

I. POLICY STATEMENT

Policy and procedures for disclosure and assignment of ownership of potentially patentable inventions created in the course of work at Auburn University or with more than incidental use of Auburn University resources. Extends this requirement to faculty, staff, graduate students and visitors involved in research.

II. POLICY PRINCIPLES

1. All potentially patentable inventions conceived or first reduced to practice in whole or in part by members of the faculty or staff (including student employees) of the University in the course of their University responsibilities or with more than incidental use of University resources, shall be disclosed on a timely basis to the University. Title to such inventions shall be assigned to the University, regardless of the source of funding, if any.
2. The University shall share royalties from inventions assigned to the University with the inventor.
3. The inventors, acting collectively where there is more than one, may request a waiver to place their inventions in the public domain if they believe that would be in the best interest of technology transfer and if doing so is not in violation of the terms of any agreements that supported or related to the work.
4. If the University cannot, or decides not to, proceed in a timely manner to patent and/or license an invention, it may reassign ownership to the inventors upon request to the extent possible under the terms of any agreements that supported or related to the work.
5. Waivers of the provisions of this policy (other than the percentages of revenue from royalties and equity to be distributed to the inventors) may be granted by the Vice President for Research or his designate on a case-by-case basis, giving consideration among other things to University obligations to sponsors, whether the waiver would be in the best interest of technology transfer, whether the waiver would be in the best interest of the University and whether the waiver would result in a conflict of interest. In addition, the Vice President for Research or his designate may expand upon these provisions and shall adopt rules, based on the same factors as well as appropriateness to the University's relationship with inventors, for the ownership of potentially patentable inventions created or discovered with more than incidental use of University resources by students when not working as employees of the University, by visiting scholars and by others not in the University's employ.

6. This policy shall apply to all inventions disclosed on or after

III. EFFECTIVE DATE

IV. APPLICABILITY

In addition to faculty and staff (including student employees), the provisions of the University's patent policy will extend to:

- . All graduate students and postdoctoral fellows.
- . Non-employees who participate or intend to participate in research projects at Auburn University (including visiting faculty, industrial personnel, fellows, etc.)

In the case of non-employees, all potentially patentable inventions conceived or first reduced to practice in whole or in part in the course of their participation in research projects at AU, or with more than incidental use of University resources, shall be disclosed on a timely basis to the University, and title shall be assigned to the University, unless a waiver has been approved.

IV. POLICY MANAGMENT

Responsible Office: Office of Technology Transfer

Responsible Executive: Assistant VP. Technology Transfer and Commercialization

Responsible Officer: Director, OTT

VI. DEFINITIONS

A. WHAT IS A PATENT?

A U.S. patent is a grant issued by the U.S. Government 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 of 20 years. When a patent application is filed, the U.S. Patent Office reviews it to ascertain if the invention is new, useful, and non-obvious and, if appropriate, grants a patent -- usually two to five years later. Other countries also grant similar patents. Not all patents are necessarily valuable or impervious to challenge.

B. WHAT IS AN INVENTION?

An invention is a novel and useful idea relating to processes, machines, manufactures, and compositions of matter. It may cover such things as new or improved devices, systems, circuits, chemical compounds, mixtures, etc. It is probable that an invention has been made when something new and useful has been conceived or developed, or when unusual, unexpected, or nonobvious results have been obtained and can be exploited.

An invention can be made solely or jointly with others as coinventors. To be recognized legally, a co-inventor must have conceived of an essential element of an invention or contributed substantially to the general concept. (See section 2.D. for information and procedure regarding the formal disclosure of an invention.)

C. PATENTABILITY

Not all inventions are patentable. Questions relating to patentability are often complex and usually require professional assistance.

1. General criteria for patentability

An important criterion of patentability is that an invention must not be obvious to a worker with ordinary skill in that particular field. It must also be novel, in the sense that it not have been previously publicly known or used by others in this country or patented or described in a printed publication anywhere.

2. Loss of patentability

Inventions that are patentable initially may become unpatentable for a variety of reasons. An invention becomes unpatentable in the United States unless a formal application is filed with the U.S. Patent Office within 12 months of disclosure in a publication or of any other action which results in the details of the invention becoming generally available. As U.S. patent law moves from a "first-to-invent" system to a "first-to-file" system, it will be increasingly important for inventions to be protected as soon as practicable.

3. Circumstantial impairment of patentability

Many other circumstances may impair patentability, such as lack of "diligence." For example, unless there is a record of continuous activity in attempting to complete and perfect an invention, it may be determined that the invention has been abandoned by the initial inventor, and priority given to a later inventor who showed "due diligence."

