

RESOLUTION ON A UNIVERSITY
INTELLECTUAL PROPERTIES POLICY
#14-94/95-FA

WHEREAS, The attached policy regarding intellectual properties at Humboldt State University has been submitted to the Academic Senate of Humboldt State University for review; and

WHEREAS, To have a policy for the joint development of faculty/university intellectual properties is mutually advantageous to the faculty and to the university; and

WHEREAS, The proposed policy calls for no change in existing policies and practices regarding the development of intellectual properties at Humboldt State University; and

WHEREAS, The normal use of university resources and facilities on the part of the faculty shall not constitute a claim on the part of the university in intellectual properties developed by members of the faculty; and

WHEREAS, The university will exercise intellectual property rights only when university resources are dedicated to the development of an intellectual property; and

WHEREAS, The proposed policy on intellectual properties is mutually beneficial to the faculty and to the university; therefore, be it

RESOLVED: That the Academic Senate of Humboldt State University approves of the proposed policy for the development of intellectual properties at Humboldt State University and recommends that the attached policy be adopted.

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HUMBOLDT STATE UNIVERSITY INTELLECTUAL PROPERTY POLICY

A. University Mission and Goals and Intellectual Property

It is in direct fulfillment of Humboldt State University's mission and goals to encourage the development of inventions and other intellectual creations for the best interest of the public, the inventor/creator, and the sponsor, if any, and to provide for the timely protection and disclosure of such intellectual property. This policy is in direct fulfillment of Humboldt State University's mission and goals and encourages both the free flow of information and the rapid commercialization of research results while seeking to protect the respective interests of all concerned.

From time to time it may be necessary to limit the open dissemination of information to protect intellectual property in order to commercialize that property and/or to maintain international competitiveness. The means of protecting intellectual property are: patents, copyrights, trademarks and trade secret laws. The use of these mechanisms is critical to attracting the investment of capital necessary to bring research results to the point of viability and thus to the broadest application.

B. General Policy on Intellectual Property

This policy applies to all employees of the university, to auxiliary organization employees who are not otherwise covered, to anyone using the university's facilities under the supervision of the aforementioned personnel, and to the university's students.

Except as otherwise stated in this policy, this policy applies to, and the university may assert ownership in, intellectual property of all types, including, but not limited to, inventions, discoveries, trade secrets, scientific and technological developments, technology and computer software. This policy applies to the foregoing whether the means of protection is patent, copyright, trade secret laws or trademark. (See Appendix A for applicable definitions.)

Except for institutional funds which have been directly invested in the intellectual property, the university will not assert an ownership right in textbooks, scholarly writing, art work, music, literary work, films, videos and digital technology or other works of artistic imagination which are not institutional works, which are developed by its employees or by those receiving support.

Other than the foregoing exceptions, intellectual property developed by the university's employees in the course of their employment is owned or jointly owned by the university

and/or its auxiliary organizations, unless such ownership is precluded by grant or contract agreements or by state or federal law. Similarly, intellectual property developed by the university's students or by others receiving direct university support of their work is owned or jointly owned by the university. The university shall protect the rights to intellectual property and shall involve discoverers and creators in the process to determine how such intellectual property shall be made public.

C. Intellectual Property Ownership

If university facilities, equipment and other resources and/or university funding, including auxiliary organization facilities, equipment or funding not otherwise covered, have been used in the development of an intellectual property, that property is owned or jointly owned by Humboldt State University.

In keeping with traditional academic policy, the university does not assert ownership of copyrightable material due to the provision of office space or library facilities, unless the space is provided specifically to support the development of the material. The university does not claim ownership of books, articles and similar works which disseminate research and scholarly results, nor does the university claim ownership of popular nonfiction, fiction, poetry, musical compositions or other works of artistic imagination which are not institutional works.

D. Intellectual Property Disclosure

Especially in regard to an invention, the existence of an intellectual property needs to be disclosed to the university as quickly as possible so that the university might act to preserve the rights of all concerned. This policy exists to further that goal.

