

3361:10-19-01 Patents and copyrights: policy on inventions and discoveries.

(A) Preamble.

As an institution of higher learning, the university of Cincinnati is concerned with learning and teaching – with study and research on one hand and with communication of what is learned on the other. Without intending to narrow the pursuit of research to only the pursuit of patents, the university believes it has a responsibility to:

- (1) Encourage innovation.
- (2) Promote the use of inventions and discoveries for public good.
- (3) Provide for equitable distribution of income, if any, resulting from invention and discovery between the university and an investigator.

In recognition and furtherance of the above objectives and consistent with section 3345.14 of the Ohio Revised Code, the university of Cincinnati sets out the following policy and procedures regarding inventions and discoveries.

(B) Applicability.

This policy applies to all discoveries, inventions or patents that result from research or investigation conducted by:

- (1) Any person, whether employee, student or volunteer, in any experiment station, bureau, laboratory, research facility, or other facility of the university or with funding, equipment, or infrastructure provided by or through the university; or
- (2) An employee of the university acting within the scope of his or her employment, regardless of the location of the research or the nature of the funding, equipment or infrastructure used.

Any such discovery, invention or patent shall be defined as a “university invention.”

(C) Rights and obligations of the parties.

In accordance with section 3345.14 of the Revised Code, all rights to and interests in university inventions shall be the sole property of the university of Cincinnati. All such rights and interests may be licensed, transferred, assigned, sold or otherwise disposed of, in whole or in part, in accordance with the university's contracting procedures.

(1) Inventor obligations and rights.

(a) Obligations:

- (i) To report promptly to the office of the vice president for research all university inventions. The inventor makes this report by completing and submitting the appropriate intellectual property office invention disclosure form.
- (ii) To assign all rights, title and interest in the university invention to the university.
- (iii) To cooperate:
 - (a) In executing declarations, assignments, or other documents as may be necessary in the course of invention evaluation, patent prosecution, or protection of patents or analogous property rights, to assure that title in such inventions shall be held by the university or by such other parties designated by the university as may be appropriate under the circumstances.
 - (b) In any litigation arising out of the patent application.
 - (c) In reasonable marketing efforts related to the invention or discovery.

(b) Rights:

- (i) After disclosure to the university of a university invention, to receive notice within a reasonable time of the university's intention to file or not to file a patent application or to otherwise retain title to the university invention.
- (ii) To receive a share of any royalties or licensing fees and any stock or other ownership interests received for the university invention according to the schedules contained in paragraphs (E) and (F) of this rule.
- (iii) To receive title to any university invention for which the university chooses not to retain title, subject to the following conditions:
 - (a) The university retains a royalty-free, perpetual non-exclusive license to make, have made, and use the invention and any improvement thereon for research and educational purposes;
 - (b) The transfer of title complies with any overriding obligations to outside sponsors of research including federal agency approval when required by law; and
 - (c) In the case of multiple inventors, all the inventors having reached a written agreement as to the disposition of title.
- (iv) To the right of timely publication of their findings consistent with any applicable licensing agreement. Delays over ninety days in length shall require inventor approval.
- (v) To execute an agreement acknowledging an obligation to report and assign inventions to the university ~~in execution of~~ and to execute all papers necessary to file patent applications.

- (2) University's obligations.
 - (a) To keep the faculty, staff and students apprised of the university's policy on inventions and discoveries through means that include a web site containing links to relevant university rules and any associated commentary and forms.
 - (b) After a university invention is reported, to act in a timely manner to determine whether the university chooses to retain title and/or to determine whether a patent application should be filed and to inform the university contributors of its determination.
 - (c) For any university invention subject to the Bayh-Dole Act, to inform the inventor of the university's election to take title from the sponsoring agency.
 - (d) To distribute any royalties or licensing fees and any stock or other ownership interests received for a university invention according to the schedules contained in paragraphs (E) and (F) of this rule.
 - (e) To assign to the inventor title to any university invention for which the university chooses not to retain title subject to the conditions set forth in paragraphs (C)(1)(b)(iii)(a) through (C)(1)(b)(iii)(c) of this rule.
- (D) Administration.
 - (1) The office of the vice president for research shall have overall responsibility for administration of the university's patent program, including assuring that valuable property rights are not lost to the university. Specific responsibilities of this office, which may be delegated to a patent officer, shall be to:
 - (a) Act upon recommendations of the university patent committee and equity committee.
 - (b) Authorize commitment of resources necessary to carry out patent committee and equity committee recommendations.

