vice Chancellor for Research and shall have the following duties:

- Receive all Invention Disclosure Forms (IDF) from employees.
- Assign a Tracking Number to each Invention Disclosure Form record.

- Send copies of each IDF to IPC members to arrive one week prior to each IPC meeting.
- Take minutes at each IPC meeting.
- Report the action taken on each IDF to department heads, inventors, and other designated parties as appropriate.
- Interface with the Director of the Office of Technology Transfer and Commercialization as needed to update invention disclosure records.

## **THE OFFICE OF TECHNOLOGY TRANSFER AND COMMERCIALIZATION**

The Vice Chancellor for Research serves as the administrator for the intellectual property program and will develop and implement, in consultation with the Committee, a technology transfer and commercialization program, revised from time to time as necessary, to carry out *Evaluation* (Intellectual property within the scope of the Policies will be evaluated in order to determine whether there is sufficient promise to justify marketing and/or patenting), *Protection* (Patent protection will be sought for inventions determined to be sufficiently promising to justify the effort and expense.), and *Marketing* (The Program for the sale or licensing of inventions and/or discoveries will be implemented so as to provide maximum return for the University and the inventors.)

The Office of Technology Transfer and Commercialization is the operational vehicle for the technology transfer and commercialization function. The Division of Research will assist in the identification of industrial sponsors for research and in the negotiation of research agreements, in consultation with Legal Affairs, related to inventions.

## **TECHNOLOGY MARKETING**

If the Office of Technology Transfer and Commercialization and the inventor conclude that the invention is promising enough to invest additional time and money, efforts will be made to determine possible commercial interest in the invention. Companies to contact are identified through the inventor's knowledge of the field and the contacts and various databases available to the Technology Transfer Director. Three documents may be prepared by the Technology Transfer Director to assist in the marketing of a new invention --- the Executive Summary, the Technical Package, and the Confidentiality Agreement.

*Executive Summary* - The executive summary is a non-confidential, one-page description of the invention in general terms, excluding enabling information and technical descriptions, and may include results and data. The Office of Technology Transfer and Commercialization drafts the executive summary of the invention and sends it to the inventor to review. The inventor makes any necessary changes, additions, and deletions and returns the document for modification before distribution to a number of targeted potential licensees. The Office of Technology Transfer and Commercialization follows up with each one to determine their level of interest and if additional information is required.

*Technical Presentation* - If a potential licensee requests additional information, the Office of Technology Transfer and Commercialization, with the assistance of the inventor, prepares a technical presentation for the potential licensee. The technical package, usually 5-10 pages in length, is similar to a scientific paper and includes an introduction to the invention, complete description of the invention with pertinent data, and may include results photographs and drawings. The Office of Technology Transfer and Commercialization will send this information to potential licensees only after confidentiality agreements have been executed.

*Confidentiality Agreement* - To protect the inventor's rights, as well as patent rights, disclosure to third parties is made only after the third party has signed a confidentiality agreement. When a potential licensee agrees to receive a disclosure on a confidential basis, the licensee assumes an obligation to refrain from disclosing the information to others or using the information without making some suitable arrangement with the inventor. This obligation may be enforceable even if the subject matter of the disclosure is not patentable. Confidentiality agreements also protect patent rights by specifying that the disclosure to third party is not to be considered a public disclosure of the invention.

At some point during the evaluation of the invention, the decision is made whether to pursue patent protection and, if so, when the application should be filed. The circumstances of each specific invention are unique and the decision point varies. In most cases, before a patent application is prepared, the Office of Technology Transfer and Commercialization will search for potential licensees to determine the level of industrial interest in the technology. In some cases, commercial organizations will be willing to underwrite patent expenses in return for the right to obtain a license.

