

Intellectual Property

ROWAN UNIVERSITY POLICY

Title: *Intellectual Property*

Subject: *Research*

Policy No: *Res: 2016:01*

Applies: *University-Wide*

Issuing Authority: *President*

Responsible Officer: *Vice President for Research*

Adopted: *02/01/16*

Last Revision:

Last Reviewed:

I. PURPOSE

The purpose of this policy is to outline the reporting of inventions by investigators, prosecution of patent rights by the University, development of commercial applications, distribution of financial benefit and expense within the University, and distribution of a share of net income from inventions to the Inventor(s) in a fair, manageable and productive way.

II. ACCOUNTABILITY

Under the direction of the President, the Vice President for Research shall ensure implement this policy and the Research Compliance Officer shall ensure compliance with this policy.

III. APPLICABILITY

This policy applies to all University employees, graduate students and non-University employees using University facilities and resources, including those at the Camden Campus, the South Jersey Technology Park, and any other entity owned or operated by Rowan University.

IV. DEFINITIONS

See Attachment C, Definitions

V. REFERENCES

- a. The Bayh-Dole Act, P.L. 96-517, Patent and Trademark Act Amendments of 1980. <https://www.gpo.gov/fdsys/pkg/CHRG-110hrg36592/pdf/CHRG-110hrg36592.pdf>.
- b. UC Patent Policy 1985. <http://www.uspto.gov/>.
- c. Georgetown University's policy regarding intellectual property http://facultyhandbook.georgetown.edu/toc/section4#2&_ga=1.10000688.40525940.1392642129.
- d. MIT's policy on ownership of intellectual property, <http://web.mit.edu/policies/13/13.1.html>.
- e. Stanford University's policy for ownership and distribution of tangible property, <http://doresearch.stanford.edu/policies/research-policy-handbook/intellectual-property/tangible-research-property#anchor-547>.

VI. POLICY

1. Rowan University's policy on intellectual property ownership is intended to create an environment that will encourage creativity and innovation among its faculty, staff, and students. It is in the interest of the

University to encourage the development of such new ideas, discoveries and inventions resulting from University research and scholarship and to give adequate recognition and incentive to the developers by having them share in the proceeds from their work.

2. University's intellectual property policy affirms the university's commitment to academic freedom and the fostering of a rich and vibrant public sphere in which it can flourish. Pursuit of these goals includes the recognition and protection of the intellectual property rights of faculty, staff, students, and the university. It also requires the fair distribution of any benefits arising from activities in which the university and its members including faculty, administration, staff as well as students, research fellows, referred to as "Members" are jointly engaged, including public recognition and, where appropriate, financial remuneration.
3. The policy is subject to all applicable Federal and State of New Jersey laws and regulations.
4. In the event that any person to whom this policy shall ordinarily apply is subject to an agreement or policy elsewhere under terms that prohibit assignment of intellectual property rights to the University, it shall be the obligation of that person to inform the Vice President for Research prior to accepting any form of support from or using the facilities of the University. Upon such notification, the University will enter into a specific, written agreement respecting the rights and obligations of each involved party. In the absence of such written agreement, the provisions of this policy shall apply.
5. The University has an interest in protecting such intellectual properties; the objectives of the Rowan University intellectual property policy are to:
 - a. serve the public good by promoting the disclosure, dissemination, and utilization of inventions which arise in the course of the University's research through established channels of commerce;
 - b. encourage creative research, innovative scholarship, and a spirit of inquiry leading to the generation of new knowledge, ideas and inventions;
 - c. provide for the equitable disposition of interests in shared intellectual property among the creator, developer, the university and, where applicable, the external sponsor;
 - d. recognize and reward the creative efforts of faculty, students and staff of the University through the realization of tangible benefits (royalties) derived from their inventions;
 - e. safeguard intellectual property, so that it may receive adequate and appropriate legal protection against unauthorized use, and
 - f. encourage further research and development by securing for the University a share in the proceeds of such inventions.
6. Ownership of Patents
 - a. All persons subject to this policy hereby assign to the university the entire right, title and interest to any invention (including computer-related software and ancillary materials, but not including pure works of art or musical compositions) which is developed in whole or in part by any university employee, including, without limitation, faculty, staff member, fellow, resident, graduate student or assistant (whether paid or unpaid), which emerges from any university research or development activity, or from use of any university facilities or equipment. Where such title is held the university shall assume all control and responsibility for costs and liability of patent prosecution, maintenance and enforcement, if any, and licensing. Where ownership questions arise due to multi-institutional employment by a person covered by this policy, such question shall be referred to the president or person designated by the president for resolution.
 - b. University owns all property when inventions and improvements, whether or not patentable, that are conceived or reduced to practice using the facilities, any new and useful process of discovery, art or method, machine, manufacture, or improvement thereof--made or conceived. This includes inventions and improvements developed during research or other assignments delegated to members of the University pursuant research project, grant or contract or any other University-administered program. Whenever members of the university utilize facilities, equipment, funds, or other contributions University has made unless the University has not entered into an agreement with express provisions to the contrary.
 - c. It is the sole property of the inventor when members of the University invent exclusively on their own time and without the aid of any University resources. In such cases, the inventor will not involve the name, facilities or resources of the University. The pursuit for the invention should be outside of University assigned activities and policies. University members should not patent inventions which are in the specific field of the investigator's work in University's research programs without the explicit permission from the University. University may accept inventor-owned patents on case by case basis at the option of the inventor for administration under the