Disclosure occurs via completion of an Intellectual Property Disclosure Form (copy attached), obtainable in the office of (to be determined). Once completed, the form shall be submitted to the office of (to be determined), the university's designated office for intellectual property issues.

E. Ownership Reversion

If Humboldt State University, by either written policy or specific act, chooses not to act upon the right of intellectual property licensure or patent or similar methodology for assertion of rights, ownership passes wholly to the inventor or creator.

F. Patent Methodology

In pursuing the patentability of inventions, the university shall utilize the services of such third parties as Research Corporation Technologies (see attached agreement). Third parties shall be used for the commercialization of inventions.

G. Income - Campus Distribution

After repayment to Humboldt State University of any institutional funds which directly went into the discovery or creation of any intellectual property, any further income received shall be allocated based upon the following formula:

1. 50% to the inventor/creator
2. 25% to the office of the respective vice president, for allocation
3. 25% to the university for discretionary use

Such income shall be deposited in fiduciary accounts maintained with Humboldt State University Foundation. Expenditure will then occur through standard expenditure processes with the following understandings:

1. Funds under the control of the inventor/creator shall be expended for purposes selected by the inventor/creator. Such expenditures shall be in keeping with nonprofit organization and CSU auxiliary organization financial standards.
2. Funds under the control of university organizational components will typically be expended for purposes which further external institutional support.

H. Policy Effective Date

Following appropriate review, this policy was made effective on _____ at Humboldt State University, Arcata, California. Prior to the approval of this policy, the applicable policy statements relative to intellectual property matters were found in the policies identified in Appendix B.

APPENDIX A

HUMBOLDT STATE UNIVERSITY INTELLECTUAL PROPERTY POLICY

DEFINITIONS

1. Patents

The United States patent system grants exclusive rights to inventors in order to encourage the public gain of information and to prevent duplicative research effort. A patent provides twenty years of excluding others from making, using or selling the invention. It does not give the patent holder the authority to make, use or sell, simply the authority to prevent others from doing so. Thus it is that one party can hold the patent on an improvement to an invention, while another holds the patent on the invention itself.

A. Process

To obtain a patent, four statutory requirements must be met: utility, adequacy of disclosure, novelty and non-obviousness. Utility--that is, usefulness--necessitates a practical application. Adequate disclosure requires a fully detailed description sufficient to enable a person in the same technological field as that of the patent to "practice" the invention. Adequate disclosure has two parts: 1) the specification section which identifies the field of technology and describes in detail the invention's features and 2) the claims section which describes in detail the subject matter for which the patent applicant desires protection. The requirement for novelty specifies that the invention not be known or in use prior to the filing of the patent application. While United States law references a one year "grace period" for publication or use prior to patent filing, other nations do not recognize such a grace period, so any prior use can negate the patent in foreign markets. The final requirement for patentability is non-obviousness. The invention must be one which goes beyond a minor improvement which would have been obvious to anyone skilled in the field. At issue is whether the "prior art" (other patents, published documents, and technical publications) renders the invention obvious.

Patent applications are received by the U.S. Patent and Trademark Office and can take up to two years to evaluate, depending upon the press of applications and the number of related inventions. During this patent examination process, patent applications are confidential. Once patent is granted, the application is printed and made public. Denial of patent is appealable.

Plants can receive patent protection under utility patents but are also protected if they are asexually reproduced varieties or if they are sexually reproduced varieties (Plant Variety Protection Act of 1970).

B. Patent Right Enforcement

The owner of a patent can preclude others from making, selling or using the invention within the territory of the United States. This property right can be assigned to others or licensed on either an exclusive or non-exclusive basis. Infringement on such property rights can be pursued in a civil suit in a Federal District Court. Winning such a suit can result in either or both injunction and financial damages.