## **TECHNOLOGY LICENSING**

Once a company has expressed an interest in licensing the patent rights to an invention, the Office of Technology Transfer and Commercialization will negotiate terms for the license. Licenses may be either exclusive (rights granted to one party only) or nonexclusive (more than one company is given rights) and may be limited by geography or other field of use (e.g., veterinary v. human; therapeutic v. diagnostic). The most common university license is exclusive, worldwide, and for all fields of use. The terms the University looks for in licensing arrangements include the following:

(a) *Demonstration of ability to successfully exploit the discovery and commitment of resources to do so.* As an institution of higher education the University's primary mission is the creation and dissemination of knowledge. It follows that the first concern in licensing is the ability and commitment of the licensee to develop the invention and make it commercially available. The potential licensee is asked to provide evidence of their skill in the field and a plan to exploit the various markets for the invention. Progress toward specific milestones will be required for the maintenance of the licensee rights.

(b) *Research support.* In some cases, additional laboratory research and development may be requested by the licensee to support technology transfer. In these cases, the Office of Technology Transfer and Commercialization coordinates proposal preparation with the inventors and negotiates the research contract for the University.

© *Up-front cash payments.* License signing fees, commensurate with the value of the invention, are used to recoup the investment the University has made in the patent application, and thus fuels the technology transfer program and provides an incentive payment to researchers who participate in the technology transfer program.

(d) *Reimbursement of additional costs.* Licensees are asked to underwrite the continued prosecution of U.S. patent applications (generally a modest amount) as well as the cost of foreign filings (which can be substantial over time).

(e) *Milestone payments.* Periodic payments prior to product sales may be negotiated, dependent on the time and complexity of product development.

(f) *Royalty payments based on sales.* Once products are sold, the University receives quarterly payments, usually calculated as a percentage of sales.

## **PUBLICATION AND PUBLIC USE**

The University strongly encourages scholarly publication of the results of faculty and student research. Though the Intellectual Property Procedures do not limit the right to publish, except for periods of time necessary to protect patent rights, publication or public use of an invention constitutes a statutory bar to the granting of a United States patent for the invention unless a patent application is filed within one year of the date of such publication or public use. Publication or public use also can be an immediate bar to patentability in certain foreign countries.

### **Procedure for the Review and Disposition of Invention Disclosures**

The evaluation process of a potential invention is initiated by contacting the Division of Research. Discussion between the inventor and the Division of Research can help determine whether an invention has been made and whether a formal disclosure should be completed. The Division of Research supplies inventors with a formal disclosure form (Appendix) and provides necessary services to assist in preparation of an invention disclosure. The Department Head should transmit the disclosure through the Dean to the Vice Chancellor of Research. The Division of Research will promptly acknowledge its receipt of completed disclosure forms and will distribute such to the Intellectual Property Committee for consideration at its next meeting in accordance with the procedures detailed below.

An invention disclosure is a written record of an invention containing sufficient detail to provide enabling information to a skilled reader and to describe the basic nature of the invention to an inexperienced reader. The essential elements of a disclosure are a complete description of the invention, the inventor's dated signature, and dated signatures of witnesses who fully understand the invention (but who are not joint inventors). Witnesses serve to corroborate the inventor in case of a patent interference; use of more than one person as a witness increases the chance that at least one witness will be available if needed at a later date.

### **Review of Invention Disclosures**

The detailed review procedure for new inventions is illustrated in the Flow Chart shown in the Appendix. The entry point of the Flow Chart assumes that an invention disclosure has been approved by a Department Head as discussed above. The procedure includes the following steps.

- The inventor submits the new ideas to the Office of Technology Transfer using an appropriate disclosure document as provided by the University with copies to his/her department head.
- The IDC reviews the disclosure document for completeness and returns it to the inventors for correction or additional information
- The IDC sends a copy to each IPC member for review prior to the next IPC meeting.
- At the meeting the IPC will:
  1. Review each IDR and, if sufficient information is available in the IDR, make a disposition recommendation.
  2. Review any IDR's that have been returned to it after the ideas were sent back to the inventor for additional information or further development.
  3. Review patents search opinions from Outside Patent Counsel and determine whether protection will be pursued.
  4. Make decisions concerning progressing the marketing or licensing of inventions.
  5. Conduct other such business as may be appropriate.