University patent policies, or in accordance with the explicit agreement between the inventor and the University. If the University determines that the invention is the sole property of the inventor, the inventor must bear all of the expenses for patenting and licensing of the invention.

- d. Ownership and disposition of invention rights resulting from research financed wholly or partially by governmental, industrial, philanthropic or other organizations shall be determined by the rules, regulations, and procedures of the sponsoring organization and in accordance with the terms of the related research agreement and the policies of Rowan University or in the absence of a controlling agreement, with rules and regulations if any, governing that sponsorship. In particular, Rowan University shall be governed by Public Law 96-1117, Government Patent Policy Act of 1980 (and any successor there to or similar laws) and its attendant regulations and amendments regarding federal research agreements. In all cases, where feasible, Rowan University shall seek to negotiate agreements which permit Rowan University to retain ownership rights. Members who elects to perform research on governmental, commercial, or other projects undertaken by the University is required to sign such supplemental agreements as are necessary to enable the University to fulfill its legal obligations with respect to patentable discoveries.
- e. Members who have developed an invention under Section F.1, F.2 or F.4 shall be required, at the request of the University, to execute the papers required for making application for patents in the United States and abroad and assignment of such patent applications or patents to Rowan University or its designee. The expenses of any resulting patent proceedings are to be paid by the University or by its assignee.
- f. Rowan University may dispose of its rights obtained under Section F.1, F.2, F.4, and F.5 by:
 - i. selling, licensing, assigning, or otherwise exploiting such rights;
 - ii. operating such rights for public use, if in the sole determination of the University after consultation with the inventor, principles of charity or public policy so demand;
 - iii. releasing such rights to the Inventor, provided expenses already incurred by the University or an assignee are reimbursed by the Inventor or from the proceeds of commercial exploitation of the invention. Once rights have been released to the Inventor, University funds, including funds in discretionary accounts, may not be used to file a patent application or commercialize the invention.
 - iv. including such rights in a research contract with a third party under which such rights are assigned or licensed either in advance or otherwise, to the third party.
- g. The conditions enumerated in this Policy shall be deemed to be a part of the terms of employment of University faculty, administrators and staff, and the terms of enrollment of University students.

7. Student Inventions

- a. Inventions made by undergraduate students will remain the property of the students except when an invention is made in the course of employment at the University, or results from work directly related to employment responsibilities at the University, or from work performed under a grant or other sponsorship, or undertaken with other inventors, who have a duty to make assignment to the University. In such instances, undergraduate students will make assignment to the University and will share in the distribution of net royalties.
- b. Inventions made by graduate students in the course of employment at the University or research carried out in University laboratories as part of a post-baccalaureate or postdoctoral degree or non-degree program, or resulting from work directly related to the graduate student's employment or research responsibilities at the University, or from work performed under a grant or other sponsorship, or undertaken with other inventors, who have a duty to make assignment to the University, shall be the property of the University and shall be subject to this patent policy. Any inventions arising from a dissertation submitted as a part of the requirements for a degree shall be subject to this patent policy. In such instances, graduate students will make assignment to the University and will share in the distribution of royalties.

