

ASU System Policy

Effective Date: 02/25/05

Subject: Intellectual Property

I. Introduction

The creativity of human beings is manifested in fields as diverse as science and technology, literature and the humanities, and the fine and applied arts. Creators of intellectual property utilize legal vehicles that make possible the ownership and control of some of the fruits of this creativity, providing an incentive to be creative and to make such fruits public. As a result of the increased cooperation in research and development between universities and businesses, the volume of intellectual property being created in universities has increased significantly. This increase has made apparent the complexity of the issues related to the ownership, control and use of such property. This policy is designed to achieve the following objectives:

- a. Encourage and protect the creative endeavors of all members (faculty, staff and students) of the Arkansas State University community;
- b. Determine and safeguard the rights and interests of all relevant parties (Originator, the University, and outside sponsors of research) in the creative products of those associated with the University;
- c. Facilitate the dissemination and use of the findings of academic research so as to benefit the public at the earliest possible time;
- d. Provide guidelines by which the significance of the findings of the academic research may be determined and, when appropriate, their public use facilitated;
- e. Recognize the equity of any outside sponsor of research within the University, assist in the negotiation and preparation of contracts with outside sponsors, collaborators and licensees, and support the fulfillment of the terms of those contracts;
- f. Provide for the equitable distribution of benefits resulting from the intellectual property among the various parties (Originator, the University and outside sponsors of research) with interests in it.

II. Persons Affected

The Intellectual Property Policy applies to all persons employed by the Arkansas State University System and the component institutions of the System, to anyone using System facilities unless otherwise negotiated, to all students including but not limited to undergraduate students and candidates for masters and doctoral degrees, and to postdoctoral fellows. It shall also apply to all persons not employed by ASU but whose scholarly production is financed, in whole or in part, from funds under the control of the University.

III. Definitions

The following definitions are employed in interpreting and implementing this policy:

- a. "Intellectual Property" refers to any material capable of legal protection (copyright, license and patent) arising out of Scholarly Production and includes but is not limited to any discovery, invention, process, know-how, design, model, work of authorship, works of art, computer software, mask work, molecular, cellular or organismal biological discoveries or applications, strain, variety or culture of an organism, or portion, modification, translation, or extension of these items. It includes marks used in connection with these. The term "mark" refers to trademarks, service marks, collective marks, and certification marks.
- b. "University" means the Arkansas State University System and any entity or activity under the authority of the Board of Trustees of the Arkansas State University System.
- c. "Scholarly Production" means any research, creative activity, or development activity, which is directly related to the duties and responsibilities for which a person has been compensated by or through the University, or for which facilities owned, operated, or controlled by the University are used.
- d. "Sponsored Research" means Scholarly Production for which the University has received external support from some third party.
- e. "Originator" means a person who in the course of Scholarly or Creative Production creates or discovers material that is/becomes Intellectual Property.
- f. "Copyright" shall be understood to mean that bundle of rights that protect original works of authorship fixed in any tangible medium of expression, now known, or later developed; from which they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a machine or device.

- g. "Works of authorship" (including computer programs) include, but are not limited to, the following: literary works; musical works, including any accompanying words; dramatic works, including any accompanying music, pantomimes and choreographic works; pictorial, graphic, and sculptural works (photographs, prints, diagrams, models, and technical drawings); motion pictures and other audiovisual works, sound recordings, and architectural works.
- h. "Tangible media" include, but are not limited to, books, periodicals, manuscripts, phonographic records, films, slides, tapes, and disks.
- i. "Patent" shall be understood to mean that bundle of rights that protect inventions or discoveries which constitute any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof; computer software; new and ornamental designs for any useful article; new human-made products; and new animal, plant or other life forms. This includes new plant varieties created by sexual reproduction and covered by Plant Variety Protection Certificates for New Cultivars.
- j. "Royalty-free license" shall be understood to mean an exclusive or non-exclusive, nontransferable license for unrestricted use of the invention, the license being without royalty payments on any subsequent proceeds.

IV. Statement of Policy

It shall be the policy of the University to acquire and retain legal title to all Intellectual Property created by any person or persons to whom this policy is applicable. This policy is established in furtherance of the commitment of the University to the widest possible distribution of the benefits of Scholarly or Creative Production, the protection of Intellectual Property resulting from such creation or discovery, and the development of Intellectual Property for the public good.