C. Licensing

Both the patenting and licensing of inventions are authorized under U.S. patent law and U.S. regulations. The patenting and licensing process applies equally to federally funded inventions. License negotiations involve such business matters as royalty rates and measures of due diligence. Licenses are generally granted to campuses agreeing to manufacture in the United States any inventions to be used or sold in the United States. Such domestic production requirements especially apply to federally funded inventions. The issue of exclusivity is dependent upon the requirements needed to enable development. If significant development costs are involved, licensees can be expected to request exclusive rights. Nonexclusive licensing typically occurs for materials having numerous commercial uses.

D. Dedication to the Public

An invention's patentability can be accidentally destroyed or deliberately destroyed by disclosing it through publication or public use. A formal mechanism for deliberate destruction is Statutory Invention Registration, administered by the U.S. Patent and Trademark Office. Dedication to the public typically occurs when exclusive rights to an invention which might be secured through a patent have no commercial value.

2. Copyrights

Copyright protects a work of authorship, fixed in any tangible medium of expression, from unauthorized reproduction. Copyright is applicable to computer software, art work, music, articles, books and other literary works. Publishers normally carry copyright. Copyright protects the expression of the idea, but not the idea itself.

3. Trademark

Trademark is the mark which distinguishes an organization or a product. Symbols and logos of Humboldt State University are trademarks, and they may not be used by third parties without a proper license and specific approval via the university's Licensing Program.

4. Trade Secret

Trade Secret is a legal property protection device under state law. Knowledge formalized as a trade secret cannot be disclosed in any open scientific forum. Trade secret commonly occurs with profit-making companies.

APPENDIX B

HUMBOLDT STATE UNIVERSITY INTELLECTUAL PROPERTY POLICY

A. General

1. Education Code
2. Title 5
3. State University Administrative Manual
4. State Administrative Manual

B. Specific

1. Humboldt State University Faculty Handbook
2. P92-8 (superseding 92-1, 85-12, 78-13, 75-8, 73-8)
3. University Management Letter 92-2
4. P90-3
5. University Management Letter 90-4
6. University Management Letter 88-2
7. P86-11
8. P86-2
9. 5-30-86 Addendum to P85-12
10. P83-7
11. P80-13

HUMBOLDT STATE UNIVERSITY
INTELLECTUAL PROPERTY DISCLOSURE FORM

While most questions which follow are applicable to inventions subject to patent, this form is also designed to be used with issues involving copyright, trademark and trade secret.

I. Description:

Please title this disclosure form subject and describe it.

1. Title: _____
2. Description: _____

3. Does this disclosure primarily concern: a. _____ patent
b. _____ copyright
c. _____ trademark
d. _____ trade secret
4. What is the immediate and/or future impact of this invention/creation?

5. If an invention, how does it improve upon present technology?

6. If an invention, is work on it continuing?

7. Have products, prototypes, samples, etc. been made and tested?

II. Public Knowledge

1. Has the invention/creation been disclosed in published form, in a talk, in a thesis, etc? If so, where and when?

2. Is any related publication planned in the next six months? If so, where and when?

3. Have there been any sales of products utilizing the invention/creation, or has there been any public use of the invention/creation? If so, where, when and to what extent?

4. Are there related developments by others? Please identify and describe them.

III. Sponsorship

1. Was this work sponsored in whole or in part by any individual, business, agency or institution? If so, who, when, and to what extent? Please reference any related contract, grant or account number.

2. Has the invention/creation been disclosed to sponsors? Please provide details.

IV. Principals Who Claim Rights to the Invention/Creation:

Names/Title

Signature

Date

Primary Contact: _____ Phone: _____

Date of Completion of this Form: _____

Once complete this form should be submitted to the Office of
_____ at Humboldt State University.

**Agreement Between
Research Corporation Technologies, Inc. ("RCT")
and**

**("Institution")
For Disclosure, Evaluation
and Commercialization of Inventions**

Effective _____, 19____ (the "Effective Date"), *Institution* and *RCT* agree as follows (the definitions of terms appear in Article VI):

I. DISCLOSURE, EVALUATION AND ACCEPTANCE OF INVENTIONS

1.1. In its discretion, *Institution* shall submit to *RCT*, for evaluation and possible commercialization by *RCT*, the *Inventions* of its *Faculty* which *Institution* owns or shall be entitled to own or license to others.

