

Intellectual Properties Policy

Responsible Office:
Office of Research

POLICY STATEMENT AND PURPOSE:

This document establishes a policy for Virginia Commonwealth University with respect to intellectual property developed by members of the University community.

The University shall retain all rights, title, and interest in any and all intellectual property generated, created, or developed in facilities operated or controlled by the University, supported by funds administered by the University, and/or performed in the course of regular duties by University members, unless exempted by other provisions of this policy.

The Vice President for Research shall have the right to exercise broad discretion necessary for the encouragement, development, and protection of inventions, patents, and other intellectual property. The Vice President for Research shall consult with the **Intellectual Property Ownership Committee**, the Office of Technology Transfer and the Intellectual Property Foundation in matters requiring the exercise of broad discretion.

WHO SHOULD READ THIS POLICY:

This Policy shall apply to all University members, and all University members should read this policy.

RELATED DOCUMENTS:

Policy on Research Data Ownership, Retention and Access:

www.research.vcu.edu/policies_data.htm

Conflict of Interest Policy: www.research.vcu.edu/policies_coi.htm

Industry Sponsored Research Agreements with VCU:

www.research.vcu.edu/guidelines.htm

CONTACTS:

VCU Office of Research: www.research.vcu.edu/research.htm

VCU Office of Technology Transfer: www.research.vcu.edu/ott.htm

VCU Intellectual Property Foundation: www.research.vcu.edu/ott_vcuipf.htm

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DEFINITIONS

Assigned duty	Assigned duty is narrower than “scope of employment” and is a task or undertaking resulting from a specific request or direction. The general obligation for faculty to engage in research, scholarship, and teaching is not an assigned duty nor does it result in works “made for hire”. A specific request or direction to prepare a particular article, laboratory manual, computer program, etc., is an assigned duty. If an employee’s written job description specifies duties which result in the creation of intellectual property, the intellectual property is considered “work-for-hire”.
Author	One or more University member(s) who create a copyrighted work.
Assignment	The document executed by inventors which confers legal transfer of title and interest from one party to another, for example from inventor(s) to Virginia Commonwealth University and/or the Foundation.
Board of Directors (the Board)	The Board which supervises the affairs of the Virginia Commonwealth University Intellectual Property Foundation, and advises the Vice President for Research and the President.
Claims an interest	The University claims an interest in intellectual property when it asserts a right in that property under its Intellectual Properties Policy. The University may choose not to claim an interest in some forms of intellectual property, even though legally it may be able to assert ownership.
Copyrighted work	An original work of authorship (i.e., writing, work of art, work of music, computer program, etc.) for which property rights are protected under copyright legislation.

Creator One or more inventor(s) in the context of inventions protectable by patent or contract and/or author(s) in the context of copyright able works of authorship.

Intellectual Property Foundation (the Foundation) The Intellectual Property Foundation of Virginia Commonwealth University (VCU-IPF), a nonprofit organization contracted by the University to commercialize intellectual property created at, and solely for the benefit of, Virginia Commonwealth University.

Intellectual property Anything developed by anyone covered by this policy that fits, but is not limited to, one or more of the following categories:

- a) an invention
- b) an issued patent
- c) a copyrighted work
- d) a legal right inherent in a patent, copyright, trademark, or
- e) know-how or trade secrets

Intellectual Property Ownership Committee (IPOC) The IPOC is a standing committee established by the Vice President of Research consisting of 6 faculty members recommended to the Provost by the Faculty Senate, 1 staff member appointed by the Staff Senate, and 1 student recommended by the Dean of the School of Graduate Studies, 1 administrator appointed by the Vice President, Office of Research, in addition to the Director of the Office of Technology Transfer who shall serve in ex officio, non-voting capacity. IPOC shall assist the Vice President of Research and the Office of Technology Transfer in dispute resolution regarding ownership of intellectual property.