V. Determination of Ownership

These are the guidelines and circumstances to be considered by the University in determining ownership:

- a. The University owns the Intellectual Property:

1. If intellectual property is created by an employee within the scope of employment; or
2. If intellectual property is created during performance of professional duties, with System facilities or University or state financial support; or
3. If intellectual property is commissioned by the System or a component thereof, or if it fits within one of the categories of works considered works for hire under copyright law; or
4. If intellectual property results from research supported by Federal funds or third party sponsorship, such funds awarded to the University or system, subject to the conditions of the contract or agreement.
5. If intellectual property is computer software, including computer programs, computer databases and associated documentation (herein "computer software"), whether copyrightable or patentable, produced by any person to whom this policy is applicable, that intellectual property shall belong to the University. Revenues generated by the commercialization of computer software shall be shared with the originators/inventors according to the **Distribution of Earnings from Intellectual Property** of this policy document. Computer software produced on an Originator's own time or through permissible consulting activities and without the use of facilities owned, operated, or controlled by the University shall belong to the Originator and all rights thereto may be retained or assigned by the Originator.

b. The Originator owns the Intellectual Property:

1. If it is unrelated to the Originator's job responsibilities and the Originator made no more than incidental use of System resources; or
2. If it has been released by the University to the Originator under this Intellectual Property Policy; or
3. If the intellectual property is a Work of Authorship in the author's field of expertise, even though such a work may have been created within the scope of employment, so long as (a) no extraordinary system resources were used or (b) it was not created by someone who was specifically hired or required to create it, as stated in a contract with clear ownership definitions; or
4. If the Intellectual Property is copyrighted and was created, made, or originated by a university employee or student and is related to that employee's or student's professional field so long as (a) no extraordinary system resources were used and (b) it was not created by someone who was specifically hired or required to create it as stated in a contract with clear ownership definitions.

VI. Disclosure Obligations of Originator(s)

All persons to whom this policy is applicable shall furnish to the Office of Research and Technology Transfer a full and complete disclosure of any Intellectual Property promptly after it is created or conceived or first reduced to practice. The disclosure will identify all Originators of the specific Intellectual Property, their relative contributions to the work (expressed in a percentage), and use of University resources in developing the work including department(s), interdisciplinary program(s), research institute(s), and/or sponsor(s) (expressed in a percentage). Such persons shall cooperate in a timely and professional manner with the University or with patent or other counsel in protecting Intellectual Property and perform all acts necessary for the University to fulfill its obligations and protect the University's rights in and to the Intellectual Property. The University may require technical advice and assistance from Originators in the development and licensing of their Intellectual Property. The University's disclosure form is provided at www.ASUresearch.edu.

VII. Assignment of Copyrighted Intellectual Property Rights and Predetermined Disposition of Certain Copyrights

The University shall own and have continuing interest in Copyrighted Intellectual Property in the following two circumstances:

1. The author has voluntarily transferred the copyright, in whole or in part to the institution. Such transfer shall be in the form of a written document, signed by the author. Certain "works for hire" may require an agreement in writing be negotiated between the faculty, staff, or student, the University, and any third party prior to commencement of the work.
2. Arkansas State University has contributed to a "joint work" or commissioned a work under the Copyright Act. The institution can exercise joint ownership under this clause when it has contributed specialized services and facilities to the production of the work that goes beyond what is traditionally provided to faculty members. Such arrangement is to be agreed to in writing, in advance, and in full conformance with other provisions of this agreement.

Arkansas State University will not assert an interest in:

- a. faculty-produced, copyrightable online courses other than to reserve a nontransferable, royalty-free use license so long as the copyrightable Intellectual Property meets the definition of Originator owned Intellectual Property in Section V; or
- b. copyrightable material created for ordinary teaching use in the classroom or for electronic assignments and tests so long as the copyrightable Intellectual Property meets the definition of Originator owned Intellectual Property in Section V; or
- c. copyrightable faculty, staff, or student produced textbooks, scholarly writing, art works, musical compositions and literary works that are related to the

faculty, staff, or students' professional field so long as the copyrightable Intellectual Property meets the definition of Originator owned Intellectual Property in Section V.