1.2. *RCT* shall treat any *Invention* disclosed to it under 1.1. above, that has not been published or which is not the subject of an issued *Patent* or a pending *Patent Application*, as proprietary and with the requisite degree of confidentiality necessary to preclude jeopardizing the patentability of such *Invention*. If *RCT* discloses any *Invention* to any third party, *RCT* shall require such third party to exercise its best efforts to hold the same confidential.

1.3. *RCT* shall evaluate all such submitted *Inventions*. Within a reasonable time after *RCT's* receipt of any submitted *Invention*, *RCT* shall advise *Institution* in writing of its decision to accept or decline to accept such submitted *Invention* for commercialization under this Agreement. If *RCT* declines to accept any *Invention*, *Institution* shall, upon receipt of such written decision from *RCT*, be free to take steps to protect and commercialize such *Invention* as *Institution* may see fit to do, without further obligation under this Agreement. If *RCT* accepts any *Invention*, *Institution* shall promptly comply with the provisions of 1.5 below.

1.4. At any time after three (3) months from the date of receipt by *RCT* of any submitted *Invention*, *Institution* may notify *RCT* in writing that *RCT* must accept or decline to accept such *Invention* on or before the date thirty (30) days after *RCT's* receipt of such notice. If *RCT* fails to accept or decline such *Invention* on or before the expiration of such thirty (30) day period, *RCT* shall be deemed to have declined such *Invention*. The provisions of this paragraph shall not apply to an *Invention* so long as *RCT* has submitted such *Invention* to a third party for screening or other evaluation, with approval of *Institution*, in the course of evaluation of such *Invention*.

1.5. Upon *RCT's* acceptance of any *Invention*, *Institution* shall assign or arrange for assignment to *RCT* of all rights, title and interest in and to any such *Invention* and its corresponding *Patent Rights* (foreign and domestic), employing *RCT's* customary forms of assignment.

II. PATENTS

2.1. Upon *RCT's* acceptance of any submitted *Invention*, and *Institution's* assignment in accordance with 1.5 above, *RCT* shall file United States and foreign *Patent Application(s)* on each such accepted *Invention* as *RCT* may deem appropriate and prosecute such *Patent Application(s)* to the extent *RCT* determines that such prosecution will result in *Patent(s)* that have reasonable commercial potential.

2.2. *RCT* shall maintain such *Patents* to the extent *RCT* may deem desirable for its commercialization efforts. *RCT* may abandon or take no further action as to any such *Patent Application* or *Patent* subject to this Agreement and thereafter abandon same if *RCT* determines that corresponding commercialization efforts are no longer justified, or that patent protection is no longer desired. On or before the date sixty (60) days before *RCT* abandons same, *RCT* shall notify *Institution* that it will abandon such *Patent* or *Patent Application*. If, on or before the expiration of such sixty (60) day period, *Institution* requests, in writing, *RCT*

to assign such *Patent Application* or *Patent* to *Institution* or its nominee, *RCT* shall so assign such *Patent Application* or *Patent* as requested. In the case of foreign filed *Patent Applications*, only the perfected filing of a *Patent Application* under the Patent Cooperation Treaty or in the European Patent Office (to extend the time for filing *Patent Applications* which may be perfected in certain countries) in a country shall be regarded as the filing of such a *Patent Application* which requires such notice and only in the country of such perfected filing.

III. COMMERCIALIZATION

3.1. *RCT* shall expend reasonable efforts to commercialize each accepted *Invention* and corresponding *Patent Applications* and *Patents* and secure reasonable revenue from such commercialization in the manner *RCT* deems appropriate.