D. VALUE OF UNPATENTED INVENTIONS

An invention, although unpatentable for various reasons, may still be valuable and important - for example, trade secrets and technical "know-how" encompassing proprietary information of a valuable and confidential nature.

Agencies sponsoring research at AU usually require reports of all inventions, whether or not they are considered patentable.

VII. POLICY PROCEDURES

ADMINISTRATIVE PROCEDURES

A. OFFICE OF SPONSORED PROGRAMS (OSP)

OTT will work in conjunction with OSP to review the terms and conditions of the University's grants and contracts for compliance with University policies on intellectual property rights and openness in research.

B. OFFICE OF TECHNOLOGY TRANSFER (OTT)

The mission of OTT is to promote the transfer of AU technology for society's use and benefit while generating unrestricted income to support research, technology transfer and education. OTT is responsible for the administration of the University's invention reporting and licensing program, the commercial evaluation of inventions, patent filing decisions, petitions to agencies for greater rights in inventions, the negotiation of licensing agreements with industry, and for the forming of startup companies.

C. PATENT AGREEMENTS

By accepting employment or enrolling as a student, employees and students agree that they are bound by the terms of this policy which vests ownership of inventions in the University under the circumstances outlined herein. All faculty, staff, student employees, graduate students and postdoctoral fellows must also sign the AU University Patent and Copyright Agreement (See APPENDIX I at the end). In addition, non-employees who participate or intend to participate in research projects at AU must also sign the Patent and Copyright Agreement unless an agreement governing the intellectual property rights of such non-employee has already been executed between Auburn University and the individual's employer through the OTT.

Each department is responsible for getting the Patent and Copyright Agreement signed, normally at the time of the individual's initial association with AU.

D. INVENTION DISCLOSURES

An invention disclosure is a document which provides information about inventor(s), what was invented, circumstances leading to the invention, and facts concerning subsequent activities. It provides the basis for a determination of patentability and the technical information for drafting a patent application. An invention disclosure is also used to report technology that may not be patented but is protected by other means such as copyrights.

Inventors must prepare and submit on a timely basis an invention disclosure for each potentially patentable invention conceived or first actually reduced to practice in whole or in part in the course of their University responsibilities or with more than incidental use of University resources.

A disclosure form describing the invention and including other related facts must be prepared by the inventor and forwarded to OTT. Forms may be requested from the Office of Technology Transfer or from the web pages of the OVPR. Use of the on-line disclosure system is preferred.

The following practical considerations relate to invention disclosures:

1. Individuals covered by this policy are expected to apply reasonable judgment as to whether an invention has potential for commercial marketing. If such commercial potential exists, the invention should be considered "potentially patentable," and disclosed to AU.

2. Individuals may not use University resources, including facilities, personnel, students, equipment, or confidential information, except in a purely incidental way, for any non-University purposes, including outside consulting activities or other activities in pursuit of personal gain.

"More than incidental use of University resources" would include:

- the use of specialized, research-related facilities, equipment or supplies, provided by AU for academic purposes
- significant use of "on-the-job" time.

The occasional and infrequent use of the following would typically not constitute "more than incidental use of University resources":

- routinely available, office-type equipment, including desktop computers and commercially-available software
- reference materials or other resources collected on the AU campus, and which are generally available in non-AU locations.

E. ALTERNATIVE DISPOSITION OF RIGHTS

The inventor, or inventors acting collectively, when there are more than one, with the advice of OTT may request for inventions to be placed in the public domain if that would be in the best interest of technology transfer, and if doing so is not in violation of the terms of any agreements that supported or governed the work. The University will not assert intellectual property rights when inventors have placed their inventions in the public domain.

If OTT cannot, or decides not to, proceed in a timely manner to patent and/or license an invention, OTT may reassign ownership to the inventor or inventors upon request to the extent possible under the terms of any agreements that supported or related to the work. In the case of an invention resulting from a government-sponsored project, where OTT cannot or chooses not to retain ownership, rights would then typically be retained by the government. In such cases, the inventor may request and be granted rights by the sponsoring agency to an invention made under such an award, provided that a well-conceived and detailed plan for commercial development accompanies the request. Inventors are encouraged to consult with the OTT concerning their options regarding the release of intellectual property.

F. LICENSING

The University encourages the development by industry for public use and benefit of inventions and technology resulting from University research. It recognizes that protection of proprietary rights in the form of a patent or copyright are often necessary - particularly with inventions derived from

basic research - to encourage a company to risk the investment of its personnel and financial resources to develop the invention. In some cases an exclusive license may be necessary to provide an incentive for a company to undertake commercial development and production. Nonexclusive licenses allow several companies to exploit an invention.