8. Patent Protection

- a. The Inventor is subject to many pressures in the academic community to publish research papers. Premature publication may, however, adversely affect the public use and benefits of scientific data. Ideas promulgated in the literature without adequate prior protection may ultimately be lost to the public good due to their limited commercial potential. It is important for the Inventor to be aware of the potential detriment of premature publication, which severely undermines the patentability of an invention.

- b. Because of costs associated with bringing a product to market, companies are usually willing to develop technology only if it is protected by patents. The inventor should consult the University Office of Technology Commercialization (OTC) whenever he or she has a question about patent rights. The OTC is available to explain the basics of this complex and sophisticated area of law and assist in the application or interpretation of this policy.
- c. In general, a patent owner in the United States has a grace period of one year to file an application after disclosure through publication or public presentation of the nature of the invention. If the U.S. patent application is filed prior to any publication or presentation, worldwide patent rights are preserved for one year from the U.S. filing date. If, however, an invention or innovation is published or presented before filing a U.S. patent application, most foreign patent rights are lost. To fully protect foreign patent rights, it is therefore essential to file a U.S. patent application prior to any publication or presentation.
- d. The Inventor can help to safeguard inventions in the early stages of development by carefully noting ideas conceived in a lab notebook. As entries are made in the notebook, a dated signature by the Inventor and a witness should help protect the invention under U.S. Patent Law. In order to protect the discovery's conception date, the Inventor must continue to make signed and dated entries for experiments where attempts to reduce the invention to practice are made. Diligence in recording efforts to reduce an invention to practice is vital. Without such diligence, efforts to establish the first invention date and to take advantage of the legal benefits flowing from it may be in vain. Careful notebook practices will help to protect the invention from subsequent Inventors even if an interloper reduces the invention to practice first, and/or files a patent application first.

9. Disclosing Inventions

- a. Inventions conceived and/or reduced to practice and which are covered by paragraphs F.1 to F.4 must be disclosed fully and in good faith to the OTC. When members conceive or reduce to practice an invention and judges that it may be valuable and serve the public good, that individual is required to report the invention through the Chair or Director of his or her Department, Center, or Institute to the OTC on the Rowan University Invention Disclosure Form. It is the obligation of the Inventor to correctly identify any and all co-inventors on the Disclosure Form.
- b. The Inventor also has an obligation to disclose any potential conflict of interest in accordance with the University's Conflict of Interest Policies, and to execute all contracts, assignments, waivers, disclosures, or other legal documents necessary to vest in the University the rights to any invention in which it retains an interest. These obligations remain effective even after Inventors leave the University. Prosecution by an Inventor of patents on inventions to which the University has a right of ownership as described in paragraphs F.1 and F.2 without disclosure of the invention to the OTC and (if so requested by the University) assignment of ownership to the University, constitutes grounds for disciplinary action.
- c. Inventors may not enter into any patent agreements related to University intellectual properties with outside organizations without prior authorization from the OTC. The University retains this right of approval exclusively to itself.

10. Tangible Research Property

- a. Tangible research property developed in the course of employment at the University, or tangible property developed as part of work directly related to professional or employment responsibilities at the University, or work carried out on University time, or at University expense or with substantial use of University resources under grants or otherwise is the property of the University. Investigators shall assign to the University all right, title and interest in and to the tangible research property and shall cooperate fully with the University in the preparation and prosecution of patents, if applicable.
- b. An investigator may provide tangible research property directly from his or her laboratory upon written request from another researcher for non-commercial research or for educational purposes only. Such transfer must be made by written agreement and must be approved by OTC.
- c. Investigators may deposit tangible research property in repositories such as the American Type Culture Collection, or in the case of unique biological information such as DNA sequences or crystallographic coordinates, by submission to appropriate data banks. Such transfer must be made in written form and approved by OTC. In all cases, OTC may consult Office of the general Counsel before providing approval.
- d. Investigators shall protect the privacy and confidentiality of donors or subjects who provided any biological material that is the basis for tangible research property. Specimens derived from

humans shall be procured in accordance with University IRB policies and procedures relating to human subjects. Identifying codes linked to the donors or subjects shall be carefully protected or avoided.