3.2. On or about March 15 of each year, *RCT* shall pay to *Institution* fifty-seven and one-half percent (57-1/2%) of *Gross Income*, if any, received during the prior calendar year in respect of each accepted *Invention*. *RCT* shall retain, for its own benefit, the remaining *Gross Income*. *Gross Income* and *Institution's* share of *Gross Income* shall be separately computed and reported for each such *Invention*, although payment of *Institution's* share of *Gross Income* for all *Institution's Inventions* commercialized under this Agreement may be aggregated and made in one check. If *Institution* has approved the deduction from *Gross Income* of *Special Expenses* pertaining to a particular *Invention* (the "*Invention's Special Expenses*"), *RCT* shall make the following adjustments to *Gross Income* attributable to such *Invention* and received in the prior calendar year (the "*Invention's Gross Income*");

(a) subtract from the *Invention's Gross Income* the *Invention's Special Expenses* incurred during the prior calendar year and any excess of the *Invention's Special Expenses* carried forward from earlier calendar years; and

(b) if the *Invention's Special Expenses* incurred during the prior calendar year and the excess, if any, of the *Invention's Special Expenses* carried forward from earlier calendar years together do not exceed the *Invention's Gross Income*, *RCT* shall pay to *Institution* fifty-seven and one-half percent (57-1/2%) of the remainder.

RCT shall furnish a computation of all payments made to *Institution*. *RCT* shall maintain at its offices, in usual form, books of record, ledgers and accounts relating to its activities under this Agreement, which shall be open to examination by *Institution* or its nominees during usual business hours. *RCT* shall also annually report on its previous year's efforts to commercialize each accepted *Invention*.

3.3. *RCT* shall have the right to abandon its commercialization efforts for any accepted *Invention*, *Patent Application* or *Patent* if *RCT* determines, in its discretion, that such efforts are no longer justified. *RCT* shall notify *Institution* of such abandonment. Upon written request by *Institution*, *RCT* shall assign such *Invention*, *Patent Application* or *Patent* to *Institution* or its nominee. *RCT* shall continue as licensor, grantor or contracting party (or licensee, if applicable) as to licenses, grants, working rights, agreements or other contracts to which any accepted *Invention*, *Patent Application* or *Patent* is then subject if *RCT* reassigns to *Institution* such *Invention*, *Patent Application* or *Patent*. *RCT* shall also continue to compute, pay and retain *Gross Income* and to make reports under 3.2 above with respect to such *Invention*, *Patent Application* or *Patent*.

IV. TERMINATION

Either party may terminate this Agreement upon three (3) months' written notice to the other party, although any *Invention* *Institution* has submitted to *RCT* under this Agreement before the effective date of termination shall be subject to this Agreement. Such termination shall not relieve *RCT* of its duty or affect its rights under 3.2 above. Termination of this Agreement shall not prejudice or affect the tenor, validity, effectiveness or scope of any rights *RCT* may have in any submitted or accepted *Invention* or its corresponding *Patent Rights* or any agreement between *RCT* and any third party concerning any submitted or accepted *Invention*. Any such agreement shall survive termination of this Agreement or the assignment, if any, of such *Invention* and its corresponding *Patent Rights* from *RCT* to *Institution*. Any such agreement shall continue to be managed by *RCT* under this Agreement.

V. GENERAL

5.1. Any controversy or claim arising out of or relating to this Agreement or the breach of this Agreement shall be settled by arbitration, in accordance with the rules of the American Arbitration Association, and judgment upon the award rendered may be entered in the highest court of the forum, state or federal, having jurisdiction.

5.2. This agreement is expressly subject to and conditioned upon any rights the United States Government may have in any *Invention* administered under this Agreement or the *Patent Rights* to such *Invention* as a result of any contract, grant or funding related to the research or other work that resulted in such *Invention* or *Patent Rights*.

5.3. All notices, requests and other communications provided for in this Agreement shall be directed to the respective parties at the address provided below, shall be in writing, and shall be deemed to have been made or given: (a) when delivered, if delivered by hand or sent by telex, telegram, telecopier or facsimile; (b) on the day following deposit with an overnight courier, if sent via overnight courier; or (c) on the date three (3) days following deposit with the United States Mail, certified or registered. Each party reserves the right to change such address for notification, by notice so given.