- (c) Annually, or at such other intervals as the board shall direct, provide the board with a summary report of the university's patent and licensing activity or other contracts or actions approved under this subparagraph, including total revenues derived from all outstanding technology transfer contracts for the period covered by the report as well as current problems, issues and trends.
 - (d) Function as a contact point and resource with regard to university patent policy and procedure.
 - (e) Receive reports of all university inventions.
 - (f) Exercise responsibility for assessing the commercial potential of inventions and discoveries.
 - (g) Control the preparation and prosecution of patent applications and maintenance of any issued patents on inventions and discoveries governed by this policy.
 - (h) Exercise responsibility for marketing inventions and discoveries.
 - (i) Approve terms for licensing, sale, assignment, transfer or other disposition of the university's intellectual property rights in inventions, discoveries, and patents.
 - (j) Exercise the voting rights associated with any equity held by the university in entrepreneurial projects or legal entities formed in connection with entrepreneurial projects as permitted by this rule.
- (2) There shall be established a university intellectual property committee, which shall report to the vice president for research. The committee shall be composed of five members, three appointed by the vice president for research, and two appointed by the chairperson of the university faculty, and shall be chaired by one of the members selected by the vice president for research in consultation with the chairperson of the faculty. Specific functions of the intellectual property committee shall be to:

- (a) Provide advice, as requested, to the vice president for research as to whether the university should:
 - (i) Prepare and prosecute a patent application on a university invention.
 - (ii) Determine if a reported invention or discovery falls outside the scope of this policy (i.e., is not a university invention).
 - (iii) Claim copyright in works with respect to which the university has ownership rights, as provided in rule 3361:10-19-02 of the Administrative Code.
 - (iv) Surrender all university rights in a work to the author, as provided in rule 3361:10-19-02 of the Administrative Code.
 - (v) Waive some or all university rights in a university invention to the inventor(s).
 - (b) Act as a fact-finding body and make recommendations to the vice president for research on any disagreements arising out of the administration of the university's patent and copyright policies.
- (3) Once a patent is obtained, disputes between the inventor and the university which cannot be resolved by the university intellectual property committee, shall be resolved by a committee consisting of five members, the inventor and the intellectual property committee each selecting two members, with the fifth member, who shall be the chairperson, being selected by the four members so chosen.
- (4) There shall be established a university equity committee, which shall report to the vice president for research. The committee shall be composed of three members, the chief investment officer of the university, a member appointed by the senior vice president for administration and finance, and a representative from the university intellectual property office appointed by the vice president for research. The vice president for research shall select

one of the members to serve as chair of the committee. Specific functions of the equity committee shall be to:

- (a) Make recommendations to the vice president for research as to whether the university should accept equity in an entrepreneurial project (as defined in section 3345.36 of the Ohio revised Code) or legal entity formed in connection with an entrepreneurial project.
 - (b) Make recommendations to the vice president for research as to when equity held by the university in an entrepreneurial project or legal entity formed in connection with an entrepreneurial project should be sold.
 - (c) Assist the university in implementing and adhering to the equity acquisition policy, which shall be developed and administered by the vice president for research.
 - (d) Make recommendations to the vice president for research on any proposed modifications to the equity acquisition policy.
 - (e) Act as a fact-finding body and make recommendations to the vice president for research on any disagreements arising out of the administration of the university's equity acquisition policy.
- (E) Royalties.
- (1) "Net royalties" shall be defined as gross royalties or other payments, such as option payments, received by the university minus any royalty shared with other entities (e.g., as required by an agreement with a funding source or as the result of an inter-institutional agreement with a co-owner of the university invention), and any fees or costs directly attributable to the university invention being licensed. Examples of such direct fees are patent filing fees, fees for patent searchers and legal advice, fees arising out of litigation, or marketing costs. Indirect university overhead and other university costs normally associated with the operation of a university and not directly attributable to

the university invention shall not be deducted from gross royalties or otherwise allocated to costs or fees associated with the university invention.

