

Title: Patent Policy and Procedures

Purpose: Patentable inventions sometimes arise from the research activities of UNCA faculty, staff and students using University facilities, either wholly or in part. As a public service institution, the University has an interest in assuring the utilization of such inventions for the public good. Protection must be provided for at least some of these inventions through patents to encourage their development and marketing. Patents and their commercial exploitation, however, represent only a small part of the benefits accruing from either publicly or privately sponsored research.

The UNCA Patent Policy and Procedures (hereafter referred to as the “Procedures”) are designed to implement the Patent and Copyright Policies of The University of North Carolina (hereafter referred to as the “UNC Policy”). The Procedures incorporate the interests of the faculty, staff, and students, the institution, and the sponsors of research, because in many cases those interests encourage innovation and assure broad dissemination of the results of research. These Procedures are designed to stimulate and recognize creativity among the faculty, staff, and students, to enhance the learning environment, and to establish an institutional process that is flexible enough to accommodate the different types of research and innovative work conducted at a university such as UNCA. Equity and fairness are goals of the Procedures, not only in the distribution of revenue, but also in the recognition of inventors. Finally, these Procedures should provide an efficient and timely mechanism for patent protection of innovations generated in whole or in part by University employees.

Scope: This policy applies to UNC Asheville faculty, staff, and students as well as to external contractors and organizations providing research or program participation and/or support.

Policy: As defined by the UNC Policy, to which these Procedures are expressly subject, UNCA owns all inventions of University personnel, students, and external contractors that are made as a part of or as a result of: a) University research; b) activities within the scope of the inventor's employment by, or in official association with, the University; and c) activities involving the use of University time, facilities, staff, materials, University information not available to the public, or funds administered by the University; d) sponsored research; or e) otherwise agreed to. All University faculty, staff, students, and external contractors will disclose inventions according to these Procedures, whether the invention(s) fall into the categories above or not, and all relevant information pertaining to ownership issues will be included in the disclosure to permit evaluation by the Intellectual Property Committee. It is the role of the Intellectual Property Committee to make a recommendation to the Provost as to the ownership of inventions.

Faculty, staff, students, and external contractors whose invention disclosures demonstrate that an invention has been made (a) on their own time, (b) outside the scope of their employment or association with the University, (c) without University facilities, materials, or resources, (d) without the support of sponsored research, or (e) without otherwise agreeing, will own such inventions. However, even in these cases, the inventor(s), may, at their discretion, submit such an

invention to the University for possible patenting and/or commercial exploitation and management under terms to be agreed upon by the inventor and the University.

The provisions of these Procedures are subject to any applicable laws, regulations or specific provisions of the grants or contracts that govern the rights in inventions made in connection with sponsored research.

Under the terms of certain contracts and agreements between UNCA and various agencies of government, private and public corporations, and private interests, UNCA may be required to negotiate agreements to provide the sponsor with intellectual property rights in UNCA inventions. UNCA retains the right to enter into such agreements whenever such action is considered to be both in its best interest and in the public interest. Ordinarily, the University will not assign rights in future inventions to private corporations or businesses except as set forth in these Procedures.

All faculty, staff, students and external contractors engaged in University related or sponsored research shall sign a Patent Agreement, in a format acceptable to the Provost. Such Patent Agreements will be filed with the Office of Sponsored Scholarship and Programs and kept on file with that Office.

Students who are pursuing only non-research related studies are not obligated to sign an UNCA Patent Agreement. However, if the student makes an invention which is, or may be, subject to University ownership in accordance with this Policy, the student must disclose the invention to the University as provided under these Procedures and the Intellectual Property Committee will determine an equitable resolution of ownership rights.

Definitions: **Bold** – Define terms as considered necessary

Procedure:

1. Responsibilities of University Personnel

1.1. University personnel who, either alone or in association with others, make an invention in which the University has or may have an interest shall disclose such inventions on forms provided for this purpose by the Office of Sponsored Scholarship and Programs (see Intellectual Property web site, <http://www.unca.edu/copyright/>). The Office of Sponsored Scholarship and Programs will promptly acknowledge receipt of completed disclosure forms. Disclosures will be reviewed in accordance with these Procedures, below.