If to **RCT**: Research Corporation Technologies, Inc.
101 N. Wilmot Road, Suite 600
Tucson, AZ 85711-3335

If to **Institution**: at the address indicated below
on the signature block.

5.4. This Agreement constitutes the entire agreement and understanding of the parties concerning the subject matter of this Agreement. All prior understandings are merged into and extinguished by this document. This agreement shall be governed and construed according to the laws of the State of Arizona without regard to laws of Arizona concerning any conflicts of laws.

5.5. This Agreement shall apply to *Inventions* of **Faculty** which are submitted or assigned to **RCT** after the Effective Date and shall be in lieu of any earlier invention administration agreement, if any, between **RCT** and **Institution** (the "Superseded IAA") with respect to such *Inventions*. The Superseded IAA shall, nevertheless, continue in full force and effect as to any *Inventions* submitted and accepted by **RCT** before the Effective Date except to the extent **RCT** and **Institution** agree to treat any such previously submitted *Invention* under this Agreement.

5.6. Each party shall exercise due diligence and good faith in performing all acts required or contemplated by this Agreement.

VI. DEFINITIONS

6.1. When printed in italic letters in this Agreement, the following terms shall have the meanings set forth below:

"**Faculty**" shall mean the members of **Institution's** faculty, staff, fellows, associates, students, employees or others covered by the **Patent Policy**.

"**Gross Income**" shall mean money and other consideration received by **RCT** by reason of its assignment or licensing of any *Invention*, *Patent* or *Patent Rights* to which **RCT** has rights under this Agreement, but shall not include any amounts paid to **RCT** or to **Institution**: (i) for developmental research, feasibility or market studies, or other work undertaken to enhance the *Invention* or its commercialization; or (ii) for the expenses of filing or prosecuting any *Patent Application* or maintaining or working any *Patent* on such *Invention*; or (iii) in respect of, or as a return on, any equity interest **RCT** may have in an entity licensed to practice the *Invention* (although the parties understand and agree that any license agreement between **RCT** and any entity in which it has an equity interest must be approved in writing by **Institution**).

"**Invention**" shall mean invention or discovery or novel plant variety. An *Invention* shall be "made" when it is conceived.

"**Inventor**" shall mean one who makes an **Invention** or one who is a breeder of a novel plant variety eligible for protection by means of a Plant Variety Protection Certificate or the like.

"**Patent**" shall mean a patent or Certificate of Invention or Utility Model or Design Registration or Plant Variety Protection Certificate or other form of protection for an **Invention** issued by a government or governmental agency.

"**Patent Application**" shall mean an application for a **Patent**.

"**Patent Policy**" shall mean the applicable policies, programs, regulations and contracts, expressed or implied, governing or determining the rights of **Institution** in and to **Inventions, Patent Applications** and **Patents** and other intellectual property of its professors, teachers, assistants, researchers, staff, fellows, associates, students, employees or others who may be subject to same.

"**Patent Rights**" shall mean:

(a) all right, title and interest in and to an **Invention, any Patent Application** filed or to be filed on the **Invention, any Patent** issued or issuing on such **Patent Application**;

(b) the right to file for any such **Patent** and to have any such **Patent** issued in the name of the owner or assignee; and

(c) the right to claim any priority right to which the **Inventor** or anyone claiming under him may be entitled.

"**Special Expenses**" shall mean any expenses incurred by **RCT** for litigation or other legal proceedings concerning the infringement, enforceability, validity or scope of any **Patent or Patent Application** or any license agreement concerning same, including attorney's fees and disbursements and court costs.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed, and their corporate seals to be affixed, by their duly authorized corporate officers on the date(s) indicated below to be effective as of and on the Effective Date.

RESEARCH CORPORATION
TECHNOLOGIES, INC.

By: _____
President

Date: _____

Attest:

By: _____
Secretary

(Seal of **RCT**)

By: _____
Title

Date: _____

Attest:

By: _____
Title

(Seal of **Institution**)