Invention	A method of solving, but not merely recognizing a problem (conception), or carrying out a result which when revealed to others would enable those “skilled in the art” to make the invention. Inventions may take the form of a machine, article of manufacture, composition of matter, process, or use for and/or improvement in any of these for which property rights may be protected under patent law and/or contract.
Invention disclosure	The document by which one party reports an invention to another, for example, University members report an invention to Virginia Commonwealth University or to a sponsor.
Inventor	One or more University member(s) who create an invention.
Material Transfer Agreement	A contract to provide or receive material, which will restrict the material’s use, and therefore, liability associated with its use, and may contain language concerning rights to inventions made while using the material.
Office of Technology Transfer	The University office responsible for: 1) educating and encouraging University members and providing resources regarding the invention process and University Intellectual Property Policy, 2) receiving invention disclosures and determining ownership, 3) assigning University-owned intellectual property to the Intellectual Property Foundation, and, 4) returning University owned intellectual property to inventors.

Royalties

Anything of value received by the University, including cash payments as well as the market value of any property or services received, in consideration for a transfer of rights and/or title to intellectual property in which the University claims an interest. Monies received by the University to support research that results in the development of intellectual property is not royalty income.

Significant use of University resources

What constitutes significant use of University facilities, personnel, and resources is a question that must be answered on the basis of the facts and circumstances of each case. A University-wide formula to define **significant use** is inappropriate because of the different needs among various disciplines.

Customary and normal usage of University facilities, telecommunications systems (telephone and internet access), web and file servers, course management software (e.g. Blackboard), library resources, secretarial help, office equipment, or other support services do not constitute a significant use. If a question arises, the creator should seek a written opinion from the department chair or program head, before or after a project, and if there is a disagreement, may appeal to the Vice President for Research or his/her designee (please see the dispute procedure below).

University member

All VCU full-and part-time faculty, classified employees, administrative staff, paid student assistants, students, volunteers, fellows and trainees, visiting faculty and researchers, and those employees and visitors covered by sponsored program agreements or other contractual arrangements are considered University members for purposes of this Policy, and are subject to its terms.

Vice President for Research

For purposes of this policy, Vice President for Research shall mean the Vice President for Research, or his/her designee, such as the Director of the Office of Technology Transfer. If a designee is appointed by the Vice President for Research, the appointment and the revocation of said appointment must be in writing.

PROCEDURES

Ownership of Intellectual Property

The University recognizes the traditional distinction between intellectual property subject to copyright and that subject to patent protection. In higher education, the right of faculty and others to create and produce material subject to copyright protection and to receive royalties generated from their use has long been recognized. This policy reaffirms that distinction.

Inventions

Properties of this nature developed by University members using facilities owned or operated by, or resources, beyond their customary or normal usage as defined in Significant Use of University Resources section, administered by the University, become the property of the University.

Copyrighted works

Generally, the ownership of the copyright interest in a work vests initially in the author of that work. However, the Copyright Act of 1976 provides that when a copyrighted work is produced by one person who has been employed by another for that purpose, the employer is considered the owner of the property. For purposes of this policy, the University shall own the entire right, title, and interest in all materials subject to copyright when required by law or contract or when the University member:

- a) creates the material as an assigned duty; or
- b) makes significant use of University facilities and resources in their creation.

University members shall retain all rights relating to publication, preparation of derivative works, distribution, and classroom use of works which they have prepared on their own initiative, including both papers published in scholarly journals or books, provided the University does not possess rights of ownership as defined above. **In the publication of scholarly work University members, where possible, should consider retaining copyright for non-commercial use. Ownership of course-related materials remains the same whether the material is presented in traditional classroom or in electronic form.**

In the event that a faculty member terminates employment with the University with less than 3 months notice, the University shall have a royalty-free, non-exclusive, course-specific, educational-use-only license to use course materials created and owned by the faculty member for a period not to exceed 6 months. Use beyond 6 months shall be subject to the approval of the creator.

When intellectual property is created under an internal or external grant, contract, or other agreement approved by the University, the terms of which stipulate ownership of intellectual property, the terms of the agreement will prevail over conflicting terms of this Policy. If the University possesses rights of ownership, it will be the duty of the University member to acknowledge University ownership and to execute the documents required to demonstrate University ownership. When there is a dispute between the University and creator(s), or between creators, over ownership of intellectual property, the dispute shall be resolved as per the Dispute Resolution section of this policy. Rights of ownership assigned to the University will be directly transferred to the Foundation which shall be responsible for commercialization of University intellectual property.

