



Delaware State University

University Area Responsible: Office of the General Counsel

Policy Number & Name: 05-06 Intellectual Property

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I. PURPOSE

The purposes of this policy are:

- A. to provide a mechanism for placing in the public realm the fruits of research, while safeguarding the interests of the University, the inventor(s), and the sponsor;
- B. to provide procedures to evaluate the significance of inventions, discoveries, research materials, and works, and the opportunities by which such creative advances may be brought to the point of commercial viability;
- C. to provide adequate legal protection for intellectual property including patent, trademark, and copyright protection for inventions and works falling within the scope of this policy, through the collaboration of University faculty, staff, and students with the assigned attorney(s) and the staff of the Office of the Vice-President for Research;
- D. to establish principles for determining the rights of the University, the inventor(s), or developer(s) or author(s), and the sponsor;
- E. to provide greater incentives for pursuing and commercializing intellectual property by University personnel;
- F. to assist the inventor(s) or developer(s) or author(s) in realizing tangible benefits from the intellectual property;
- G. to satisfy requirements of certain research grants and contracts; and
- H. to provide a basis for establishment of institutional patent, copyright, and trademark agreements with the federal government and other agencies.

II. DEFINITIONS

- A. “Intellectual Property” includes all Inventions, Works, and Trademarks, together with any related tangible research materials, know-how and the scientific data and other records of research, including any related government protections.
- B. “Inventions” includes any subject matter eligible for protection under U.S. Patent law, including but not limited to discoveries, machines, new and useful processes, methods, articles of manufacture, compositions of matter, life forms, designs, algorithms, software programs, devices, products, plant varieties, or concepts that may have commercial value.
- C. “Works” include any works of original authorship capable of protection under U.S. Copyright law, including but not limited to literary works; musical works, including any accompanying words; dramatic works, including any accompanying music; pantomimes and choreographic works; pictorial, graphic, and sculptural works; motion pictures and other audiovisual works; sound recordings; and architectural works.
- D. “Trademarks” include any word, phrase, symbol or design, or a combination thereof, capable of identifying and distinguishing the source of goods or services of one party from those of another.
- E. “Author” refers to an author or creator of any Works or Trademarks.
- F. “Inventor” refers to any contributor of subject matter claimed in a patent application for an Invention.
- G. “University Inventor” refers any Inventors who are full-time faculty, full and part-time professional and salaried staff, postdoctoral and research fellows, graduate students who receive a stipend, visiting researchers, or any other student who has assigned or agreed to assign rights to the University.
- H. “Non-University Inventor” refers any Inventor who is not a University Inventor.
- I. “Invention Disclosure” refers to any text, drawings, data and the like that describes or discloses an invention, such as, but not limited to any form requested or required by the University for use in disclosing inventions, which format shall be made readily available and may be updated or modified by the University from time to time.

III. POLICY

- A. Delaware State University (“DSU”) strives to support its faculty, staff, and students by pursuing the commercial development of intellectual and tangible research property resulting from University research. The early transfer of such knowledge and rights is consistent with the University's mission of creating new knowledge and facilitating its application to the benefit of the public. The University has established policies and guidelines that provide incentives for faculty, staff, and students while protecting the integrity of research (see DSU Policy 2-03: *Conflict of Interest Policy (COI) for Researchers*). The University provides a number of administrative and legal services to inventors and authors to effectively and efficiently pursue intellectual property rights and technology transfer.
- B. The University’s policy requires that all Intellectual Property, except certain Works as detailed in the Copyrights Section of this Policy, which are conceived or reduced to practice or developed by University faculty, staff, or students in the course of employment at the University, or result from work directly related to professional or employment responsibilities at the University, or from work carried out on University time, or at University expense, or with the substantial use of University resources, shall be the property of the University. University faculty, staff, or students employed by the University who discover or invent or develop Intellectual Property while associated with the University must cooperate with the University in defining and establishing the rights to such Intellectual Property. This obligation extends to any Intellectual Property, whether or not made on University time with or without use of University facilities.
- C. When an Invention is made, anyone who believes they are an Inventor shall promptly provide the University Associate Vice President for Research, or his/her designee, an Invention Disclosure describing the circumstances under which the invention was conceived and reduced to practice, with particular attention to:
1. describing the Invention, including how the Invention is made and used (i.e., its utility or applications), and including the results of a patent search establishing the novelty of the Invention;
 2. indicating whether the Invention was made under terms of a consulting or other personal agreement between the Inventor(s) and another party
 3. identifying in a business plan the anticipated business/societal value of the Invention, and indicating those countries in which patent protection may be desirable;