The University shall be permitted to use any of the above enumerated materials for internal instructional, educational, and administrative purposes, including satisfying requests of accreditation agencies for faculty-authored syllabi and course descriptions.

In an agreement transferring copyright for such works to a publisher, faculty authors are urged to provide rights for the University to use such works for internal instructional, educational, and administrative purposes.

For any disputes concerning copyright ownership (such as equitable division among joint Originators) not specifically addressed in this policy, the University System Intellectual Property Committee (USIPC) will review all copyright disclosures and make a recommendation to the administration as to who owns the copyright. The Originator(s) will be notified of the outcome within 90 days of receiving the disclosure.

Funds received by the faculty member from the sale of copyrighted intellectual property assigned to the faculty author or inventor shall be allocated and expended as determined solely by the faculty author or inventor.

VIII. Assignment of Patented Intellectual Property Rights

The Associate Vice Chancellor for Research and Technology Transfer will review all invention disclosures and recommend to the administration one of three possible actions:

1. Assign all rights to the Originator(s); or
2. Assign all rights to the Originator(s) but retain a nontransferable royalty-free license; or
3. Retain all ownership rights and develop the Intellectual Property for commercialization at the University's discretion.

If the University does not furnish notice of intent to retain ownership rights of the Intellectual Property within 90 days after disclosure to the University, the rights to the Intellectual Property vest in the Originator(s) unless the Originator allows for as much as two 30 day extensions. Furthermore, if the University chooses to patent an Intellectual Property but takes no steps (within two years of notice of intent to retain ownership rights of the Intellectual Property) to develop the Intellectual Property commercially, the Originator(s) may request that the University transfer or waive its rights subject to the retention by the University of a non-transferable, royalty-free license.

IX. Costs of Legal Protection of Intellectual Property

The holder of the Intellectual Property rights bears the responsibility and financial burden of developing and processing the Intellectual Property, and all legal fees and other costs related to obtaining and maintaining patents, copyrights, or other legal protection, unless otherwise negotiated.

X. Distribution of Earnings from Intellectual Property

In consideration of the disclosure and assignment of Intellectual Property to the University, the net royalties or other net income from the commercialization of an Intellectual Property will be distributed as follows (*Note- Net royalties are for this purpose defined as gross royalties received by the University minus the costs for patenting, copyrighting, licensing or obtaining legal protection of Intellectual Property. This does not include salaries of the Originator(s) or the Office of Research and Technology Transfer staff.*)

- a. For the first \$10,000 of net royalties or other net income the Originator(s), Originator's heirs, successors, or assigns shall receive eighty-five percent (85%) of those net royalties or other net income with the remaining fifteen percent (15%) being dedicated to Arkansas State University research initiatives as established in the agreement regarding the intellectual property.
- b. Once the \$10,000 plateau has been reached, net royalties or other net income up to two million dollars will be divided fifty percent (50%) to the Originator(s), Originator's heirs, successors, or assigns with fifty percent (50%) being dedicated to Arkansas State University research initiatives as established in the agreement regarding the intellectual property.
- c. Once Intellectual Property generates net royalties or other net income that exceeds two million dollars, net royalties or other net income will be divided forty percent (40%) to the Originator(s), Originator's heirs, successors, or assigns and sixty percent (60%) to Arkansas State University research initiatives as established in the agreement regarding the intellectual property.

Net royalties will be distributed normally on an annual basis, payments being made within sixty (60) days after the end of a calendar year in which royalties from the Intellectual Property have accrued.

XI. Sponsored Research

Rights to Intellectual Property produced as a result of Sponsored Research, including research sponsored by the Arkansas State University Research Foundation (ASURIF), are determined by the contractual or grant agreements negotiated between the University and the sponsor. Allocation of such rights may take one of several forms; the following are the most common:

- (1) The University may retain all rights or assign them to the Originator(s) or sponsors; or
- (2) The University may grant a nonexclusive license to the sponsor; or
- (3) The University may grant an exclusive royalty-bearing license to an entity in exchange for an equity stake in the stocks or proceeds of the entity; or
- (4) The University may grant the sponsor a right of first refusal to an exclusive royalty-bearing license for a limited term or for the life of the Intellectual Property; or
- (5) The University may grant the sponsor all rights to any Intellectual Property which result from the particular Sponsored Research where it is determined that the holding of title to the Intellectual Property will confer no substantial benefit to the University;
- (6) The University may grant the sponsor all rights to any Intellectual Property when the research project is considered by the University to be of a public benefit compatible with the aims and purposes of the University or the Sponsor.

