

# Technology Transfer & Commercialization Guide for PASSHE Faculty

**Issued: 3/26/09**

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Additional Materials:

Web-based Tech Transfer Guidelines for Faculty (**to be developed**)

Frequently Asked Questions (FAQ)

# Technology Transfer & Commercialization Guide for PASSHE Faculty

## I. Introduction

Universities are major sources of fundamental knowledge underlying the new products and processes essential to economic competitiveness. In this context, facilitating the process whereby university creative and scholarly works may be put to public use and/or commercial application (i.e., "technology transfer") is an important aspect of the service mission of a public university. In turn, the protection of concepts with commercial potential (inventions or creations) via patents and copyrights is an essential aspect of the technology transfer process. Without such protection, companies are unlikely to invest the funds required to commercialize new technology.

This document is intended to serve as a practical guide – a road map -- on technology transfer as it relates to policies and procedures for PASSHE University faculty. "Faculty" includes: "tenured", "probationary non-tenured faculty" and "non-tenure track faculty"<sup>1</sup>. Staff and student employees, Emeritus/retired faculty, visiting scholars/scientists, contract employees, consultants and others engaged in research at the University should consult the "Technology Transfer & Commercialization Guide for PASSHE Non-Faculty Personnel" Definitions of terms used in this document are contained in Appendix A.

### A. GOALS

The goal of preparing and distributing these guidelines is fourfold:

1. Assist University personnel (see Definitions) in the commercialization of their products.
2. Make inventions and creations resulting from the efforts of University personnel available to industry and the public on an effective and nondiscriminatory basis.
3. Obtain revenue for University personnel, who invent and create and for the PASSHE Universities for use in furthering their educational and research goals.
4. Define the rights and responsibilities of all parties involved in development of Technology Transfer and Commercialization at PASSHE Universities.

The guidelines are in accordance with provisions pertaining to Intellectual Property in Article 39 of the 2007-2011 Collective Bargaining Agreement (CBA) between The Association of Pennsylvania State College and University Faculties (APSCUF) and The Pennsylvania State System of Higher Education (PASSHE) that governs faculty work. This document is intended to provide guidance to implement that Article of the CBA. Citations to the CBA are footnoted when appropriate.

This document also provides guidance for compliance with federal patent requirements that are incorporated into all federal research grant agreements and contracts. University procedures regarding patent management and technology transfer must be consistent with federal law and

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<sup>1</sup> APSCUF CBA 2007-2011, page 1, 2

policy as set forth in the Bayh-Dole Act of 1980, P.L. 96-517, as amended by P.L.98-620, implemented by regulations published at 37 CFR Part 401. Federally-funded sponsored research grants, contracts or sponsorship agreements are subject to the Bayh-Dole Act and restrict faculty members' claim of ownership and interest in intellectual property.<sup>2</sup> A synopsis of the Bayh-Dole Act is contained in Appendix B.

Intellectual Property developed by University faculty with the support of a **non-federal sponsor** shall be governed by the provisions regarding ownership in the sponsorship agreement, grant or contract.<sup>3</sup>

**While the purpose of this document is to provide procedures to manage patentable inventions**, a note on copyrights is necessary to distinguish between the two, particularly concerning scholarly work. The University encourages faculty to create literary, scholarly, and artistic works<sup>4</sup>. In this context, copyright ownership of such works generally rests with the creator(s). Further guidance, including details on the exceptions to creator ownership, are detailed in section IV of this document titled Copyright Practice and Procedures on page 15.

The management of patent and copyright processes in a university setting is a complex, highly specialized endeavor. As the need for clarification regarding policies and procedures arises, University faculty are urged to contact their University Authorized Officials (See Appendix C) and their delegates or designees.

Inasmuch as PASSHE only recently initiated a program to enhance its stewardship of its patent and related copyright activities, the policies and procedures cited herein are subject to ongoing review and possible future modification.

## B. OVERVIEW OF DISCLOSURE OF INVENTIONS

Inventions with commercial potential may involve novel machines, devices, compositions of matter (compounds, mixtures, genetically engineered cells, plants, animals), genetic forms, software and computer systems, production processes, plant varieties, etc. Such inventions, and the patents and the copyrightable materials related to inventions that reserve rights to them, are the type of Intellectual Property that is the focus of these guidelines.

University faculty will disclose promptly to the University Authorized Official (AO) inventions developed: a) with University resources (facilities, funds, or equipment); or b) within the fields of expertise and/or within the scope of employment for which they are retained by the University. This obligation is implicit in the APSCUF CBA. It is required by law in federally-sponsored research. In practice, all inventions, regardless of sponsorship, must be disclosed to ensure proper management of the patent, proper determination of ownership, and protection of the intellectual property.