4. identifying the sponsor, if any, of the project or program;
5. identifying any co-inventors or individuals whose contributions should be evaluated to determine if they should be named as Inventors;
6. stating whether the Invention is within the Inventor's normal activities and responsibilities with respect to his/her University employment; and
7. indicating the extent to which equipment or physical facilities provided by the University were used in the work which led to the Invention.

IV. ADMINISTRATIVE RESPONSIBILITY

- A. The administration of the principles and policies set forth in succeeding sections of this document is the responsibility of the Provost. The Provost, however, has delegated routine administration to the VP of RIED, with the understanding that no departures from the stated principles and policies will be made without his/her prior concurrence.
- B. Inventions in which the University and the Inventor(s) are the sole parties in interest shall be promptly evaluated for filing by the Intellectual Property Committee ("IPC"), and a recommendation shall issue regarding whether to proceed with patent filing and what type of patent filing shall then be forwarded for review and appropriate action by the VP of RIED and patent counsel for patentability or novelty for registration. Should the recommendation be negative in nature, that recommendation may be appealed to the VP of RIED.
- C. Following the foregoing review and evaluation, the Inventions will then:
 1. be referred to the Office of General Counsel, who shall work with external intellectual property counsel and the full cooperation of the University Inventor(s), to draft, file, and prosecute a patent application or to file a trademark or copyright application, with the guidance of the VP of RIED or his/her designee;
 2. be considered by the University, in collaboration with the Inventor(s), for opportunities to commercialize the invention;
 3. be offered to the Federal funding agency when the University initially elected to retain title under the *Bayh-Dole* statute but the Invention and associated patent application(s) are no longer of interest to the University;

4. be released to the Inventor, if found not to be of interest to the University or any Federal agency which may have funded the research leading to the Invention; or
5. in certain cases, referred to brokers or outside entities with whom the University has contracts to assess commercial potential and interest in their filing and attempting commercial development.

V. RIGHTS AND OBLIGATIONS OF THE UNIVERSITY, FACULTY, STAFF, AND STUDENTS

A. The respective rights and obligations of the University, faculty, staff, and students in various situations are as follows:

1. University-funded research. Inventions resulting from efforts conducted by faculty, staff, or students, that have been financed wholly by the University or have involved the use of University facilities, equipment, or materials, are covered by Article IV, Section C, above.
2. Government-funded research. Inventions that result from efforts financed wholly or in part by Federal funds will be treated in accordance with the provisions of Public Law 96-517, "*The Patent and Trademark Amendments of 1980*," known as the *Bayh-Dole Act*, codified at 37 C.F.R. § 401.14. This act provides that the contractor (Delaware State University) may retain full title, right, and interest in inventions made under contract with the government, with certain exceptions for unusual circumstances. Except as specifically superseded by provisions of a specific funding agreement, inventions and discoveries covered by this section will be treated as outlined in Article IV, Section C, above.
3. Research funded by non-government grants or other contracts. Inventions resulting from research conducted by faculty, staff, or students, which research has been financed wholly or partially by industrial, philanthropic or other organizations, or by individuals, under contracts or written agreements are governed by the terms of such contracts or agreements, and the principal investigator is responsible for informing co-workers of their rights under such contracts or agreements before initiation of the research. Inventions not required to be assigned by contractual terms may be processed or disposed of by the University as provided in Article IV, Section C, above.

