

## UNIVERSITY OF DENVER PATENT POLICY

### I. INTRODUCTION

The University of Denver recognizes and encourages the individual effort on the part of its employees, faculty, and students leading to discoveries and inventions. It is the University's intent to protect the rights of the individual, the University, and the sponsoring entity (if involved), and to effectuate reasonable and appropriate sharing of the fruits of the enterprise in the event these creations have commercial value. This policy is to be considered and interpreted in light of the University's general Intellectual Property Policy, and is incorporated as a part thereof.

### II. POLICY

A. Objectives. The objectives of the Patent Policy are as follows:

1. To encourage invention, facilitate commercialization, and to provide fair compensation for the inventor, the sponsoring department and the University.
2. To fulfill the terms of sponsored agreements and other contracts relating to the development of intellectual property.

B. Definitions

1. "Sponsor" shall mean any external party, entity or agency with which the University has an agreement for services or other compensation.
2. "Sponsored Agreement" shall mean grants, contracts, subcontracts, and other agreements between a Sponsor and the University for the purpose of conducting research, instruction, training and other activities at the University, or using University staff for compensation.
3. "Patent" shall refer to both U.S. and foreign patents and patent applications, and the rights conferred upon the patent holder by applicable law.

4. “Employee” or “Staff Member” shall mean any person, appointed or non-appointed, employed full or part-time by the University in any capacity.
5. “Student” refers to any person enrolled for any course offered by the University, or who is in a research program for an academic degree.
6. “University” shall refer to the business entity formed originally under the laws of the state of Colorado as “Colorado Seminary”, now also known as the University of Denver.
7. “Intellectual Property” shall mean the legal rights in and to a Work as provided by applicable statute, regulation or judicial decision, including, without limitation, patent, copyright, trademark, service mark, trade secret, domain name registration, mask work, or plant variety protection certificate.
8. “Work” shall mean any invention, discovery, know-how, show-how, process, material, manuscript, original data, academic course or portion thereof, learning tool or aid, or other creative or artistic work and any expression or physical embodiment thereof, including, without limitation, any sound or visual recording, multimedia presentation, model, machine, device, prototype, design, drawing, apparatus, instrumentation, circuit, computer program, database, biological material or specimen, chemical compound, other composition of matter, plan, record or laboratory notebook, whether now known or developed in the future.

C. Patent Rights Committee. The Patent Rights Committee is hereby established to evaluate patent disclosures, determine ownership interests in the invention and advise the Vice Provost for Graduate Studies and the Vice Chancellor of Business and Financial Affairs on the potential development of patents or other commercial rights. The Committee shall consist of:

1. Seven members from the faculty, appointed by the Provost, for two-year staggered terms.
2. One member of the administration appointed by the Vice Chancellor for Business and Financial Affairs.
3. One member of the administration appointed by the Vice Chancellor for Intellectual Property and Events.

4. The Vice Provost of Graduate Studies and Research shall serve as the non-voting chairperson of the Committee.
5. The Directors of the Office of Sponsored Programs and Technology Transfer shall serve in ex officio capacity for the Committee. The Technology Transfer Administrator shall serve as the committee's administrative officer.
6. A quorum for the Committee shall be five members present in person or by proxy.

D. General Policy Provisions

1. Application of this Policy. As a condition of their employment, enrollment or participation in University programs, or their use of funds, space, staff or facilities, all Employees and Students of the University, whether appointed, non-appointed, full or part-time, shall acknowledge University's ownership of Intellectual Property developed with the substantial assistance of University, consistent with the Intellectual Property Policy of the University, and are bound by this Policy, unless stated otherwise in a written agreement between such person and the University.
2. Assignment of Rights. All newly employed personnel hired after June 28, 1985 will be required to sign the Employee Patent Agreement (Exhibit A) or subsequent version. Persons employed before that date will be required to sign the said agreement as a condition of continued employment, unless a different agreement is mutually agreed upon as defined in the Intellectual Property Policy Section II.D.6.

All Students engaged or likely to be engaged in University related or sponsored research shall sign a Patent Agreement. The terms of the University's Intellectual Property Policy and Patent Policy shall apply to all Students and Employees, regardless of whether a Patent Agreement has been signed.