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<sup>2</sup> 2007-2011 APSCUF CBA Art. 39. B.6 and B.7

<sup>3</sup> 2007-2011 APSCUF CBA Art. 39,

<sup>4</sup> 2007-2011 APSCUF CBA Art. 39.B.2.

### C. OVERVIEW OF OWNERSHIP

The University has the right to claim ownership (rights, title and interest) to inventions and copyrightable materials related to inventions that were created solely or jointly by its faculty, as a result of research or investigation conducted by this faculty and which has made use of University resources/support/facilities. In the case of faculty, the use of University resources/support/facilities must meet the definition of “Substantial Use” as defined in the APSCUF CBA<sup>5</sup>.

However, all inventions developed as part of, or a continuation of, federally-funded research will be owned by the University, with or without “Substantial Use” by faculty of University resources/support/facilities, in accordance with the Bayh-Dole Act. “Ownership” of a patent by the University does not infringe upon the employee’s standing as inventor, as further discussed herein.

The University may contract for sponsored research or investigation with an external sponsor which uses University resources/support/facilities and/or faculty services in which the ownership of any invention, patent or related copyrightable materials resulting from this work is established in the research grant agreement or contract and varies from the above terms.. In this event, the University AO or designee will notify all faculty performing sponsored research of the specific agreement terms. In the absence of terms, the ownership of inventions developed by faculty shall be determined by the terms of the CBA.<sup>6</sup>

Faculty have sole ownership rights to any inventions they create where Substantial Use<sup>7</sup> of university resources (including sponsor funds which the University administers) is not demonstrated. Faculty also have sole ownership rights to any invention where the terms of sponsor grant agreements or contracts permit it. However, inventions which the faculty may have sole ownership does not include inventions that are based upon or derived from intellectual property that the University owns or to which it has a potential ownership claim.

An invention made by an individual wholly on such individual’s own time, and without the use of University facilities, shall belong to the individual. For purposes of this provision, an individual’s “own time” shall mean time other than that devoted to normal and assigned functions in teaching, university service, direction and conduct of research on university premises and utilizing university facilities. The term “University facilities” shall mean any facility available to the inventor as a direct result of the inventor’s affiliation with the PASSHE University, or any facility available under the University’s policies on co-operative use of research equipment, or policy on use of facilities by emerging technology enterprises, and which would not otherwise be available to a non-PASSHE affiliated individual. However, inventions created on one “own time” without use of “University resources” does not include inventions that are based upon or derived from intellectual property that the University owns or to which it has a potential ownership claim.

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<sup>5</sup> 2007-2011 APSCUF CBA Art. 39. C.4.

<sup>6</sup> 2007-2011 APSCUF CBA Art. 39. B.7.

<sup>7</sup> 2007-2011 APSCUF CBA Art. 39.B.1. and B.2.

In situations of faculty sole ownership, University faculty may voluntarily transfer ownership of any patentable process, device, invention and related copyrightable materials to the University as an avenue to protect, license and commercialize the work.. In the case of voluntary transfer, the faculty member and the University shall reach mutual agreement on sharing recovered royalties. There is no obligation on the part of the University to accept transfer of ownership of any process, device, invention, or related copyrightable materials created by University personnel.

## II. Patent Practice and Procedures

### A. FACULTY SUBSTANTIAL USE

The “Substantial Use” of University resources/support/facilities by faculty is a key factor in the determination of ownership of patentable intellectual property under the terms of the APSCUF CBA. (However, as previously noted, “Substantial Use” is NOT a consideration in determining ownership of inventions by any University faculty as a part of or a continuation of federally sponsored research, because the Bayh-Dole Act provides for University ownership in such cases. The federal law pre-empts collective bargaining agreements.<sup>8</sup>)

For non-federally funded research confirmation of Substantial Use is a responsibility shared by the faculty inventor and the University.