11. Net Royalties

- a. Realizing financial return from intellectual property usually requires licensing those rights to interested companies. The University shares net royalties and other income from intellectual property after it has recovered licensing costs related to processing the patent application and costs of commercializing the property.
- b. Net revenues from commercialization of inventions and copyrightable works, including licensing transactions, will be paid at 50% up to one million dollars and at 30% for one million dollars and above to the inventors (personal share).
- c. The remaining amount will be distributed, as follows:
 - i. Up to one million dollars:

1. Inventor's Personal Share	50%
2. Office of Research Share	20%
3. Inventor's College Share	14%
4. Inventor's Department Share	7%
5. General Fund Share	7%
6. Provost Share	2%
 - ii. Above one million dollar

1. Inventor's Personal Share	30%
2. Office of Research Share	25%
3. Inventor's College Share	20%
4. Inventor's Department Share	10%
5. General Fund Share	10%
6. Provost Share	5%
- d. Net revenues from transfer of tangible research property shall be distributed as net royalty income in accordance with the provisions described above.
- e. If there are multiple inventors, the inventor share will be divided equally among the university inventors, unless the inventors unanimously agree in writing to a different distribution in a form acceptable to the university. If an inventor ceases employment at the University, his or her designated portion of the inventor's personal share of net royalty income described above shall remain payable to such inventor. However, share to inventor's laboratory or administrative unit will not follow individuals leaving Rowan, but will be payable to the inventor's Department at Rowan University. If the inventor moves from one department to another department at Rowan, the departmental share will move with him or her.
- f. If the Vice President for Research determines that an inventor or author has caused a material breach of a sponsored research agreement, he or she may after investigation, but in his or her sole discretion, deny the inventor all or a portion of the royalty income from any inventions arising from such sponsored research agreement.
- g. Distributions for license agreements containing equity arrangements will follow the same formula as described above. Such distributions may require stock liquidation. All such distributions will be determined by the Vice President of Research in consultation with Senior Vice President for Finance and Chief Financial Officer of University.

12. Rights to Appeal

- a. Administrative decisions made under Section I, Disclosing Inventions, may be appealed to the Vice President for Research for final determination provided the appeal is made in writing to OTC within 45 days of receiving written notification.

VII. ATTACHMENTS

1. Attachment A – Definitions
2. Attachment B – Key Responsibilities Assigned by the University
3. Attachment C – Rowan University Invention Disclosure Form

ATTACHMENT A

DEFINITIONS

Assignment means the execution of a written agreement by an inventor assigning all of the inventor's right, title and interest in and to an invention or tangible research property. Inventions are assignable as of the time they are conceived or reduced to practice.

Invention means and includes technical information, trade secrets, developments, discoveries, know-how, methods, techniques, formulae, data, processes and other proprietary ideas or matter.

Inventor means University faculty, emeritus faculty, visiting faculty, adjunct faculty, post-doctoral employees, or other employees, or students, or others who individually or jointly make an invention subject to the patent policy and who meet the criteria for inventorship under United States patent laws and regulations.

Licensing means granting permission to use intellectual property rights, such as trademarks, patents, or technology, under defined conditions.