The research and teaching missions of the University always take precedence over patent considerations. While the University recognizes the benefits of intellectual property development, it is most important that the direction of University research not be established or unduly influenced by patent considerations or personal financial interests.

OTT handles the evaluation, marketing, negotiations and licensing of University-owned inventions with commercial potential.

G. REVENUE FROM ROYALTIES AND EQUITY DISTRIBUTIONS

Prior to declaring "net revenues," the out-of-pocket costs sustained by Auburn university for (a) patent prosecution through attorney firms, (b) patenting and patent maintenance fees, (c) licensing and license maintenance costs, (d) evaluation or marketing services, and (e) university costs for patent infringement actions will be taken from gross revenues. Salaries and wages to employees of AU OTT and the cost of OTT operation are not considered out-of-pocket expenses. Net revenue consequent to the above will be distributed as follows:

1. 40% to the inventors prorated according to contribution;
2. 45% to AU (distribution within AU is elaborated below); and
3. 15% to OTT for operation and expenses.

The 45% of the Net Revenue allocated to AU is meant for the support and promotion of research, research infrastructure, promotion of inventions, and transfer of university technology to worthy external entities for the benefit of the broader economy and society. Appropriate activities include but not limited to:

1. The development of inventions and prototyping;
2. Testing of inventions to improve commercialization;
3. An infrastructure to do enabling "proof of concepts";
4. The investigation of markets, and business plan development;
5. The creation and maintenance of a network of investors;
6. An infrastructure to enable new business startups based on AU inventions;
7. Training on technology transfer;
8. Seed funds for additional research and development to further the invention; and
9. Other undefined steps to improve the commercialization of inventions.

The recommended share from the 45% distributions to AU is:

1. Inventor's research program = 20%
2. Department = 15%
3. College = 15%

4. VPR = 50% (for use as prescribed above)

Disagreements involving royalty distribution will be reviewed and resolved by OTT; involved parties may appeal the OTT resolution to the Vice President for Research.

VIII. SANCTIONS

As approved by AU Patent Committee

IX. EXCLUSIONS

As approved by AU Patent Committee

X. INTERPRETATION

Disputes about interpretations of the policy and procedures to be addressed to the Vice President for Research by the aggrieved party for resolution, with a provision to appeal his/her decision to the AU President.

APPENDIX I

Patent and Copyright Agreement for Auburn University Personnel

As required by the Bayh-Dole Act (1980), AU requires the following agreement from its personnel defined by the agreement or the Auburn University Patent Policy.

I understand that, consistent with applicable laws and regulations, Auburn University is governed in the handling of intellectual property by its official policies titled Auburn University Patent Policy as well as the Copyright Policy, and I agree to abide by the terms and conditions of those policies, as they may be amended from time to time.

Pursuant to those policies, and in consideration of my employment by AU, the receipt of remuneration from AU, participation in projects administered by AU, access to or use of facilities provided by AU and/or other valuable consideration, I hereby agree as follows:

1. I will disclose to AU all potentially patentable inventions conceived or first reduced to practice in whole or in part in the course of my University responsibilities or with more than incidental use of University resources. I further agree to assign and do hereby assign to AU all my right, title and interest in such potentially patentable inventions and to execute and deliver all documents and do any and all things necessary and proper on my part to effect such assignment.
(See Auburn University Patent Policy for discussion related to this paragraph.)
2. I am free to place my inventions in the public domain as long as in so doing neither I nor AU violates the terms of any agreements that governed the work done.
3. AU policy states that all rights in copyright shall remain with the creator unless the work:
 - a. is a work-for-hire (and copyright therefore vests in the University under copyright law),
 - b. is supported by a direct allocation of funds through the University for the pursuit of a specific project
 - c. is commissioned by the University,
 - d. makes significant use of University resources or personnel, or
 - e. is otherwise subject to contractual obligations.

I agree to assign and do hereby assign or confirm in writing to AU all my right, title and interest, including associated copyright, in and to copyrightable materials falling under a) through e), above.

- 4 I am now under no consulting or other obligations to any third person, organization or corporation in respect to rights in inventions or copyrightable materials which are, or could be reasonably construed to be, in conflict with this agreement.

NOTE: An alternative to this agreement may be appropriate for personnel with a prior existing and conflicting employment agreement that establishes a right to intellectual property in conflict with AU policies. Personnel in this situation should contact the Office of the Vice President for Research.

- 5 I will not enter into any agreement creating copyright or patent obligations in conflict with this agreement.

This agreement is effective on my date of hire, enrollment, or participation in projects administered by AU, and is binding on me, my estate, heirs and assigns.

[Name]