I. SCOPE

This policy establishes the rights and responsibilities of all faculty, staff, and students \(^1\) under the circumstances specifically provided herein who discover or invent a device, product, or method, while associated with the University, whether or not University time or facilities are used. This policy also applies to all pending invention disclosures and/or patent applications and/or patents not yet licensed or transferred as of July 1, 2005.

II. POLICY

When an invention is made, the inventor must promptly submit an Invention Disclosure Statement to the Office of Technology Management.

Title to Patents

The University claims ownership and control of the worldwide patent and intellectual property rights which result from activities of its faculty, staff, and students. University “faculty and staff” includes all persons who hold any official faculty or staff relationship to the University, with the exception of those persons who render their services to the University on a gratuitous basis. This exception does not include faculty who are members of professional corporations affiliated with the University, even though the faculty may receive all or part of their compensation from the professional corporation. The inventor will normally receive thirty percent and the University seventy percent of the net financial returns from the licensing or other transfer of patent rights or other intellectual property rights.

If, however, the inventor or another institution believes that the circumstances surrounding the invention, including such factors as support provided by other than the University, place where discovery was made, or lack of relevance to the regular work of the member of the faculty or staff, warrant another distribution, the inventor or the institution may request the Office of Technology Management, in consultation with the Technology Transfer Committee,\(^2\) to review the circumstances. After review, and upon consultation with the Office of General Counsel and the Senior Vice Chancellors, the Office of Technology Management will make recommendations to the Chancellor on the distribution of proceeds.

The University, as determined by the Technology Transfer Committee and the Office of Technology Management, may choose to waive all rights to file a patent on a particular invention or to pursue licensing of such invention, electing instead to grant the inventor permission to proceed on his or her own in whatever manner the inventor deems appropriate. If an inventor subsequently licenses or commercializes an invention for which the University has waived its rights the University shall receive 5% of the net proceeds received by the inventor above $25,000 from all sources for the life of the license or commercialization arrangement. Half of any such proceeds shall be designated to a University Development Fund; and half to the inventor’s department for use in research at the University.

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\(^1\) Students are exempt from this policy for cases in which University facilities are not used and where the invention or discovery is not made in the course of the students studies at the University.

\(^2\) The Technology Transfer Committee is comprised primarily of University faculty whose charge is to evaluate invention disclosures. The broad representation of academic units on the Committee affords the means to effectively and efficiently evaluate research projects that come to the fore.
Patent Rights and Technology Transfer

discretion of the inventor with the approval of the department chair, for so long as the inventor remains a member of the University faculty. If the inventor leaves the University, this portion will revert to a University Development Fund (the inventor's former department may subsequently choose to apply for the use of these funds).

Patent rights resulting from any activities conducted by a student, including the preparation of a thesis or dissertation, which made use of University resources, are subject to the provisions regarding title to patents.

Patent rights resulting from government-sponsored research grants, contracts, fellowships, or other such arrangement, are controlled by the terms of those agreements, but as between the University and faculty members and staff accepting such grants, patent rights are subject to the provisions herein regarding title to patents.

Patent rights resulting from the research grants or contracts of nongovernment agencies or sources are, as between the University and faculty members and staff, subject to the provisions herein regarding title to patents.

Management of Patents

Inventions and discoveries resulting from University research are administered and managed in a manner determined to be in the best interests of the public, the inventor, and the University. The responsibility for the management of such technology is through the Office of Technology Management. The inventor(s) will be kept informed by the Office of Technology Management of negotiations involving their intellectual property prior to execution of any license.

Patent Rights Fund

The Patent Rights Fund has been established to provide resources to obtain patents and maintain them and for filing and maintaining them in foreign countries.

The fund will be reimbursed from any royalties, sales, or other proceeds from patent licensing or other transfer for each particular patent (see "Distribution of Income from Licensing or Sale of Patent Rights or Other Intellectual Property Rights" below).

There will be additional reimbursement to the Fund, as provided below, to increase the amount in the Fund for patent searches and obtaining and maintaining patents. At the discretion of the Senior Vice Chancellors, surpluses existing on an annualized basis once legal costs have been reimbursed will revert to a University Development Fund.