The IDC will tally the results of each idea review and act on the idea as appropriate. This includes reporting the results of the IPC review to the inventor(s). The Committee of its designated subcommittee will review each written disclosure. Inventions are evaluated for novelty, prima facie patentability, potential market, probable development time course, and cost. Each new idea will be assigned one of the following evaluation codes:

1. Idea has immediate applicability/benefit and should be investigated for patentability by outside patent counsel.
2. Idea has potential benefit but appears to require further development/technical evaluation and will be returned to the inventor.
3. Ideas have potential benefit but the IDF contains insufficient information to enable the IPC to complete its evaluation.
4. Idea should be the subject of a technical publication or Statutory Invention Disclosure as opposed to patent protection.
5. Idea will be released to the inventor and the University will release all rights.

The inventor or his or her representative shall be allowed to examine all written materials submitted to the Committee or its designate subcommittee in connections with his or her disclosure and to make a written and, where practicable, oral presentation to the Committee or its designated subcommittee. The Committee will decide on the proper disposition of the invention as described above to secure the interests of the University, the inventor, the sponsor (if applicable), and the public. Its decision may include, but is not limited to, one or a combination of the following:

- (a) To submit the disclosure for review by a patent or invention management firm outside Intellectual Property Counsel;
- (b) To make inquiries of potential licensees that may have an interest in the invention, including the financing of a patent application, where applicable.
- (c) To study the practicality of applying for a patent with University resources (an option with limited application because of financial constraints);

- (d) In proper cases, to release its rights to the inventor subject to an agreement to protect the interests of the University, the sponsor, if any, and the public, including an obligation to pay to the University a percentage of future royalties; and
- (e) To dedicate the invention to the public. To waive further University interests in the invention.

Normally, within four weeks of the receipt of the disclosure, the inventor will be notified in writing of the decision of the Committee of (1) the equities involved including financial participation, (2) whether the University plans to file a patent application, or (3) whether the University will accept assignment of the invention for patenting, licensing and/or commercial handling as applicable. If the University chooses neither to file a patent application or otherwise make available commercially nor to dedicate to the public and invention in which it assert its rights, the invention at the Committee's discretion may be released in writing to the inventor, with the permission of the sponsor, if applicable. If the University decides to abandon the patent after it has filed a patent application, the inventor will be promptly notified in writing, and all rights at the committee's discretion may be released by written agreement to the inventor, with the permission of the sponsor, if applicable.

In order to preserve rights in unpatented inventions, it shall be the duty of the inventor, or of the supervisor if the inventor is not available, to report to the Office of The Vice Chancellor for Research any publication, submission of manuscript for publication, sale, public use, or plans for sale or public use, of an invention, if a disclosure has previously been filed. If an invention is disclosed to any person who is not employed by the University or not working in cooperation with the University upon that invention, a record shall be kept of the date and extent of the disclosure, the name and address of the person to whom the disclosure was made, and the purpose of the disclosure. After disclosure to the Intellectual Property Committee, the inventor shall promptly notify the Office of The Vice Chancellor for Research of the acceptance for publication of any manuscript describing the invention or of any sale or public use made or planned by the inventor.

## **APPENDIX**

**TERMS OF REFERENCE**

**SUMMARY OF APPLICABLE POLICIES AND PROCEDURES**

**UNIVERSITY INVENTION REPORTING AND ASSIGNMENT AGREEMENT**

**INVENTION DISCLOSURE FORM AND QUESTIONNAIRE**

**SOFTWARE DISCLOSURE FORM AND QUESTIONNAIRE**

**NEW TECHNOLOGY DISCLOSURE**