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1.2. For any invention in which the University has an interest, the inventor, upon request of the Provost or his/her designee must sign promptly all contracts, assignments, declarations, waivers or other legal documents necessary to vest in the University or its assignees any or all rights of the invention, including complete assignment of any patent, patent applications, trademarks, or copyrights related to the invention.

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1.3. In addition, if the University files any patent or trademark applications on an invention, it is the inventor's obligation to cooperate with the Office of Technology Transfer and the University's designated patent counsel in the prosecution of the patent, plant variety, or trademark application(s). Such cooperation includes, but is not limited to:

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1.3.1. consulting with, and providing input to, the Office of Technology Transfer and patent counsel concerning ← --- Formatted: Bullets and Numbering

1.3.1.1. (i) the patent, plant variety, or trademark application(s), and ← --- Formatted: Bullets and Numbering

1.3.1.2. (ii) responses to actions, objections, and the like, by the applicable government offices, and ← --- Formatted: Bullets and Numbering

1.3.2. promptly and timely signing all assignments, declarations or other documents requested in connection with the prosecution of the patent, plant variety, or trademark application(s). ← --- Formatted: Bullets and Numbering

1.4. Before making any distributions of revenue under the Regulation referred to in Section 7.2 below, the amount of any fees or charges incurred by the University because of inventor's failure or refusal to fulfill the obligations in this Section 4.3 may be deducted from any licensing or other revenue attributable to the invention and credited to the University account from which the fees or charges were paid. ← --- Formatted: Bullets and Numbering

1.5. UNCA personnel may not: (a) sign agreements with outside persons or organizations that may abrogate the University's rights and interests either as stated in the UNC Policy, these Procedures, or as provided in any grant or contract funding the research which led in whole or in part to making the invention, (b) without prior authorization, use the name, icon, symbol, or trademark of the University or any of its units in connection with any invention in which the University has an interest, unless expressly authorized to do so, nor (c) sign agreements on behalf of or as authorized representatives of the University, except to the extent authorized to do so in writing. ← --- Formatted: Bullets and Numbering

1.6. Faculty teaching courses in which students do any work that may reasonably be expected to lead to inventions should inform those students, preferably in the course syllabus, (a) of the existence of the UNC Policy and these Procedures, and (b) that the UNC Policy and these Procedures apply to any inventions arising out of the work done for the class in question. ← --- Formatted: Bullets and Numbering

1.7. If an invention is released to the inventor(s), the inventor(s) may not conduct any commercial research or development on that invention at the University or using University resources. Commercial research or development includes, but is not limited to, research sponsored by a commercial entity, research obligated to a commercial entity, and/or research on behalf of a commercial entity. However, inventors may continue to use the released invention for non-commercial research, educational, or teaching purposes of the University. New invention(s) resulting from any such research, educational, or teaching uses of the released invention must be disclosed to the University in accordance with these Procedures. Potential conflicts of interest that may arise from an inventor's use of the released invention(s) must be promptly disclosed by the inventor(s) to the appropriate department head(s) and Associate Vice Chancellors for evaluation and management. ← --- Formatted: Bullets and Numbering

2. Disclosure ← --- Formatted: Bullets and Numbering

2.1. When faculty or staff members make an invention, it is their responsibility to discuss the invention with their Department Head, at which time disclosure of the invention should

be considered. Students will first discuss an invention with their advisor, who will assist them in further discussion within the University. The Director of the Office of Sponsored Programs is available to answer questions and to assist faculty, staff and students in the preparation of disclosures. If an employee of the University makes an invention through collaboration with other researchers outside of the University, that employee will promptly disclose the invention to the University in accordance with these Procedures.

