

Policy 6-4 Rev. 3  
Date: March 8, 1999

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Subject: **PATENTS AND INVENTIONS**

I. PURPOSE

To outline the University's policy regarding patents and inventions.

II. REFERENCES

[PPM 2-26](#), Remunerative Consultation and Other Employment Activities

[PPM 6-3](#), University Faculty Profit-Making Corporation

[PPM 6-7](#), Copyright Policy: Ownership

III. POLICY

A. General Policy

As a public institution, the University of Utah is entrusted with the responsibility to facilitate application of scientific and technical research findings for public use and to provide for an equitable disposition of interests among the inventor(s), the University, and where applicable, the sponsor.

B. Patent Assignment Agreements

1. As a condition of the University's provision of employment, services, facilities, equipment or materials to faculty, staff and students, the University acquires and retains title to all inventions, discoveries and improvements made as the result of University employment or research, or created through the use of time, facilities, equipment or materials owned or paid for by or through the University, except when such facilities, equipment or material are available to the general public. Each full-time faculty and staff member is bound through this policy as is each part-time faculty and staff member and student employee or student participating in research (see also III.B.6, below), and any of the foregoing may be asked to execute an assignment of such inventions, discoveries, and improvements to the University and shall do so on request.
2. The signing of a patent agreement is an administrative convenience for dealing with technology ownership rights, but the terms of this policy are controlling and as with other University policies, constitute conditions of employment and participation in research.
3. Where an invention, discovery or improvement is related to research conducted by faculty, staff or students in connection with both University employment or other research activity involving the use of time, facilities, equipment or materials owned or paid for by the University ("University-related activity"), and with nonUniversity activities, such invention, discovery or improvement shall be presumed to result from University-related activity unless the inventor can demonstrate to the vice president

for research that the technology in question was developed solely in connection with non-University activity and without the use of confidential information belonging to the University.

4. Each full or part-time faculty and staff member and student employee or student participating in research is expected also to inform promptly the director of the University Technology Transfer Office concerning all inventions, improvements, and discoveries made as a result of University employment, or created through the use of time, facilities, equipment, and/or materials owned or paid for by or through the University or as a result of University employment or participation in research at the University; to cooperate with and assist the director of the University Technology Transfer Office in the handling of such matters; to execute all rightful papers and do necessary and proper acts to assist the University in obtaining, utilizing and enforcing patent protection on such matters, and to abide by and benefit from the patent policy of the University in effect during the inventor's respective associations with the University.
5. The University, in its sole discretion, may release to an inventor, by written instrument only, those inventions owned by but not of interest to the University. It is understood if the University does not actively promote or develop the invention over a 3 year period, the inventor's claim to full rights will be honored. Requests for releases should be made to the director of the University Technology Transfer Office.
6. The University claims no right in or to any invention originated by full or part-time faculty and staff members and student employees as a result of private consulting services performed in compliance with University of Utah Policy and Procedure No. [2-26](#), relative to Remunerative Consultation and Other Employment Activities and not involving substantial use of University facilities (subject to III.B.3). Further, the University claims no right in or to any invention originated by any full or part-time student who is not participating in organized or sponsored research.

#### C. University Technology Transfer Office

1. Reporting to the vice president for research, the University Technology Transfer Office is responsible for meeting patent regulations associated with research grants and contracts, oversees retaining whenever possible University rights to inventions developed on such programs, and provides information and general assistance to faculty and other University employees and research participants concerning patent development.
2. The Office evaluates and pursues patent protection on those inventions deemed appropriate for commercialization.
3. The director of the University Technology Transfer Office acts as an agent of the University of Utah Research Foundation, and has authority, with the approval of the vice president for research, the Technology Transfer Advisory Committee and the cognizant dean, to award additional funds as available from the Technology Transfer Office to inventors as needed to develop additional information to aid patent prosecution. The director serves also as the principal staff for the Technology Transfer Advisory Committee.

#### D. Patent Review Committee

1. The Technology Transfer Advisory Committee is appointed by the president of the

University. The Committee acts as an oversight committee to the University Technology Transfer Office. These oversight functions include but are not limited to reviewing the functioning of the TTO, policy interpretation, and policy recommendations on intellectual property, protection of inventions and licensing of University-owned technology. The committee also may recommend changes in University intellectual property policies and is available to the Research Foundation for technical advice on the foregoing matters.

2. The Technology Transfer Advisory Committee must approve exceptions to standard University intellectual property procedures, proposed royalty distributions and related matters. The Committee may, upon request, advise the University administration on disputes involving intellectual property issues.

#### E. University of Utah Research Foundation

The University of Utah Research Foundation is the instrument of the University that commercializes inventions through royalty agreements with external organizations for the mutual benefit of the University and full-time or part-time faculty and staff members and student employees or student participants involved. The University assigns to the University of Utah Research Foundation all rights to those patents that should be exploited. Any surplus funds realized by the Foundation from this activity are allocated to fund the research and education programs of the University.

### IV. PROCEDURES

#### A. Patent Prosecution and Commercialization

1. The Research Foundation purchases services of the director of the University Technology Transfer Office to prosecute patents, explore commercialization, and negotiate agreements. The Research Foundation shares royalty income with inventors in accordance with University practice (see B., below).
2. Surplus funds derived from the patent program by the Research Foundation are allocated by its Board of Trustees to support appropriate University activities. In making such awards, consideration is given to departments or units of the University which are the origin of commercially successful patents.
3. The University/Foundation in its sole discretion may cause applications or patents to be filed upon assigned inventions in any country. The University/Foundation has the sole right to negotiate and enter into or modify licensing and other agreements covering the manufacture, use and/or sale of products and/or processes based on University-owned intellectual property. The University/Foundation will pay all expenses required to obtain and exploit patent protection on such an invention in the best public interest. In those instances where the University/Foundation determines that it does not wish to cover the expenses required to obtain patent protection, the University/Foundation will permit the inventor to pay all such expenses and thereafter to share any royalty or other revenue with the inventor (see IV.B.2).

#### B. Distribution of Royalty Income

1. Inventors shall receive a share of royalty income or other revenue received by the University of Utah Research Foundation as a result of commercialization of an invention. The inventors' share of income shall be based on a percentage of such income or revenue remaining after reimbursement of the University for all direct costs of patent prosecution or maintenance and all development funds advanced

pursuant to section III.C.3 ("net revenue"). The inventors' share (in the aggregate where there is more than one inventor) shall normally be forty percent of the first twenty-thousand dollars (\$20,000) of net revenue, thirty-five percent of the next twentythousand dollars (\$20,000) of net revenue, and thirty percent of any additional net revenue received by the Research Foundation.

2. When the University permits the inventor to pay expenses to patent and license an invention, the sharing of any royalty or other revenue shall be on the basis of sixty-five percent to the inventor and thirty-five percent to the University after the inventor has been reimbursed for patent expenses.
3. Exceptions to the above procedures shall be approved by the Technology Transfer Advisory Committee.

#### C. Copyright Commercialization

In selected instances where commercial marketing of University-owned software programs is envisioned, the responsibility for marketing and licensing is assigned to the University of Utah Research Foundation and the University Technology Transfer Office (see Copyright Policy: Ownership, [PPM 6-7](#)).

Approved: Academic Senate 2/1/99; Board of Trustees 3/8/99

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