Administration

The University vests administrative authority over all matters of intellectual property in the Vice President for Research who may issue administrative procedures as are necessary or desirable for the implementation of this Policy. The Vice President for Research shall be responsible for ensuring that information relative to the existence and terms of the Policy be regularly disseminated or made available to University members.

The Vice President for Research shall have final authority to act for the University in all matters involving intellectual property, including the making of contracts and the waiving, assigning, or transferring of University rights, consistent with law and policy.

The Vice President for Research shall appoint a Director of the Office of Technology Transfer. The Director shall be responsible for:

- implementing this Policy,
- educating University members in intellectual property and the invention process, and
- all matters involving invention disclosures, material exchange agreements, and waiving, assigning, or transferring University rights.

The Director of the Office of Technology Transfer will also serve ex officio as President of the VCU-Intellectual Property Foundation and will serve ex-officio in a non-voting capacity on the IPOC. The President of the Foundation will be responsible for all matters involving protection, marketing, and licensing of

University owned intellectual property. and will be managed by a Board of Directors. The Board shall be responsible for monitoring all aspects of the business of the Foundation, commercialization of University-owned intellectual property.

Procedures for Notification

In order to protect the rights of the creators and the University, **prior to public disclosure**, University members are required to report all intellectual property in which the University claims an interest (including explicitly all inventions and copyrighted works which are owned by the University in accordance with *Ownership of Intellectual Property* section above) to the Office of Technology Transfer using the appropriate invention disclosure form provided by the Office of Technology Transfer. **Failure to disclose intellectual property in a timely manner may result in loss of distribution of creator revenue**. University members should address all questions regarding issues of intellectual property and public disclosure to the Director of the Office of Technology Transfer.

The confidence of all proprietary information in the invention disclosure and in all correspondence between the creator/inventor(s), the Office of Technology Transfer and any University official with need/duty to know, the Committee, and the Foundation pertaining to the intellectual property shall not be compromised. The invention disclosure will:

- identify creator(s),
- include essential data describing the intellectual property,
- identify the source(s) of funding that supported its creation, and
- contain any other relevant information deemed necessary for evaluation of the intellectual property.

When more than one individual has participated in the creation of the intellectual property, the report must specify the percentage that each individual claims to have in its creation.

If so requested, the University must notify the creator(s) in writing within 90 days of receipt of the completed report whether or not the University claims an interest in the intellectual property. The deadline for this decision may be extended by mutual agreement between the creator(s) and the Foundation.

If the University does not claim such an interest, the University will no longer have any responsibilities, rights, or obligations pertaining to that intellectual property except the obligation of confidentiality of proprietary information.

If the University, at any time, no longer wishes to pursue further development of the intellectual property, the Office of Technology Transfer will notify the creator(s) and will execute the necessary documents assigning all rights to the

appropriate party, usually the creator(s). Intellectual property created using federal monies is subject to government rights as per the Bayh-Dole Act.

Protection and Commercialization

To provide maximum benefit to the University, the public, and the creators of intellectual property, the University will evaluate each intellectual property for potential commercial value, and where it is deemed appropriate, seek protection and commercialize that intellectual property.

The University's Vice President for Research is charged with the responsibility for the protection and commercialization of intellectual property coming under the provisions of this Policy.

The University, via the Office of Technology Transfer, will determine promptly if a disclosed intellectual property is owned by the University or its creator(s), and via the Foundation, will determine after due deliberation if a disclosed intellectual property should be protected and if so, will initiate the appropriate action to secure protection in a timely manner. Reasonable commercial judgment will be used in determining the appropriateness and the methods of protection and commercialization. The methods of commercialization may include, but will not be limited to:

- a) contracting an organization which has as one of its primary functions the management of inventions or other intellectual property,
- b) direct negotiation with profit, nonprofit, or governmental entities desiring to utilize and/or further develop and market the intellectual property, and
- c) direct licensing to inventors who have created a company.