3. Publication of Patentable Work. U.S. Code Title 35 Patents, Section 102 and certain foreign patent laws preclude an applicant from obtaining a patent if the Work was described in a printed publication in this or a foreign country. It is therefore important to avoid premature disclosure or publication of patentable Work.

Any delay of publication shall be for a limited time while the decision to seek a patent is being made or a patent application is being prepared. It is compulsory that the faculty and staff recognize and comply with the need to protect patentable discoveries.

4. Works Involving University Funds or Facilities. The Vice Chancellor for Business and Financial Affairs and the Vice Provost for Graduate Studies and Research, with the advice, from time to time, of the Patent Rights and Intellectual Property Committees (as enabled by their respective policies), will have the right to determine the disposition of Works covered by the Employee Patent Agreement, or resulting from a program of research involving the substantial use of University funds, space, or facilities, determined by the Department Chairman, Division Head, or Dean, as appropriate. The Vice Chancellor for Intellectual Property and Events shall be available for consultation as requested. When in such cases the University undertakes patenting and commercial development of the Work, the income will be shared with the inventor in accordance with Section II (F) of this Policy.
5. Works Developed Outside University Employment. The University makes no claim to Work discovered by Employees or Students entirely on their own and without the use of University funds or facilities. However, in order to determine the rights of the University and inventor, all Works will be disclosed to the University Technology Transfer Administrator.
6. Works Subject to Sponsored Agreements. Work resulting from efforts financed wholly or in part by Sponsors may be subject to special provisions of the Sponsored Agreement covering the Work.

Research sponsored by the U.S. Government shall be subject to the then current laws and regulations covering such matters.

In negotiation of all Sponsored Agreements, the University will attempt to obtain agreements on Works that protect the rights of the University and its Employees and Students while recognizing the equity of the Sponsor.

7. Consulting Agreements. All Employees and Students involved in consulting work or other outside activity should assure that Intellectual Property and Non-Compete clauses in their agreements are not in conflict with obligations to the University. In cases of conflict of interest, the University reserves the right to determine the final disposition of the rights involved. Each Employee or Student should be certain that the outside agency is provided with a current statement of University policy.

E. Patent Development

1. General. The University recognizes that the use of proprietary rights in the form of patent licenses are often necessary to encourage a company to invest the personnel, time, and financial resources to develop the Work. Various options are available to the University for the development of Work. After it has been determined to follow through with Patent application, the path to be followed regarding further possible commercial exploitation of the Work will be determined by the Director of the Office of Technology Transfer, in consultation with the Vice Chancellor for Intellectual Property, the Vice Provost for Graduate Studies and Research and the inventor (s). The Vice Chancellor and Vice Provost at times may form an ad-hoc Technology Transfer committee to provide guidance in these matters.
2. Development by the University of Denver. The University will develop a Work when it appears such development will be of economic benefit to the University, or if the University is required to do so under the terms of a sponsored agreement with an agency. In these cases, the University will retain a patent attorney to prepare and process the patent application with the Commissioner of Patents and Trademarks and will manage the promotion and licensing of the resulting patent.
3. Development by the Office of Technology Transfer. The mission of the Office of Technology Transfer is to promote the transfer of University technology for society's use and benefit while generating unrestricted income to support research and education. OTT is responsible for the administration of all duties related to the development and commercialization of patents at the University. These duties include, but are not limited to, responsibility for administering the processes described in this section.

4. Development by Outside Organizations. When it is determined that a Work in which the University has an interest should be developed by an outside organization, the University will obtain such services through an agreement with the organization.
  
5. Development by Inventor. If the University determines that it has no interest in a Work or decides to forego the patenting of a Work, it may formally waive its rights to that Work. If the Work was made under a research agreement, this waiver will not be granted until it has been approved by the sponsoring agency. If there are conditions attached to the waiver by the sponsor, such conditions shall be passed to the inventor with the waiver. Upon the receipt of a written waiver from the University, and other parties if necessary, inventors will be free to develop the Work at their own expense. Inventors will be required to furnish a royalty-free, non-transferable license to the University and the sponsoring agency, as a condition of the waiver agreement.

