

15. Review of Policy

This policy will be reviewed periodically and revised as deemed necessary to accommodate new technologies and to incorporate changes warranted by experience with its administration.

Reference: BRUN, Minutes, 63, p. 167 (July 28, 2001).

RP-4.4.2 Patent and Technology Transfer Policy

Section 3.10 of the *Bylaws of the Board of Regents* provides that it is the policy of the Regents to encourage the commercialization of inventions and discoveries arising from research activities of the University, and when appropriate, the pursuit of patents or other intellectual property protection, as a method of bringing recognition and remuneration to the University's inventors and to the University itself. This Patent and Technology Transfer Policy is adopted for the purpose of providing general policy regulations to implement Section 3.10 of the *Bylaws of the Board of Regents*:

1. Ownership of Inventions Resulting From Performance of Duties of Employment; Prompt Disclosure to University

Each invention¹ by a member or members of the faculty or staff of the University resulting from performance of duties within the scope of University employment, or resulting from the use of University personnel, property, facilities, or other University resources, except where such use is minimal,² shall be solely owned by the University. Questions concerning whether a use of University resources is minimal shall be resolved in accordance with the process set forth in Section 9 of this Policy. Each such invention and any improvement(s) made thereto while under the employment of the University shall be promptly disclosed in writing to the designated campus patent and technology transfer administrator (the "Administrator").³

A disclosure of an invention shall be properly made when it is submitted to the campus Administrator in such manner and form as may be determined by the Administrator. Any disclosure of an invention shall contain information in such detail as is deemed necessary by the Administrator to allow for a review of its patentability and commercial potential, and shall detail the specific utility or application of the invention.

2. The Campus Administrator

The Chancellor of each campus and/or the Chancellor's designee shall designate a campus patent and technology transfer administrator who shall be responsible for the administration of all

¹For purposes of this policy, the term "invention" shall mean patent able inventions or discoveries, computer software, trade secrets and all other intellectual property not addressed under Regents Policy 4.4.1.

² The determination as to whether any use of University personnel, property or facilities is or was "minimal" under this policy shall be made based on the following considerations:

- a) Whether the invention was conceived of or reduced to practice pursuant to an employee or faculty member's job duties;
- b) Whether any funding for the work leading to the conception or reduction to practice of the invention was provided by or facilitated through the University;
- c) Whether any University facilities were utilized in the conception or reduction to practice of the invention, and if so, the extent of such use; and
- d) Whether any University students or staff were utilized in or contributed to the conception or reduction to practice of the invention.

³The Bayh-Dole Act of 1980, 35 U.S.C. §§ 200-212, allows Universities and other non-profit organizations to retain title to federally-funded inventions and requires that strict reporting requirements be met. It is therefore critical that inventors provide a prompt and thorough disclosure to the University so that the University can properly evaluate the disclosure and elect to either retain or decline title to such inventions in a timely manner.

campus patent and technology transfer activities, and who will provide a central source of information and help in handling the different aspects of patents and technology transfer.

3. Patent and Technology Transfer Advisory Committee

The Administrator in consultation with the Chancellor and/or the Chancellor's designee shall establish an advisory committee on technology transfer (the "Committee"). The Committee will be available to assist the Administrator in the review of disclosures of inventions, and provide advice and peer group scientific review on issues relating to (i) intellectual property development and licensing or other technology transfer issues, and (ii) other related assistance as requested.

4. Review of Invention Disclosures; Acceptance for Technology Transfer by University or Transfer to Inventor

The Administrator, the Committee, and/or the Administrator's designees (one or more of which are referred to herein as the "Reviewers") shall aim to evaluate all disclosures of inventions on behalf of the University within six (6) months from the date the disclosure is formally submitted to the Administrator. The disclosure shall be evaluated by the Reviewers for the ability to obtain effective intellectual property protection on the invention, and the potential of the invention to stimulate business interest and contribute to economic development. Upon the conclusion of the Reviewers' evaluation of an invention, the Administrator shall communicate to the inventor(s) any intent on behalf of the University to pursue protection of the invention. The University shall proceed, in its sole discretion, to seek appropriate intellectual property protection on the invention, and/or market the invention to interested parties. The terms of any license or agreements related to an invention, and the manner in which they may be enforced, litigated or settled shall be at the sole discretion of the University.

The inventor or inventors of a disclosed invention shall assist the University and any counsel retained by the University in the preparation, filing and prosecution of any patent applications based on inventions disclosed to the University, and shall sign any and all necessary documents, including assignments, declarations, oaths and affidavits related thereto.

At any time during the technology transfer process, the University may, for any reason which in its sole discretion it determines is in the best interests of the University, assign title to the invention to the inventor(s). In such cases, however, the University may retain a non-exclusive, paid-up, royalty-free license to the invention, if it so desires.