- (2) For all university inventions for which the university receives royalties, the royalties received by the university shall normally be distributed as set forth in paragraphs (E)(2)(a) through (E)(2)(c) of this rule:
 - (a) Zero dollars to fifty thousand dollars total net royalties:
 - Sixty per cent to the inventor
 - Fifteen per cent to the department
 - Five per cent to the college
 - Twenty per cent to the university
 - (b) Fifty thousand dollars to one hundred thousand dollars total net royalties:
 - Forty per cent to the inventor
 - Twenty-five per cent to the department
 - Fifteen per cent to the college
 - Twenty per cent to the university
 - (c) On total net royalties in excess of one hundred thousand dollars:
 - Thirty per cent to the inventor
 - Thirty per cent to the department
 - Twenty per cent to the college
 - Twenty per cent to the university
- (3) Any net royalties received by the university, department or college shall be administered by the office of the vice president for research and shall be used to support scientific research and education.
- (4) If there is more than one inventor, the university shall distribute the inventors' share of any net royalties in accordance with their mutually agreed apportionment. In the event the inventors are unable to reach a mutual agreement on apportionment, the

university shall distribute the inventors' share of any net royalties equally among the inventors. College and department share of any net royalties will be apportioned in accordance with the percentage distributions allocated to the inventors who are associated with the participating colleges and departments.

(F) Equity.

- (1) "Equity" shall be defined as stock or other ownership rights in an entrepreneurial project or legal entity formed in connection with an entrepreneurial project received by the university in return for the grant of rights to a university invention. For purposes of this rule "Equity" shall not include stock or other ownership rights received in return for the investment of money. "Net equity" shall be defined as gross equity received by the university minus any equity shared with other entities (e.g., as required by an agreement with a funding source or as the result of an inter-institutional agreement with a co-owner of the university invention).
- (2) For all university inventions for which the university agrees to receive equity, the equity received by the university shall normally be distributed as follows:
 - Thirty per cent of net equity to the inventor
 - Thirty per cent of net equity to the department
 - Twenty per cent of net equity to the college
 - Twenty per cent of net equity to the university
- (3) The distribution of net equity must be in accordance with the university equity acquisition policy.
- (4) Any net equity received by the university, department or college shall be administered by the office of the vice president for research and shall be used to support scientific research and education.
- (5) If there is more than one inventor, the university shall distribute the inventors' share of any net equity in accordance with their mutually agreed apportionment. In the event the inventors are unable to reach a mutual agreement on apportionment, the university shall distribute the inventors' share of any net equity equally among the

inventors. College and department share of any net equity will be apportioned in accordance with the percentage distributions allocated to the inventors who are associated with the participating colleges and departments.

- (6) If equity is converted to cash prior to the distribution of the inventor's share of net equity, the university shall distribute cash proceeds in accordance with the schedule set forth in paragraph (E)(2)(a) through (E)(2)(c) of this rule.

(G) Research agreements involving patent rights.

It is not uncommon for university investigators to conduct research that is funded by private industry and/or foundations. It is also not uncommon for investigators to conduct research in cooperation with colleagues at other universities. The university recognizes that to continue these relationships it must be willing to consider a variety of contractual terms and conditions. In order to protect the academic freedom traditional within the university, to assist investigators in evaluating proposals and to protect the university's interest in university inventions, the following policies shall apply to these relationships:


- (1) All agreements with private industry, with foundations or with other universities utilizing university resources to conduct research shall be reviewed by the office of the vice president for research to assure any rights the university may have and may choose to retain in university inventions are appropriately protected.
- (2) The university shall not waive the right to publish results of research. The university may agree to delay publication for reasonable periods of time so appropriate action can be taken to protect patentable university inventions. In agreeing to delay publication for a reasonable period the university shall not agree to delays that effectively inhibit a student's timely completion of a course of study or degree.
- (3) Normally, title to all documents, records, notebooks and other repositories of information from research shall be held in the name of the university.

- (4) The university shall agree that proprietary information received from a private entity remains the property of that entity. However, written agreements shall provide for clear designation of information that is considered to be proprietary in nature.

(H) Operational entities.

The operational entities responsible for implementing this policy shall be the office of the vice president for research, the university patent officer exercising authority delegated by the vice president for research, the university intellectual property committee, and the university equity committee.

Effective: December 1, 2009

Certification: 
 Susan M. Stringer
 Executive Assistant to the Board of Trustees
 And Sr. Vice President for Administration and Finance

Date: November 17, 2009

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