F. Sharing of Patent Royalties. As a general matter, the following apportionment of Net Income shall be considered the norm as it relates to commercial exploitation of the Patent Rights hereunder, except when the written agreement between the inventor(s) and University states otherwise:

Income	Inventor	Department/ Division***	University
\$0-\$25,000	100%	-0-	-0-
\$25,001 - \$50,000	40%*	30%	30%
\$50,001 and over	33 1/3%**	33 1/3%	33 1/3%

\*of the amount over \$25,000

\*\* of the amount over \$50,000

\*\*\* Division, for purposes of this section, shall mean the Division to which the inventor is assigned on the date of disclosure

For the purposes of this Policy, “Net Income” shall mean the sum of any royalties, license fees or other receipts, minus administrative, marketing, licensing, legal, equipment, materials, contract services, travel, and any other appropriate related expenses incurred by University or the Inventor (s) in the process of development, creation, protection or commercialization of the invention, and the associated Patent therein, but exclusive of the University’s ordinary and traditional tuition income from courses taught primarily on

campus and primarily to a live audience of students. The Inventor(s)' share of Net Income shall be divided pro rata among such Inventor(s), unless they otherwise agree in writing and so notify the University. The Department or Division share will be disbursed by the Department or Division head, subject to the approval of the Provost or the Chancellor, as appropriate. Such Department or Division funds will ordinarily be used for continuation of activities of the Inventor(s) in the University context, as long as the Inventor(s) remains with the University.

### III. GENERAL PROCEDURES.

#### A. Administration

1. Technology Transfer Administrator. Conduct day-to-day operations relating to patent matters, including arrangements for preparation and filing of correspondence, minutes of the Patent Rights Committee, and patent records.
2. Division of Intellectual Property and Events and Office of General Counsel.
  - A) Interpret and implement the patent policies of the University of Denver with advisement by the Vice Chancellor for Business and Financial Affairs.
  - B) Coordinate appropriate legal action to enforce the University of Denver patent rights.
3. Patent Rights Committee. In addition to the responsibilities outlined in Section II(C) 1:
  - A) Monitor the execution of this policy and make recommendations for changes as needed.
  - B) Hear and adjudicate disputes on University patent matters.
4. Office of Sponsored Programs. Assist the Patent Rights Committee with the administration of the policy with respect to proposals for and acceptance by the University of Sponsored Agreements, submission of appropriate reports to sponsors, invention disclosures, and patents arising from Sponsored Agreements. The Office of Sponsored Programs will have these responsibilities and perform these functions

regardless of the source of funds or the University Division or Department through which the program is created.

5. Office of Technology Transfer. In addition to the responsibilities outlined in Section II (E) 3:
  - A) Assist the Patent Rights Committee with the administration of all matters not covered under Section III (A) 1 reserved for the Technology Transfer Administrator or Section III (A) 4 reserved for the Office Sponsored Programs.
  - B) It is acknowledged that the University or a related entity may hold an equity interest in a third party entity that participates with commercialization of a Work under this policy, which interest shall be independent of any royalty or other "Net Income" defined herein.
- B. Licenses, Assignments and Development Agreements. The Vice Chancellor for Business and Financial Affairs and the Vice Chancellor for Intellectual Property & Events, with the advice of the Director of Technology Transfer, shall approve all contracts related to the disposition of the University of Denver's Intellectual Property.
- C. Human Resources.
  1. The Human Resources Department will obtain and file original Employee Patent Agreements for all employees.
  2. The Employee Patent Agreement must be signed and forwarded to the Human Resources Department with the Appointment Form.
  3. The Office of Sponsored Programs shall verify that all investigators have signed Employee Patent Agreements before activity can begin on the grant or contract. If all Agreements are not on file with the Human Resource Office, it is the responsibility of the Principal Investigator to secure the Agreement.
- D. Dispute Resolution. All disputes regarding the actions of the Patent Rights Committee will be resolved in accordance with the provisions of the Intellectual Property Policy.

Du/ippolicy/patentpolicyfinal.doc