Although the University may assign title to an invention to the inventor(s), any improvement or modification to or separate invention derived from or based on such invention that results from the use of University personnel, property or facilities, except where such use is minimal, shall be owned by the University subject to this Policy. The inventor(s) shall promptly disclose such improvement, modification or separate invention to the Administrator in the same manner as is described in Section 1 of this Policy.

Should an inventor leave the University and wish to continue research on an invention which the inventor has disclosed to the University, the University shall provide an appropriate royalty-free, non-commercial, research only license to allow the inventor to continue his or her research.

5. Division of Net Royalties and Proceeds

With respect to any invention subject to this Policy, the University shall first be reimbursed for any and all expenses incurred by it that are associated with evaluation of the technology, obtaining of patent or other intellectual property protection, and licensing or other technology transfer activity, including legal expenses related thereto.⁴ In the event of any infringement action or other legal

⁴The University shall make every effort to recover all or part of these expenses from any licensee of University-owned intellectual property upon the execution of the license agreement.

action involving technology disclosed under this Policy, the University shall also be reimbursed for any and all expenses borne by the University associated with such action. After such expenses are reimbursed, royalties and other proceeds from licenses or other technology transfer activities related to an invention, or patent or other intellectual property protection based thereon, shall be distributed as follows:

- (a) One-third to the inventor or inventors; and
- (b) Two-thirds in accordance with a separate distribution policy to be established and implemented by each University campus, such policy to take effect following approval by the Board of Regents upon recommendation of the relevant campus' Chancellor.

6. Distribution of Equity to Inventors

In the event that the University receives equity or an option to acquire equity in exchange for any license or other intellectual property, the share of such equity due to the inventor(s) shall be based upon the distribution of royalties and proceeds provided in Section 5 of this Policy. Such equity will be distributed directly to the inventor(s) once such equity is transferable. The University shall make every effort to distribute such equity in a timely manner, but the University shall not be responsible for changes in value which might occur before receipt of equity by an inventor.

In the event the University or an affiliated entity of the University receives equity or an option to acquire equity in exchange for something other than a license or other intellectual property right (e.g. performance of a service or clinical trial), the equity interest shall not be subject to distribution under Sections 5 or 6 of this Policy.

7. Division of Inventor's Share Among Co-Inventors

Should there be more than one inventor per license or other source of royalties and other proceeds under Sections 5(a) and 6 of this Policy, the inventors' shares shall be divided and distributed among themselves in accordance with an agreement to be signed by the inventors and filed with the Administrator. Should the inventors fail to sign such an agreement governing distribution among them, then the proceeds shall be distributed equally among the sum of inventors per license or other source of royalties.

8. Conflicts of Interest

Conflicts of interest are more likely to present themselves to inventors, University personnel and the University as an entity in the context of intellectual property licenses or other contracts related to technology transfer activities. As such it is of utmost importance that in addition to any compliance required under this Policy, that all involved in technology transfer also comply with any conflict of interest policies as required by law, Section 3.8 of the *Bylaws of the Board of Regents* or Regents Policy 3.2.8, as those requirements may exist or as they may be amended in the future.

9. Resolution of Issues Concerning Administration or Interpretation of this Policy

Should any issue arise regarding administration or interpretation of this Policy or Section 3.10 of the *Bylaws of the Board of Regents*, the issue shall be referred to the campus vice chancellor responsible for research, sponsored programs and/or technology transfer activities (e.g. Vice Chancellor for Research or Vice Chancellor for Academic Affairs). The campus patent and technology transfer advisory committee may review the facts and circumstances surrounding any such issue and make recommendations to the Vice Chancellor. The Vice Chancellor shall then make a report and recommendation for resolution of the issue to the Chancellor, who will make the final decision on all issues concerning administration or interpretation of this Policy or Section

3.10 of the *Bylaws of the Board of Regents*. The Chancellor's decision will be final with respect to the University.

10. Survival of Policy

The provisions of this Policy and Section 3.10 of the *Bylaws of the Board of Regents* shall survive the death or termination of employment of any inventor of intellectual property owned by the University. The provisions of this Policy shall inure to the benefit of and be binding upon the heirs and assigns of (1) any inventor of intellectual property owned by the University, and (2) all others who agree to be bound by it.

11. Campus Patent and Technology Transfer Policies and Procedures

The Chancellor of each campus, or the Chancellor's designee, is authorized to adopt and implement more detailed campus patent and technology transfer policies and procedures that are consistent with and supplemental to Section 3.10 of the *Bylaws of the Board of Regents* and this Policy.

Reference: BRUN, Minutes, 43, p. 39 (May 18, 1979).
BRUN, Minutes, 56, p. 149 (September 6, 1991).
BRUN, Minutes, 64, p. 139 (October 17, 2003).