- 1) The faculty inventor shall report all use of University Intellectual Property, facilities, labs, equipment, paid student workers; and amount and source of funds used to support the research leading to the invention. This report is made at the time of Invention Disclosure. Faculty need not disclose normal academic use of facilities commonly available to faculty members, staff or the public, such as libraries, offices, office equipment or internet services<sup>9</sup>. Faculty shall report all sponsor support that the University received and administered with or without a written agreement.
- 2) the University’s will confirm the faculty inventor’s report and establish a mechanism to track the institutional support<sup>10</sup> (cash and in-kind contributions, grants and contracts) of faculty research, including but not limited to release time, replacement faculty costs, graduate assistants, other student workers, travel funds, supplies, stipends, use of labs and equipment, un-recovered overhead or F&A costs., (see Definitions in Appendix A ). These costs are typically budgeted at the proposal stage of a sponsored research project and provided to the University’s grant office and fiscal office. The University’s Authorized Official (AO) will designate staff responsible for this function. (See Appendix C)

**A dispute regarding whether the use of University resources/support/facilities is “Substantial Use” is subject to the dispute resolution and grievance provisions of the APSCUF CBA.<sup>11</sup> (Disputes involving “Inventorship” must be resolved by a patent attorney**

<sup>8</sup> APSCUF CBA, 2007-2011, Art. 39. B.6 and B.7.

<sup>9</sup> APSCUF CBA, 2007-2011, Art. 39. C.4.b.

<sup>10</sup> APSCUF CBA, 2007-2011, Art. 39. C.4.a.

<sup>11</sup> APSCUF CBA, 2007-2011, Art. 5, and Art. 39.E.

**prior to and in order to submit a valid invention disclosure and patent application. This is a determination of law. The University makes no determination on inventorship.)**

**It is the policy of all PASSHE Universities to claim ownership of faculty inventions that arise from research that has received Substantial Use of University resources/support/facilities,** including sponsor support that the University received and administered with or without a written agreement.<sup>12</sup> The faculty member and APSCUF will work cooperatively with the University and with third parties to whom the University may refer the Intellectual Property in question for evaluation.<sup>13</sup> The faculty and the University will enter into an agreement which shall assign ownership to the University and establish a revenue sharing plan for the inventor that is consistent with the CBA.<sup>14</sup>

## B. INVENTION DISCLOSURES AND OWNERSHIP DETERMINATIONS

### 1. Prior to Research

University faculty who anticipate the possibility of creating potentially patentable Intellectual Property through their research endeavors, will alert University administrators of the possibility at the outset of their research. The method of accomplishing this notification for sponsored proposals is a statement on the proposal routing form, in the form included on Exhibit D-2. For non-sponsored research, the faculty member will send a similar notice to the University AO via the faculty's Dean/Director will occur.

### 2. At discovery

University faculty will immediately notify the University's Authorized Official (AO) of any inventions developed a) with any level of University resources/support/facilities ( personnel, funds, or equipment); or b) related to, based upon or derived from intellectual property currently owned by the University or to which the University has a potential claim; or c) subject to federal grants, contracts or sponsorship agreements; or d) subject to a non-federal grant, contract or other agreement. Faculty members shall disclose the development of inventions not subject to external agreements for the purpose of determining substantial use and ownership.

In order to properly disclose an invention, faculty must complete an Invention Disclosure Form. The Invention Disclosure defines the nature of, and provides the basis for a legal claim to, the invention in question. In every case, the invention process must be documented in lab notes, work logs and other appropriate documentation attached to the Disclosure. This documentation will chronicle the contributions of each inventor. The form for the disclosure is attached as Appendix E. The University AO distributes the disclosure to the University's CAO, University Legal Counsel (ULC), and the "PASSHE TTO". The PASSHE TTO is a system-wide, central clearing-house for patent management; it engages the services of Technology Licensing Officers and outside legal counsel to support University patent activity.

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<sup>12</sup> APSCUF CBA, 2007-2011, Art. 39. C.4.a.(4)

<sup>13</sup> APSCUF CBA, 2007-2011, Art. 39. D.2.

<sup>14</sup> APSCUF CBA, 2007-2011, Art. 39. D.1.

The Invention Disclosure is a critical document. It initiates the process of legally protecting the discovery or invention. Without the disclosure, the inventor's rights are at risk.

If not subject to external funding or sponsorship requirements, Invention Disclosures are reviewed and evaluated at the University level for "Substantial Use" support provided by the University<sup>15</sup> Invention Disclosures subject to external funding or sponsorship requirements are reviewed and evaluated for any restrictions imposed by sponsor requirements. The University's AO shall accept or delegate responsibility for this evaluation and may create a campus committee to do so. This evaluation will determine that the invention falls into one of four classes:

1. External Sponsored Work –

(a) Federal Sponsor or federally-funded

Patents developed in whole or in part under Federally funded research, including prior federally funded research, are subject to the Bayh-Dole Act, in which case the University will elect to take title.

b) Non-federal sponsor

Ownership Rights to inventions which are subject to the terms of a non-federally sponsored research or other agreement between the University and a third party are subject to the terms of the applicable agreement and prevailing laws, particularly intellectual property law. All parties should agree to written terms *upon award of funding*. An agreement shall be executed during the award negotiations and prior to expenditure of funds. Language, Appendix D, will be incorporated into the research proposal in order to advise the sponsor of the University's expectations.