XII. U.S. Government Funded Inventions (Intellectual Property)

Arkansas State University, as are other research universities, is governed by the 1980 Bayh-Dole law (P.L. 96-517 and 98-620 as amended), which sets out the disposition of inventions made with Federal assistance. The law provides that non-profit organizations and small businesses may elect to retain title to the inventions conceived or first actually reduced to practice in the performance of work under a funding agreement. The University must disclose each subject invention in a timely manner and comply with other regulatory actions. In addition it must grant the U.S. government a royalty free license for governmental purposes, give preference to U.S. manufacturers, give preference to small businesses and share royalties with inventors. The University must periodically report any licensing activity to the Government.

XIII. Publication Rights

In all Sponsored Research, the right shall be reserved for Originators and the University to publish and disseminate the knowledge gained and the results obtained. The University may grant a sponsor a limited review period of 60 (sixty) days, renewable with permission of the Originator/s, prior to publication in order to protect proprietary information and any technology, which may be the subject of a patent application.

XIV. Policy Administration

The President shall appoint a University System Intellectual Property Committee (USIPC) consisting of five faculty members from the Jonesboro campus and one representative from each other campus conducting significant scholarly work. The Vice Chancellor for Research and Academic Affairs, Vice President for Finance and Administration, and the Associate Vice Chancellor for Research and Technology Transfer shall be ex officio members of the Committee. The University attorney shall serve as legal advisor to the Committee. A chairperson shall be elected from among

the membership of the Committee. The Committee shall meet at least annually and also when needed at the request of the chairperson or the President. The Committee shall be responsible for:

- (1) Reviewing the operation of the University Intellectual Property Policy and proposing policy changes;
- (2) Assisting in reviewing Intellectual Property disclosures as requested by the Office of Research and Technology Transfer;
- (3) Reviewing disputes concerning copyright ownership (such as equitable division among joint originators) not specifically addressed in this policy and make a recommendation as to who owns the copyright to the administration;
- (4) Reviewing proposed exceptions to the established policy;
- (5) Seeking initial resolution of campus disputes relating to rights in Intellectual Property and resolving issues referred by the Associate Vice Chancellor of Research and Technology Transfer;
- (6) Advising the President on Intellectual Property policy matters as requested.

The Associate Vice Chancellor for Research and Technology Transfer shall have the general responsibility of:

- (1) Reviewing Intellectual Property disclosures submitted to the University for patent or trademark application or other protection and making recommendations to the University System Intellectual Property Committee;
- (2) Evaluating Intellectual Property for patentability, as well as potential commercial value;
- (3) Appointing ad hoc technical subcommittees to assist in evaluating Intellectual Property;
- (4) Seeking University approval of outside technical assistance in evaluating Intellectual Property;
- (5) Recommending Intellectual Property rights or equities to be held by the Arkansas State University Research Foundation;
- (6) Providing scientific and technical assistance to approved patent management organizations to achieve the full benefits of University Intellectual Properties that have commercial potential;
- (7) Seeking initial resolution of campus disputes relating to rights in Intellectual Property;
- (8) Reviewing works of authorship submitted for copyright consideration; and
- (9) Transferring technology including but not limited to: licensing patents and developing plans for commercialization of University owned Intellectual Property.

Within ninety (90) days of the receipt of an Intellectual Property disclosure, the Office of Research and Technology Transfer will review and evaluate the Intellectual Property disclosure and submit to the Vice Chancellor for Research and Academic Affairs its recommendation regarding the disposition of the disclosure. The Office of

Research and Technology Transfer recommendation along with the Vice Chancellor for Research and Academic Affairs recommendation shall be forwarded within approximately ten (10) days of receipt to the President of Arkansas State University. In most instances the recommendation will consist of one of the following:

1. The University retains property rights and will proceed toward commercial development; or
2. The University assigns all rights to the Originator(s) or sponsor(s) while reserving a royalty-free use license; or
3. The University assigns all rights to the Originator(s) or sponsor(s).

(Adopted by the Arkansas State University Board of Trustees February 25, 2005, Resolution 05-01, Supersedes Patents Policy)