Licensing Costs means all historic and on-going patent and legal costs related to the patents, patent applications or other technologies licensed, including copyright or trademark protection; licensing and other internal or out-of-pocket transactional costs; finder's fees or commissions; shares of stock or moneys paid or due under an agreement with patent management organizations; moneys due under agreements with other entities that jointly own licensed technologies; litigation or dispute resolution costs; moneys paid or due third parties as a result of settlement of or judgment in a dispute, and other costs, including but not limited to costs related to the licensing of the technologies, applicable taxes, or other expenses

Mask works means a series of related images representing a predetermined, three-dimensional pattern of metallic, insulating, or semiconducting layers of a semiconductor chip product. Under the Semiconductor Chip Act of 1984, mask work protection extends for 10 years and gives the owner of the qualifying mask work exclusive rights to its exploitation. Mask works are registered with the United States Copyright Office. Failure to apply within 2 years of the initial commercial exploitation results in the termination of the exclusive rights.

Materials mean lab notebooks, records, drawings, sketches, photographs, radiographs or other images, models, biological specimens, chemical samples, or other materials needed to support the preparation, submission, prosecution, defense or enforcement of a patent in the United States or other applicable jurisdictions.

Net Royalty Income means the revenues received from license agreements as payment for license fees, license maintenance fees, minimum royalties, sublicense fees, royalties on sales of products, settlements of lawsuits, and the like, net of licensing costs. Payments made by a licensee under a sponsored research agreement are specifically excluded as revenues for the purpose of determining net royalty income.

Office of Technology Commercialization (OTC) means the administrative unit, under the direction of the Director of the Patent Portfolio, who is responsible for the receipt, review, management and administration of intellectual property matters of the University.

Patent means a grant issued by the United States Patent and Trademark Office giving an inventor the right to exclude all others from making, using, or selling the invention within the United States, its territories and possessions, for a period which expires 20 years from the date of filing of the utility patent application. Patents may also be granted in foreign countries; procedures for filing, regulations for patentability, and term of patent grant vary considerably from country to country.

To be patentable in most countries, an invention must be new, useful, and nonobvious. In the United States, a grace period of 12 months from the first written public disclosure of an invention is allowed to file a patent

application. In most foreign countries, an invention is un-patentable unless the application is filed before public disclosure (written or oral). However, if one has filed in the United States prior to public disclosure, the applicant has 12 months to file in most non-U.S. countries without losing filing rights.

Tangible research property: The term "tangible research property" refers to those research results which are in a tangible form as distinct from intangible (or intellectual) property. Examples of tangible property include many biological materials, such as cell lines and transgenic animals, but can also include research results such as chemical compounds used in imaging, integrated circuit chips, biological organisms, engineering prototypes, engineering drawings, and other property, which can be physically distributed. Although tangible research property may often have intangible property rights associated with it, such as biological organisms which may be patented or computer software which may be either patented or copyrighted, where appropriate, tangible research property may be distributed without securing intellectual property protection by using some form of contractual agreement, such as formal contract, loan agreement, letter agreement, or user license as further set forth in this document.

Trade and service marks: A trade or service mark is a word, name, symbol or device (or any combination) adopted by an organization to identify its goods or services and distinguish them from the goods and services of others. In the United States, trademark ownership is generally acquired through use of a term to identify origin of goods or services, although effective November, 1989, legislation enables organizations to file for trademark protection based on intent to use a particular term. Trade or service mark ownership is not dependent upon federal or state registration, but upon use of the mark. Registration of trade and service marks may be obtained on both the state and federal levels. However, to apply for a federal registration of a mark, it must be used in interstate commerce.

Trade secret: The law of trade secret may be applied to almost any secret which is used in business and gives the owner of the trade secret a competitive edge over others. It is used to protect valuable proprietary information and is a commonly used form of protection for software. Unlike copyrights, there is no federal trade secret statute. Trade secret laws are determined by the individual states but generally adhere to similar principles. State of New Jersey has not adopted a version of the Uniform Trade Secrets Act (UTSA). In fact, New Jersey does not have a statute governing trade secrets law. Instead, it is based solely on the common law, which is the compilation of prior court decisions in the state. Like the UTSA, however, New Jersey law creates civil liability for "misappropriation" of someone else's trade secret(s). New Jersey's criminal laws relating to theft may also impose criminal liability for stealing trade secrets. The most important aspect of this type of protection is that of secrecy. The protection will remain legally valid only as long as a trade secret is maintained. In order to maintain protection while a trade secret is being used, it is necessary to bind those individuals having access to the secret by a contractual agreement not to disclose it. Such agreements are called nondisclosure or confidentiality agreements.