4. Research conducted or funded wholly at the expense of the individual Intellectual Property resulting from research conducted wholly at the expense of the individual, without use of University facilities, equipment, or materials, and outside the individual's normal field of activities and employment responsibilities are the property of the individual, and the University undertakes no responsibility with respect to such Intellectual Property. In all such cases the Provost will confirm the individual's ownership rights in the Intellectual Property and the Inventor(s) right to dispose of the Intellectual Property as the Inventor(s) see(s) fit. At the sole option of the Inventor(s) and with the University's prior assent, such Intellectual Property may be conveyed by assignment to the University.
- B. It is the policy of the University, with reference to all creative work of faculty, staff, and students, to recognize the interests of all parties involved, to provide a mechanism for the identification of commercial opportunities, to provide guidelines for making a proper and equitable distribution of benefits, and to assist the Inventor(s) or Author(s) in benefiting from his or her creative efforts. It is important to realize, however, that under U.S. law the identification of an Inventor requires a contribution to the conception or reduction to practice of an Invention as set forth in a patented claim of the Invention, and requires the Inventor to sign a declaration attesting to their contributions. The determination of inventorship is a legal determination and different from the guidelines used to establish co-authorship. In certain circumstances, if an individual is designated as an Inventor because of contributions reflected in fewer than all of the claims in a patent application, and those claims are later withdrawn or cancelled, that individual may lose the designation as an Inventor with respect to the granted patent.
 - C. In situations where the University pursues commercialization through the licensing or transfer of rights in the Intellectual Property to another entity, the University normally elects to do so by assigning its rights to "DSU Technology Company", a University affiliate established to facilitate such commercialization.

VI. ROLES AND RESPONSIBILITIES IN PATENT PROCUREMENT

- A. Procurement of a patent requires technical and legal efforts over a number of years to obtain meaningful, enforceable rights to protect valuable intellectual property developed through research programs at the University. After a University inventor files an Invention Disclosure to initiate the patenting process with the Research Office, there are four stages of patent prosecution over a 3-5 year period. The most critical decisions in this process, however, occur within the first 30 months and carry with them significant costs. The following sections outline the critical elements and allocate technical, legal, and financial responsibilities attendant with each element.
 1. Invention Disclosures, prepared by University research personnel, are submitted to the RIED by the Inventor(s) involved for review, approval, and action as

described in Section IV(C) above. If approved, RIED will arrange for an appropriate patent application to be prepared and filed with the USPTO with the assistance the Office of General Counsel and outside University intellectual property counsel.

2. For industry-supported research agreements, the costs associated with the preparation and filing at each stage of patent application prosecution, as described below will be borne by the industrial collaborator. Otherwise, except as specifically noted to the contrary below, costs will be borne in accordance with the following Cost Sharing Ratio:
 - a. two-thirds of the costs by RIED;
 - b. one-third of the costs by the University Inventor(s).
3. Costs incurred for filing a first provisional patent application covering research not supported by an industrial partner will be shared as follows.
 - a. for the simplest forms of a provisional patent application (coversheet or summary provisional), costs will be paid entirely by RIED; or
 - b. if a fully-developed form of the provisional patent application is selected as appropriate and filed, the costs will be shared using the Cost Sharing Ratio set forth above.
4. If the University determines it will not file, the Inventor(s) shall have the right to appeal such a decision to VP of RIED.
5. U.S. Non-Provisional and/or PCT Application. If agreed by the Inventor(s), a U.S. non-provisional application and/or a multi-national foreign application under the Patent Cooperation Treaty ("PCT") will be filed within one year of the original filing of the provisional application claiming priority to the provisional patent application.
 - a. No U.S. Non-Provisional application or PCT application will be made until the Inventor(s) have developed a detailed plan and/or identified an industrial partner to further develop the invention. VP of RIED and/or IPC will be asked to assist in evaluating the intellectual property for future marketing and utilization and to identify potential industrial partners to further develop the invention.
6. PCT National Phase Applications. In the event a PCT Application has been filed, at 30 months after the original filing of the provisional application, a decision regarding the country or countries in which to pursue a patent (entry into the PCT National Phase) by the inventor(s) and REID must be made.