2.1.1. An inventor's disclosure will include the following:

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2.1.1.1. The circumstances under which the invention was made and developed;

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2.1.1.2. The employee's official duties at the time of the making of the invention;

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2.1.1.3. Whether he or she requests waiver or release of any University claims or acknowledgment that the University has no claim;

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2.1.1.4. Whether he or she wishes a patent application to be prosecuted by the University, if it should be determined that an assignment of the invention to the University is not required under this policy; and

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2.1.1.5. The extent to which he or she would be willing voluntarily to assign domestic and foreign rights in the invention to the University if it should be determined that an assignment of the invention to the University is not required under this policy.

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2.1.2. If the inventor believes that the invention was made outside the general scope of his University duties, and if he does not choose to assign the rights in the invention to the University, he shall, in his invention disclosure, request that the Intellectual Property Committee determine the respective rights of the University and the inventor in the invention, and shall also include in his disclosure information on the following points:

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2.2. All invention disclosures will be submitted to the Office of Sponsored Scholarship and Programs for consideration by the Intellectual Property Committee (hereafter sometimes referred to as the "Committee").

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2.3. Upon receiving a disclosure, the Director of the Office of Sponsored Scholarship and Programs will refer the disclosure to the Chair of the Intellectual Property Committee.

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3. Administration

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3.1. The Intellectual Property Committee

3.1.1. The IPC will review each written disclosure promptly. The Committee will recommend to the Provost via the Director of the Office of Sponsored Scholarship and Programs the proper disposition of the invention to secure the interests of the University, the inventor, the sponsor, if any, and the public. Its

recommendation may include, but is not limited to, one or a combination of the following:

- 3.1.1.1. To acknowledge that the University has no ownership interest in the disclosure.
 - 3.1.1.2. To submit the disclosure for review by a patent or invention management firm.
 - 3.1.1.3. To make inquiries of potential licensees that may have an interest in the invention, including the financing of a patent application, where applicable;
 - 3.1.1.4. To study the practicality of applying for a patent with University resources (an option with limited application because of financial constraints);
 - 3.1.1.5. In proper cases, to release its rights to the inventor subject to an agreement to protect the interests of the University, the sponsor if any, and the public, including an obligation to pay to the University a percentage of future royalties; and;
 - 3.1.1.6. To dedicate the invention to the public.
- 3.1.2. Within eight weeks of the receipt of the disclosure, the Intellectual Property Committee will provide the Provost and inventor with an initial report on the status of the Committee's deliberation.
 - 3.1.3. In its final report, the Intellectual Property Committee will notify the Provost of the recommendation of the Committee on (1) the equities involved including financial participation, (2) whether the University will accept assignment of the invention for patenting, licensing and/or commercial handling as applicable.

3.2. University Actions

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- 3.2.1. If the University chooses neither to file a patent application or otherwise make it available commercially nor to dedicate to the public an invention in which it asserts its rights, the invention will be released in writing to the inventor, with the permission of the sponsor, if any.
- 3.2.2. If, after the University has filed a patent application, it decides to abandon the patent, the inventor will be promptly notified in writing, and all rights will be released by written agreement to the inventor, with the permission of the sponsor, if any.
- 3.2.3. In those cases in which the University has obtained a patent without obligation to sponsors, if no arrangement has been made for commercial development within a reasonable period from the date of the issuance of the patent, the inventor(s) may request in writing a release of the University's plans for the development of the invention.

The inventor will be notified in writing of the decision of the University concerning a) costs and/or potential revenue of the invention, b) whether the University plans to file a patent application, or c) whether the University will accept the invention for management. According to the specific circumstances of each case, the University may choose to file a patent application, a course of action that will allow the University to protect the subject invention. In those cases in which the University is managing an invention without obligation to any sponsors, it will notify the inventors of any decision to cease its efforts to commercialize the invention, thus permitting the inventors to request the release of the University's rights in the invention.