To protect the rights of the creators and the University, all details in the intellectual property disclosure will be maintained in confidence. Disclosures to outside parties will be through appropriate confidentiality (nondisclosure) agreements.

Public disclosure of details of inventions prior to initiation of protection procedures may result in the immediate loss of legal protection and commercial value. It is therefore important that inventors consult with the appropriate administrator prior to revealing novel and, therefore, perhaps patentable discoveries in scholarly publications, abstracts for presentation at conferences, or seminars.

To protect the rights of the author and the University, any copyrighted work should contain an appropriate copyright notice. Because copyright procedures differ significantly from patent procedures, it is unnecessary for the authors of

copyrighted works to consult with the University administrator so long as they affix the appropriate copyright notice.

When it is in the best interests of the University, the Vice President for Research, after consultation with the Office of Technology Transfer and the Foundation, may enter into agreements that relate to the assignment of rights and the division of royalties that differ from other provisions of this document.

Distribution of Income

Where there are two or more creators, each shall share equally in the creators' share of royalties, unless all creators previously have agreed in writing to a differing percentage of the creation in accordance with *Procedures for Notification* section above.

With the exception of other contractual arrangements, the University shall pay semi-annually to the creator(s), or their heirs, successors, or assignees, fifty percent (50%) of the net royalties received by the University, subject to the following considerations:

- a) When the University through the Foundation assumes the cost of development and/or protection and commercialization of an intellectual property, sixty-seven percent (67%) of the initial gross royalties received by the Foundation shall be applied to the reimbursement of direct costs and expenses incurred by the Foundation with respect to the intellectual property. The remaining thirty-three percent (33%) will be treated as net royalties and distributed **forty percent (40%) to the creator(s), forty percent (40%) to the Foundation, ten percent (10%) to the department and ten percent (10%) to the school.** After the direct costs and expenses incurred by the Foundation have been reimbursed, all subsequent income from that intellectual property shall be treated as net royalties, and divided **forty percent (40%) to the creator(s), forty percent (40%) to the Foundation, ten percent (10%) to the department and ten percent (10%) to the school.**
- b) When the Foundation enters into an institutional agreement with an outside firm for the development of an intellectual property, the distribution of net royalties from this arrangement shall be divided **forty percent (40%) to the creator(s), forty percent (40%) to the Foundation, ten percent (10%) to the department and ten percent (10%) to the school,** unless specified otherwise in the agreement.
- c) When the creator(s) initiate and develop arrangements with a third party for intellectual property development, the distribution of royalties may be negotiated among the three principals, subject to existing law and policy.

Any net revenue received by the Foundation from the commercialization of University intellectual property as specified above shall be used for the exclusive benefit of Virginia Commonwealth University to:

- a) promote, encourage, and aid scientific investigation within the University, and
- b) protect, defend, market, and license and otherwise promote commercialization of University intellectual property.

Dispute Resolution

If a dispute about the application of the Policy arises between a creator and the University that cannot be resolved by the Officer of Technology Transfer, the dispute shall be presented to the Vice President for Research for informal mediation. If the mediation is not satisfactory to all parties to the dispute, any unsatisfied party may request a hearing before either the Intellectual Property Ownership Committee (“IPOC”) if the issue relates to an ownership dispute, or before the Intellectual Property Foundation's Board of Directors (“the Board”) if the issue relates to licensing or marketing of the intellectual property. The decisions made by the IPOC or the Board shall be final unless either party appeals in writing to the President of the University within 10 calendar days of receipt of the decision. Upon request for an appeal, the President shall review the record and render a decision. The President's decision shall be final and there shall be no further appeal within the University.

Amendment and Periodic Review of this Document

In compliance with the over arching Policy on Policies, this policy shall be reviewed, and amended if appropriate, at least every five years, with the IPOC acting as the focal point for the review. Broad University input should be solicited as part of this review.

Draft Review History

Revised by Intellectual Property Committee	February 4, 2002
Reviewed and approved by University Vice Presidents	September 24, 2002
Reviewed and approved by Faculty Senate	December 4, 2002
Reviewed and amended by the University Council Committee on Academic Affairs	January 23, 2003