ATTACHMENT B

KEY RESPONSIBILITIES ASSIGNED BY THE UNIVERSITY

Responsibilities of Inventors

1. When an invention has been developed under the conditions described above in Section F, Ownership of Patents, and deemed by the inventor worthy of evaluation the inventor is required to promptly file an invention disclosure form when intellectual property has been developed and protection may be warranted.
2. When an inventor intends to publish information or make any other public disclosure related to the invention, the inventor must notify OTC of the intention prior to making such public disclosure; the foregoing clause shall not be construed to infringe on anyone's right to publish.
3. Inventions conceived and/or reduced to practice and which are covered by paragraphs F.1 to F.5 must be disclosed fully and in good faith to OTC.

4. When inventors conceive or reduce to practice an invention and judges that it may be valuable and serve the public good, that individual is required to report the invention through the Chair or Director of his or her Department, Center, or Institute to the OTC on the Rowan University Invention Disclosure Form.
5. It is the obligation of the Inventor to correctly identify any and all co-inventors on the Disclosure Form. The inventor is required to cooperate with OTC in filing, maintaining and enforcing the patent and in all licensing matters.
6. The inventor must provide reasonable support to assure the patent, licensing or other rights are adequately protected as required by the university.
7. The Inventor also has an obligation to disclose any potential conflict of interest in accordance with the University's Conflict of Interest Policies, and to execute all contracts, assignments, waivers, disclosures, or other legal documents necessary to vest in the University the rights to any invention in which it retains an interest. These obligations remain effective even after Inventors leave the University. Prosecution by an Inventor of patents on inventions to which the University has a right of ownership as described in paragraphs F.1 and F.2 of this policy without disclosure of the invention to the OTC and (if so requested by the University) assignment of ownership to the University, constitutes grounds for disciplinary action.
8. Inventors may not enter into any patent agreements related to University intellectual properties with outside organizations without prior authorization from the OTC. The University retains this right of approval exclusively to itself.

Responsibilities of Office of Technology Commercialization

1. The primary goal of the OTC is to bring to the public inventions and discoveries owned by the University, using whatever means seems best to develop, market, and license or otherwise commercialize inventions consistent with this policy.
2. Following the disclosure of an invention to the University by the inventor, the OTC will determine the potential commercial use and patentability of the invention.
3. When in the judgment of the University, there is sound basis to proceed; the OTC may apply for a patent itself or use an external patent management organization or individual, or whether it will waive rights to the invention and release them to the inventor.
4. The inventor is required to cooperate and participate in obtaining the patent.
5. If the OTC decides not to file a patent, the University will notify the inventor one year from full disclosure of the discovery to the University. If additional time is required, the Vice President for Research may inform the inventor that additional time is required to make the decision. The University may, upon formal and written request, release its rights in the invention to the inventor.
6. OTC is responsible for facilitating the transfer of University's technology for public use and benefit.
7. The OTC evaluates, obtains proprietary protection for, and assists in the distribution of technology for research purposes.
8. The University may enter into any licensing agreements deemed beneficial to the University, the Inventor, and the public in general, provided such agreements are not prohibited by a sponsor's rules or regulations.
9. The OTC will pursue the licensing of technology by researching the market for the technology, identifying third parties to commercialize it, entering into discussions with potential licensees, negotiating appropriate licenses or other agreements, monitoring progress, and distributing royalties to the inventors/authors in accordance with University Royalty policy. When it is appropriate to do so, University may accept an equity position in partial lieu of cash royalties.

ATTACHMENT C ROWAN UNIVERSITY INVENTION DISCLOSURE FORM

Rowan University Invention Disclosure Form can be located on the Rowan University website by searching for "Invention Disclosure Form" or by entering www.rowan.edu/.../invention_disclosure/documents/RowanUniversityInventionDisclosureForm1-Feb09_000.doc - 8k - 2009-04-01