Distribution of Income from Licensing or Sale of Patent Rights or Other Intellectual Property Rights

First, income from each particular license or other transfer will reimburse the "Patent Rights Fund" for legal, professional, and government fees paid for outside services incurred for that licensed or transferred patent or portfolio of patents.

Second, if a particular patent was facilitated by financial support from a University Development Fund (see below), then the income attributable to that patent must reimburse the fund if the support was categorized as a reimbursable expense at the time of the award.
The balance of proceeds from any license, sale, or other amounts derived from the transfer of patent rights or unpatented intellectual property (excluding copyrights) will then be distributed as follows:

- 30% to the inventor(s).  
- 30% to the above "Patent Rights Fund."
- 10% to a "University Development Fund." to provide resources to enhance the academic enterprise of the University and/or to develop patentable material under the direction of the Provost and the Senior Vice Chancellor for the Health Sciences. (Schools that have supported research leading to patentable discoveries may apply for money from the University Development Fund for support of future endeavors.)
- 15% to the department of the inventor, for use in research at the discretion of the inventor with the approval of the department chair, if inventor is still a member of the faculty. If the inventor leaves the University, this portion will revert to a University Development Fund (the inventor’s former department may subsequently choose to apply for the use of these funds).
- 15% to the Office of Technology Management to cover administrative expenses.
- In the event that total income for a patent or group of related patents or technology rights exceeds $100,000, the above distribution of royalties may be changed in accordance with a plan approved by the Chancellor of the University, but not so as to reduce the inventor’s share.
- In the event an inventor entitled to compensation under the paragraphs above, leaves the University either voluntarily or involuntarily, such inventor will continue to remain entitled to receive payments under the paragraphs above, but will not in any fashion be entitled directly or indirectly to continue to receive or transfer any other rights or benefits to the department of the inventor. In the event of death of an inventor entitled to receive compensation under the paragraphs above, such payments will continue to be paid to the inventor’s estate and subsequently to those lawfully taking thereunder in accordance with a court approved distribution.

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3 If stock or stock options are accepted in exchange for licensed technology, distribution of stock-related proceeds will not occur until the University liquidates the stock or stock options.

4 If an inventor waives his or her rights to distribution of proceeds under the policy in favor of direct compensation from the licensing entity, then the waived funds will be distributed at the University’s discretion in a manner consistent with the policy.

5 The term department is used broadly and applies to the department of the inventor in those units of the University with formal departments. If the inventor is employed in a school or other responsibility center that has no identified departments, then the school or responsibility center itself will serve as the department.
Public Disclosure/Publication

No University invention or discovery may be licensed, sold, or otherwise transferred without prior approval of the Office of Technology Management.

All publication rights relating to sponsored research or research supported entirely or largely by University resources are reserved by the University for itself and its faculty members, staff, and student, subject to the following conditions:

- Publication may be withheld for a maximum period of six months if required for the filing of a patent application.
- Any patent or commercial product mentioned in a publication may not be referred to by its trade name without the consent of both the University and the sponsoring agency.
- The University, on request, submits any publication to the sponsoring agency before printing and considers any recommendation made by the Sponsoring agency. However, the University makes the final determination as to the form, scope, and content of such publication.

Patent Clauses

The terms of the invention disclosure to other parties and patent clauses in agreements for sponsored research are subject to the review, negotiation, and acceptance by the Office of Research and the Office of Technology Management. In the event that clauses in any such agreement appear to be unusual or to require special consideration, the Office of Research and the Office of Technology Management will submit the agreement to the Office of the Provost and the Office of General Counsel for consideration and recommendation.

Non-Patentable Inventions

Certain discoveries and inventions, including trade secrets and know-how, may not be patentable but may have material commercial value or potential as revenue producers. These accomplishments are subject to the same policy as any patentable invention and will be considered by the Technology Transfer Committee and the Office of Technology Management on an individual basis.

III. REFERENCES

Policy 02-06-01, Outside Employment

Policy 07-05-02, Conflict of Interest for Designated Administrators and Staff