# 5-50. PATENTS POLICY

## **I. INTRODUCTION**

This policy comprehensively outlines the rights and responsibilities pertaining to patents at Weber State University (“WSU”). This policy provides mechanisms to comply with federal law and promotes WSU core activities.

The benefits of the policy include: (1) providing students with applied educational opportunities; (2) ensuring compliance with the Bayh-Dole Act; (3) contributing to the professional development of faculty, staff, and students; (4) incentivizing applied research and promoting entrepreneurship among faculty, staff, and students; (5) catalyzing regional economic development; (6) enhancing the reputation of WSU; and (7) generating revenues for WSU and Inventors.

This policy ensures that the public funds, which support WSU, are used to benefit the economic development of the region by: developing and transferring Inventions to the public; starting university spin-outs to create jobs; and training students through hands-on education to be innovative and entrepreneurial.

In consideration of the foregoing, WSU establishes the following policy with respect to the development, protection, and transfer of patent rights resulting from the work of its faculty, staff and students.

## **II. DEFINITIONS**

"Commercialization" means the process of developing marketable Inventions and licensing them to parties outside WSU who, in turn, will develop products or services based on them to sell or license to others. This term does not apply to WSU offering a course or seminar for a fee.

"Copyrights” means all expressive works contemplated under the statutory categories of the Copyright Act of 1976 excluding Software as defined below and as enumerated in WSU’s Copyright Policy: Ownership section I(C).

"Inventions" shall cover anything that is patentable subject matter, including Software, as described in 35 USC § 101, whether or not formal protection is sought or available.

“Inventor" means any employee of WSU who develops an Invention, as defined below.

“Net Revenue Income” means all the revenue income derived from an Invention minus all expenses attributable to the Invention including but not limited to: intellectual property (“IP”) filings and maintenance fees, attorney fees, marketing costs, and/or reproduction, mailing, consumables, and/or unreimbursed development costs, etc.

“Software” means any expressive or functional work that transforms a machine.

“Weber State Research Foundation” is a non-profit corporation created March 23 2009 and is a tax exempt organization under Section 501(c) (3) of the IRS Code. The Weber State Research Foundation (“Research Foundation”) was created for educational and scientific purposes, including providing IP Commercialization and enterprise creation support to Weber State University faculty, staff and students.

**III. BAYH-DOLE ACT COMPLIANCE**

The Bayh-Dole Act (35 U.S.C. § 200-212; 37 C.F.R. 401), which was passed in 1980, grants universities ownership over the IP of inventions that were developed through federal funding. This act requires that universities comply with the following:

1. Universities must notify the federal government of any invention made with federal funds (see 35 USC § 202(c)(1));
2. Universities must make an affirmative election of title within two years (see 35 USC § 202(c)(1));
3. Universities must grant the U.S. government a “nonexclusive, nontransferable, irrevocable, paid-up license” (see 35 USC § 202(c)(4, 6));
4. The federal agency that funded the invention is empowered to require the universities to make periodic reporting on use of the invention (see 35 USC § 202(c)(5));
5. Universities may only grant an exclusive license to a company that will substantially manufacture the invention in the US unless waived upon a showing of reasonable and unsuccessful efforts to make a similar license or that US manufacture is not feasible (see 35 USC § 204);
6. Universities may only assign rights to an invention to a university patent management entity (e.g. Research Foundation) unless approved by the federal funding agency (see 35 USC § 202(c)(7)(A));
7. Universities must share royalties with the inventor (see 35 USC § 202(c)(7)(B));
8. The net balance of the royalties must be “utilized for the support of scientific research and education” (see 35 USC § 202(c)(7)(C)) ; and
9. Universities must give a licensing preference to a small business unless “it proves infeasible after a reasonable inquiry” (see 35 USC § 202(c)(7)(D)) or unless the invention is developed under a sponsored projects’ agreement with a large company (see 35 USC § 202(c)(7)(E)) .

This policy designates the Technology Commercialization Office (“TCO”) as the office at WSU responsible for ensuring compliance with the Bayh-Dole Act.