7. The decision to continue prosecution of the U.S. utility patent application and any associated foreign patent applications shall be reviewed periodically among the inventor(s) and the University.
 8. Appeals of any decision not to file an application or to discontinue patent prosecution of a pending patent application shall be taken to the VP of RIED.
 9. If at any point in the patenting process, the University decides not to file an application, or to discontinue the patenting process or some portion thereof after one or more applications have been filed, absent such a decision being overturned on appeal or otherwise changed, rights in the Invention and associated patent application(s) shall be offered to the Inventor(s) as per Article IV, Section C, Paragraph 4, above. If accepted by the Inventor(s), they shall be fully responsible for all future costs, governmental notifications, and other obligations. **NOTE: *In the event the patent application has been licensed or is subject to other legal obligations, prosecution of such applications shall continue until expiration or release of such obligation(s).***
 10. RIED or its designee will operate to manage the patent prosecution effort and along with the Office of General Counsel, oversee the activities of outside University intellectual property counsel. RIED shall communicate information and coordinate decisions with the inventor(s), Department Chair(s), and the Dean(s) of the appropriate College(s) involved to ensure the implementation of academic directives.
 11. If the patent(s) are successfully licensed, for the purpose of recovering patent prosecution costs, Net Revenues from the licenses will be allocated in accord with the allocation formulas of Article VII, Section F, below.
- B. Arbitration of Disputes. In the event the University and the Inventor(s) cannot agree with respect to any of their respective rights or obligations hereunder regarding a non-patent procurement matter, such dispute shall be submitted for determination to an arbitration panel of three members chosen from the University community and having a member named by the Inventor(s), a member named for the University by the Provost, and a chair selected by mutual agreement of these two nominees. The decision of a majority of such panel shall be final and binding upon both the Inventor(s) and the University.

VII. DIVISION OF INCOME

- A. Except as otherwise provided for below, income received by the University from the commercialization of Inventions, including but not limited to upfront technology access fees, royalties, approvals to assign rights, equity interests, compensatory damages for infringement and other direct damages awards (“Revenue”) shall be used first to fully reimburse the parties (the University and other University units as appropriate) that shared in the costs for direct, assignable or foreseeable future expenses arising in connection with obtaining or litigating the Intellectual Property

- (“Expenses”). The Revenue remaining after the recovery of Expenses shall be the net revenue (“Net Revenue”).
- B. An additional 10% percent of the Net Revenue remaining after recovery of expenses shall be retained by the University for management expenses to cover overhead.
 - C. For income from all sources, except litigation, the remaining balance of the Net Revenue shall be distributed quarterly and divided one-third to the University Inventor(s) and two-thirds to the University.
 - D. For income from litigation, Net Revenue up to \$1 million dollars shall be distributed quarterly and divided one-third to the University Inventor(s) and two-thirds to the University. Above \$1 million dollars, Net Revenue shall be distributed quarterly and divided two-fifths to the University Inventor(s) and three-fifths to the University. Punitive damages and/or treble damage awards obtained in litigation of IP matters shall be retained solely by the University.
 - E. If two or more University Inventors are entitled to share in the portion of Net Revenue, the University Inventors must sign, have notarized, and present to the University an agreement stipulating how such income will be shared among them before the University will distribute any Net Revenue to such University Inventors. In the absence of an agreement among the University Inventors providing specific guidance regarding the distribution of their shares of Net Revenue, the University shall distribute the Inventors’ share of Net Revenue in equal shares to each University Inventor. If the University Inventors wish to share Revenue with Non-University Inventors, they may do so at their sole discretion, but the University will not make direct distributions to Non-University Inventors.
 - F. In the event that compensation from the Invention is in the form of restricted or unrestricted common or preferred stock, such stock will be distributed in accordance with the appropriate sharing ratios indicated herein as soon as practical after receipt by the University, or the appropriate portion of shares may be registered directly with the University Inventor(s). It shall be the sole responsibility of the University Inventor(s) to satisfy any personal tax obligations related to stock distributed to them under this section.
 - G. When Inventions are created under contract with an outside agency, the division of income shall be in accordance with the terms of the contract (if any). In the event any contract with an outside agency provides for the University to receive unrestricted funds from the Inventions, such funds shall be divided as provided in Article VI, Section C.
 - H. In the event that Revenue is received under an agreement granting licenses for two or more patents or works, the prorating of income among the patents or works shall be determined by the IPC. The IPC shall utilize legal, accounting, and scientific consultants as it deems necessary in making its decisions. If one or more of the