If no arrangement for commercial development of the invention has been made within three years from the date of the issuance of the patent, the University ordinarily will not continue to support the costs of any patent or patent application based on the invention. The Office of Technology Transfer will inform the Intellectual Property Committee of this decision, and unless the Committee recommends otherwise, will, before allowing any patent rights to lapse, offer rights in the invention to the inventor(s) in an agreement as described in 6. 3. 5.

Inventors may, prior to the three-year post-issuance deadline described in 6. 5. 1, request in writing an assignment of the University's rights in an invention on which the inventor is named and for which the University has not made arrangements for commercial development. The Intellectual Property Committee will promptly either grant the request or advise the inventor of the University's plans for the development of the invention.

6. 5. 3 The Office of Technology Transfer, with the concurrence of the Intellectual Property Committee, may elect to continue supporting the cost of developing an invention beyond the three years post-issuance deadline, subject to availability of funds, and provided the Office of Technology Transfer and the Committee believe that such action may ultimately result in identifying a commercialization path for the invention.

3.2.4.

4. Publication and Public Use

- 4.1. The University strongly encourages scholarly publication of the results of faculty and student research. Though UNC Asheville policies do not limit the right to publish, except for short periods of time necessary to protect patent rights, publication or public use of an invention constitutes a statutory bar to the granting of a United States patent for the invention unless a patent application is filed within one year of the date of such publication or public use. Publication or public use also can be an immediate bar to patentability in certain foreign countries.
- 4.2. In order to preserve rights in unpatented inventions, it shall be the duty of the inventor to report forthwith to the Director of Sponsored Scholarship and Programs any publication, submission of manuscript for publication, sale, public use, or plans for sale or public use, of an invention, if a disclosure has previously been filed. If an invention is disclosed to any person who is not employed by the University or working in cooperation with the University upon that invention, a record shall be kept of the date and extent of the disclosure, the name and address of the person to whom the disclosure was made, and the purpose of the disclosure.

4.3. After disclosure, the inventor shall promptly notify the Director of the Office of Sponsored Scholarship and Programs of the acceptance for publication of any manuscript describing the invention or of any sale or public use made or planned by the inventor.

| 5. Revenue Sharing

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| 5.1. The University shall share revenue that it receives from patents or inventions with the inventors. Specific provisions of grants or contracts may govern rights and revenue distribution regarding inventions made in connection with sponsored research; consequently, revenues the University receives from such inventions may be exclusive of payments of royalty shares to sponsors or contractors. Moreover, the University expects to contract with outside persons or organizations for the obtaining, managing and defending of patents, and any royalty shares of expenses contractually committed to such persons or organizations may be deducted before revenues accrue to the University.

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| 5.2. The revenues (net, if applicable per the preceding paragraph) which the University receives from a patent or invention will be applied first to reimburse the University for any incremental expenses incurred by it in obtaining and maintaining patents and/or in marketing, licensing and defending patents or licensable inventions. After provision for such expenses, the inventor's share of such revenues received by the University shall be as follows: 50% of the first \$25,000, 35% of the next \$25,000, 20% of the next \$25,000, 15% thereafter. In the case of co-inventors, each such percentage share shall be subdivided equally among them, unless the University in its sole discretion determines a different share to be appropriate. Applicable laws, regulations or provisions of grants or contracts may, however, require that a lesser share be paid to the inventor. In no event shall the share payable to the inventor or inventors in the aggregate by the University be less than 15% of gross royalties received by the University.

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| 5.3. To the extent practicable and consistent with State and University budget policies, the remaining revenue received by the University on account of an invention will be dedicated to research purposes, including research in the inventor's department or unit, if approved by the Provost upon recommendation of the University Intellectual Property Committee.

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| 6. Administration

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| 6.1. The University recognizes that the evaluation of inventions and discoveries and the administration, development and processing of patents and licensable inventions involves substantial time and expense and requires talents and experience not ordinarily found in its staff; therefore, in most cases it expects to contract with outsiders for these services. It may enter into a contract or contracts with an outside organization covering specific inventions or discoveries believed to be patentable and patents developed there from, or covering all such inventions, discoveries and patents in which the University has an interest.

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