## **IV. INVENTIONS COMMITTEE**

The Inventions Committee shall arbitrate disputes and make recommendations on general IP policies as described below. After consultation with Faculty Senate, the WSU President shall appoint members of the Inventions Committee. The committee will be comprised of:

#### One or more faculty and/or staff members from WSU Colleges and Divisions.

#### The Director of the TCO;

#### One representative from the Office of University Legal Counsel; and

#### One representative from the Research Foundation Board of Directors;

#### The President shall appoint the Chair of the Committee. Committee appointments will be for three (3) years. Members of the Committee may be appointed to serve successive terms. In the event any seat on the Committee is vacated prior to expiration of the normal three (3) year term, the Chair may appoint a successor to fill the unexpired term of the seat vacated.

#### The role of the Inventions Committee is to:

#### Advise the President on policy matters relating to Inventions;

#### Propose amendments to IP policies;

#### Develop internal procedures to implement this policy

#### Arbitrate disputes; and

#### Approve any deviations from this policy.

The Committee shall meet as necessary, but at least once per a year.

## **V. POLICY APPLICABILITY TO FACULTY, STAFF, AND STUDENTS**

# This policy shall be applicable to all full or part-time employees of WSU.

# VI. ASSIGNMENT OF RIGHTS

Consistent with PPM 5-13, any employee, who uses WSU time, material or facilities to create any Invention, shall agree to assign all rights, title and interest, to the full extent prescribed in this policy in any such Invention to the Research Foundation by signing an Invention Disclosure Form. Students shall not be required to execute an assignment to their Inventions except when the students work for WSU in the following situations: research and development projects; projects supported by grants; or projects supported by contracts. In those aforementioned situations, this policy shall be applicable to students and shall be set forth in the General Catalog and Student Handbook. The signing of the Invention Disclosure Form is an administrative convenience for dealing with technology ownership rights, but the terms of this policy are controlling and as with other WSU policies, constitute conditions of employment.

## **VII. DETERMINATION OF INTELLECTUAL PROPERTY RIGHTS**

##### Sponsor-Supported Efforts

The grant or contract between the sponsor and WSU, under which Inventions are produced, may contain specific provisions with respect to Inventions. The Inventors must be aware of these provisions as they can impact the licensing and Commercialization opportunities of Inventions. The TCO is responsible for complying with all Invention regulations associated with research grants and contracts and oversees, whenever possible, WSU rights to inventions developed by such programs.

##### Institution-Assigned Efforts

Ownership of Inventions developed as a result of assigned institutional effort, including any effort normally associated with one's discipline and position, in education, research and service, shall reside with the Research Foundation.

The general obligation to produce scholarly and creative works—such as textbooks and associated supplementary material, books, and journal articles—does not constitute a specific assignment for this purpose as described in the WSU Copyright Policy.

##### Institution-Assisted Individual Effort

Ownership of Inventions developed by WSU employees where WSU provides support for their efforts or use of institutional resources (unless such resources are available without charge to the public) shall reside with the Research Foundation.

##### Individual Effort

Where an Invention, discovery or improvement is related to research conducted by employees in connection with both WSU employment or other research activity involving the use of time, facilities, equipment or materials owned or paid for by WSU ("WSU-related activity"), and with non-WSU activities, such Invention, discovery or improvement shall be presumed to result from WSU-related activity, unless the employee can demonstrate to the Inventions Committee that the Invention in question was developed solely in connection with non-WSU activity and without the use of confidential information or resources belonging to WSU.

##### Efforts by Multiple Individuals

When there are multiple Inventors, some or all may have ownership rights. The parties are encouraged to enter into a written agreement to clarify their respective rights and responsibilities, in accordance with guidance in Section IX.

##### Other Efforts

Ownership rights to Inventions developed under any circumstances other than those listed in Section VII A-E of this policy shall be determined on an individual basis and approved by the Inventions Committee as outlined in Section IV.

## **VIII. ADMINISTRATIVE PROCEDURES**

The TCO is responsible for implementing the WSU's Patent Policy relating to Patent rights. Each WSU employee shall:

#### Disclose promptly to the Director of the TCO all Inventions, improvements, and discoveries made as a result of WSU employment, or created through the use of time, facilities, and/or materials owned or paid for by or through WSU or as a result of WSU employment or participation in research at WSU;

#### Cooperate with and assist the Director of the TCO in the handling of such matters; and

#### Execute all rightful papers and do necessary and proper acts to assist WSU in obtaining, utilizing and enforcing legal protection on such matters.

#### The TCO will work with the Colleges and other Divisions to ensure that there are adequate tools in place, including an Invention Disclosure Form, to facilitate the disclosure of all types of Inventions to the TCO.