University Inventors involved disagrees with the decision of the IPC, the matter shall be resolved by arbitration as provided for herein.

- I. Revenues less than \$100 received by the University shall be retained entirely by the University and will not be further distributed.

VIII. COPYRIGHTS

A. The University recognizes that its faculty and staff, as part of their normal research and other scholarly activities, may develop Works which are protected under U.S. copyright law. Accordingly, it is considered desirable to provide policies and procedures that:

1. assist faculty and staff in realizing tangible benefits from their creative efforts;
2. establish guidelines for defining the rights of ownership to materials produced by faculty or staff;
3. ensure control of use, within the University structure, of curriculum material developed at the University by a faculty or staff member;
4. insure the author against loss of rights of reproduction for noncommercial use of material in which proprietary rights rest with the University; and
5. provide guidance for maximizing protection of proprietary rights.

B. General Principles

1. In accordance with established custom at institutions of higher learning, copyright ownership of textbooks, manuscript, non-print materials, etc., produced by the individual effort of the author, as well as any royalties therefrom, accrue to the benefit of the author. If, during the preparation of the material, the University incurs Incremental Costs as defined herein, the Author must reimburse the University for these costs in order to obtain full equity in the copyright.
2. When material has been prepared under a specific written contract, grant, or assigned project agreement, the ownership of the copyright will be determined by the terms of the contract, grant, or assigned project agreement. "Assigned project" is used herein to refer to a University project covered by a written assignment under which time and/or funding is allocated to perform the work.

3. Ownership of Works comprising software programs for implementing an Invention shall be assigned to the University along with the Invention and treated like an Invention with respect to all other aspects of this Policy.

C. Administrative Responsibility and Procedures

1. The copyright policy is administered by the Office of the Provost. The responsibility for the everyday administration of the policy has been delegated to the VP of RIED.
2. Any member of the University faculty or staff who produces material intended for publication or release that constitute Works capable of intellectual property protection shall notify his/her departmental chairperson or division head of intent to publish, and shall provide sufficient information to determine the equity interests of the University where it is appropriate. The chairperson shall review this material, considering the contractual obligations of the University and the possible copyright value of the material. When in doubt the Office of General Counsel should be consulted. In the event that the University is judged to have rights or obligations, the Author shall assign copyright rights in the Works to the University. A copy of the Work shall then be sent to the Office of General Counsel, which will work with outside University intellectual property counsel to register the copyright. Any decision on rights or equity in the copyright will be made by the VP of RIED or the Provost (as appropriate) after consultation with the Author.