The TCO is obligated to report all federally funded Inventions to the federal government per the Bayh-Dole Act and may be obligated to report certain Inventions to other sponsors of research. WSU faculty, staff, and students shall disclose the extent of the funding from these sources to the TCO, so the TCO can comply with the Bayh-Dole Act and WSU’s contractual obligations.

Generally, the TCO shall seek IP protection for Inventions in order to commercialize the Inventions. Efforts to protect the Inventions for reasons other than for potential Commercialization must be funded by the relevant school, laboratory, center, or by the individual Inventor. At its sole discretion, the TCO evaluates and pursues legal protection on those Inventions deemed appropriate for Commercialization.

The TCO will advise the Inventors of its decision to accept the assignment of the Inventions within ninety (90) days of receipt of the completed Inventions Disclosure Form. Should the TCO decide not to accept the assignment of the Inventions, or if it at any future time decides to take no further action in marketing, or encouraging further development as a prelude to marketing the Invention, the TCO shall, within a reasonable time, notify the Inventors of such a decision. After receipt of notice, the Inventors may request that the Inventions be released to them; upon such a request, the TCO, if able, shall release the Inventions to the Inventors.

Upon the acceptance of the assignment by the TCO, the Inventors shall comply with reasonable requests by the TCO and do all things necessary to assist in obtaining patent and other protections for the Inventions and/or marketing the Inventions. Such assistance will be at no monetary cost to the Inventors.

No WSU personnel shall take any action to seek Commercialization of, or receive any benefit from, any Research Foundation-owned Inventions other than in accordance with the WSU Inventions policy.

### **IX. Distribution of Income**

The Net Revenue Income shall be distributed in the following manner: fifty percent (50%) to the Inventor; twenty five (25%) to the College or Division in which the Inventor works; and twenty five percent (25%) to the Research Foundation.

The Research Foundation shall distribute quarterly the shares of the Net Revenue Income to the Inventor and College or Division. In the case of the death of a Inventor, any distribution due, or which would have been due to such Inventor, shall be made to the Inventor's estate.

The "Inventor" will be the Inventor or Inventors of record listed on the original Inventions Disclosure Form, or as subsequently updated in writing. When more than one Inventor is listed, the allocation will be determined by the percentage of ownership listed in the original or updated Invention Disclosure Form. That allocation may only be altered for future distribution of royalties or other proceeds by written request signed by all Inventors listed on the original Invention Disclosure Form.

The portion of royalty and similar or related income that accrues to the Research Foundation shall be used to partially offset the costs of technology transfer or dissemination not allocable to specific licensed Inventions and to support the research and teaching infrastructure and programs of WSU.

### **X. Equity Stakes**

In the event that the Research Foundation accepts equity in a start-up company as part of consideration for a license to the Invention or to any other IP, the Inventors may be entitled to receive a portion of the equity shares received from the company by the Research Foundation. An Inventor may participate, subject to the WSU Conflict of Interest Policy, in the formation of a company to commercialize Inventions that are licensed from the Research Foundation and hold equity in the resulting start-up company. However, an Inventor who accepts an equity interest of any form or size from a licensee shall receive no portion of any equity shares received from the licensee by the Research Foundation. Inventors choosing not to accept an equity interest directly from a licensee will receive a portion of the equity shares received by the Research Foundation.

Upon sale of any equity shares received by the Research Foundation, the net proceeds received will be kept by the Research Foundation and will be distributed to the sponsoring College/Division for reinvestment according to the chart in Section 11.8 for the College/Division and the Research Foundation.

The distribution of royalties to the Inventor(s), to reinvestment, and to the Research Foundation will continue regardless of the equity choices made by the Inventors.

### **XI. Retention of Ownership**

The Research Foundation normally will retain ownership of Inventions. This is to ensure that all licensable knowledge created or invented will be available for public use. Exclusive licensing agreements, executed by the Research Foundation, may contain due diligence provisions to require the license to revert to the Research Foundation within a reasonable period of time if the licensee does not commercialize the Inventions.

**XII. Copyright Policy**

This **Patent and Inventions Policy** adopts the policies concerning copyrightable material subscribed in the **Copyright Policy: Ownership except as previously indicated with regards to Software** anddesignates the Director of the TCO as the “copyright coordinator” referenced in the **Copyright Policy: Ownership** under section **PPM 5-41.**