D. Rights and Obligations Of University and Author

1. Works Resulting from Activities Not Sponsored by the University.
 - a. The Author shall reimburse the University for out-of-pocket Incremental Costs if the Author is to own the copyright. Incremental Costs associated include, for example, overtime typing costs, hiring of extra secretarial help, costs of tape, film, or other expendable materials. Incremental Costs shall not include rental for University facilities, such as equipment or space, when use of such facilities does not interfere with other University uses.
 - b. Unless specifically covered by an agreement, assignment, contract, or grant entered into before initiation of the Work, or a Work constituting a software program that implements an Invention, copyright rights in the Work remain with the Author.
 - c. In recognition of services provided by the University to the Author that facilitate the creation of Works, including the provision of support facilities to

assist faculty and staff in strengthening existing educational programs or in creating new ones, the Author must grant the University a royalty-free, unlimited right to reproduce and use the Work within the University and in connection with procurement of Intellectual Property rights related to the Work or to any Inventions related to the Work.

- d. For works that result in very substantial income to the author, it is the custom of some universities that the author bestow a gift to the University in recognition of the contribution to the work made by the availability of University facilities. It is hoped that this custom will be followed at this University, but this decision is left to the judgment and good will of the Author, and is not stated as a requirement or even an expectation.

2. Works Resulting from Activities Sponsored by an Outside Agency

Ownership of works in this category is controlled by the terms of the grant or contract which provides the funds in support of the work. In the case of government contracts or grants, the government always retains the right to duplicate and use the works for government purposes. Where no obligation to convey to the sponsor exists, all rights revert to the author with the reservation to the University of the right of reproduction and use in the furtherance of its educational responsibilities, as detailed above.

3. Works Resulting from Activities Sponsored by the University.

- a. For Works developed with partial University Funding, or if the author does not reimburse the University for out-of-pocket Incremental Costs, such Works shall be jointly owned by the Author and the University, and royalty income will be shared as provided in Section F, below.
- b. For Works developed as the result of an assigned project with full Funding by the University, sole rights of ownership abide with the University, although title to such Works may be assigned to the Author at the option of the University with sharing of any royalty income as provided in Section F.
- c. "Funding" as used in this section means funds from the University's resources and also funds from outside sources administered by the University.
- d. For Works in which title to the copyright vests with the University, the University, in recognition of the Author's input, will provide to the Author, upon written request, a copy of the material and the right of duplication for the Author's own use.

E. Settlement of Disputes

In accordance with existing University regulations, irreconcilable differences shall be referred for final disposition to a three member panel consisting of the author or his/her representative, the Provost or his/her representative, and a third member to be selected from the University community by the first two members.

F. Division of Income

In situations where the University has an equity in the Copyright rights in a Work, and income accrues either to the University or to the Author as a result of sales or merchandising of a work, the income shall first accrue to the University until the University has completely recovered its out-of-pocket costs for securing the copyright, its Incremental Costs, and any cost of goods sold incurred by the University in connection with the Works, including, but not limited to advertising, printing, publishing, distribution, and sales costs. Thereafter, the author shall receive 75% of the income and the University 25% of the income unless, before royalty payments begin, some other arrangement has been agreed upon by the parties in interest. In computing University costs, not only Incremental Costs but rental value of any major equipment shall be included.

IX. TRADEMARKS

- A. To the extent a University employee in the course of his or her employment creates a Trademark that is used in connection with goods or services provided by or on behalf of the University, such Trademark shall be the property of the University and all goodwill from use of the mark shall inure to the benefit of the University.
- B. To the extent an Author or Inventor conceives of a Trademark that is intended for use or actually used in connection with an Invention or a Work covered by this Intellectual Property Policy, the Trademark shall be treated the same as the related Invention or Work with respect to any rights, responsibilities, revenue sharing related to that Trademark.

X. EXECUTION OF DOCUMENTS

Inventors and Authors are expected to cooperate in executing any documents, including but not limited to Powers of Attorney, Declarations, Assignments, Confirmatory Assignments, and the like, required to facilitate protection or perfect the assignment of any Intellectual Property Rights covered by this Policy. To the extent the University incurs out of pocket costs required to compel execution of such documents by the Author or the Inventor or to proceed without such executed

documents, the University shall be entitled to deduct such costs from any proceeds due the Inventor or Author under this Policy.