(c) In the absence of current or prior federal funding or specific sponsor terms or specific sponsor rights, the ownership rights to the faculty created inventions shall be determined based on Substantial Use. (See below)

2. Substantial Use of Funds or Facilities –

The University owns rights to faculty created inventions involving the Substantial Use of University resources/support/facilities (including third party funds or resources provided to or administered by the University and research sponsored by the University, by other PASSHE Universities, and by the Office of the Chancellor), except when

1) the University has over-ruling contractual or legal obligations to third parties in connection with such support -- see (a) and (b) above-- or

2) the Intellectual Property in question is one of the following types, used or created for instructional purposes or as a result of scholarly activities: (a) publications, (b) textbooks, (c) educational courseware, (d) lectures, (e) recordings [video or audio], (f) original

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<sup>15</sup> APSCUF CBA 2007-2011 Art. 39.C.4.

works of art, (g) fiction, including popular fiction, novels, poems, dramatic works, (h) motion pictures and other similar audio-visual works, (i) musical compositions, or, (j) computer software and is not a work-for hire.<sup>16</sup>

In the case of Substantial Use, the University will claim ownership. The faculty and APSCUF shall work cooperatively with the University to evaluate the invention.<sup>17</sup> The faculty and the University shall enter into an agreement which shall set out ownership rights and a revenue sharing plan for the inventor(s) that is consistent with the APSCUF CBA<sup>18</sup>.

### 3. Without Substantial Use of Funds or Facilities –

The University will not assert any ownership rights to faculty-created inventions not involving the substantial use of University resources/support/facilities administered by the University<sup>19</sup> and not a part of the employee's University duties. However, if an inventor in this class wishes to avail him/herself of the services of the Technology Transfer Office, s/he may voluntarily assign their rights in ownership to the University pursuant to a revenue sharing plan that is mutually agreeable to the University and inventor(s). Thereafter the University will evaluate the invention for its commercial potential under Section D below.

### 4. Work for Hire –

The University may engage faculty on occasion to create intellectual property for the University's use or purposes. Under Copyright Law this constitutes a "Work made for hire". The University owns rights to faculty-created copyrightable materials that are created pursuant to a written agreement between the University and the faculty member to create or produce the specific work.<sup>20</sup> Ownership and control of works for hire are governed by federal copyright law and any agreement made prior to commencement of work between the University and the creator. A work-for hire agreement template is available from the PASSHE TTO or ULC. The University retains the copyrights of works-for-hire, but may grant the creator permission to use the material during the term of his/her employment with the PASSHE/University. A mutually agreed upon revenue sharing plan may be part of the work-for-hire agreement.

## C. UNIVERSITY RELEASE OF OWNERSHIP

When the University has rights of ownership to an invention or its related copyrightable materials, as set forth above, and if the University decides that it is not desirable for the University to pursue patent or copyright protection; or the University declines to do so, all rights to ownership of the invention or materials will be released to the inventor(s) or developers, to the extent allowed by law or the terms of sponsor rights, agreements/contracts. Ownership of federally funded inventions and related copyrightable material revert to the federal agency. Upon request of the inventor, the University will make written recommendation to the federal

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<sup>16</sup> APSCUF CBA 2007-2011, Art. 39.B.2.

<sup>17</sup> APSCUF CBA 2007-2011, Art. 39.D.2.

<sup>18</sup> APSCUF CBA 2007-2011, Art. 39.D.1.

<sup>19</sup> APSCUF CBA 2007-2011, Art. 39.B.1.

<sup>20</sup> APSCUF CBA 2007-2011, Art. 39.B.9.

agency that ownership rights be vested in the inventor. The inventor(s) or developer(s) would then have the right to pursue a patent or copyright at their own expense. In exploiting or developing any released invention or materials the inventor(s) or developer(s) shall not use University facilities and resources or the name of the University. Even when the University relinquishes its right to pursue a patent or copyright to the inventors or developers, it will retain a non-exclusive, royalty-free license to practice the invention or use the materials for its own purposes.

A release (or assignment back) to the inventor(s) will require the inventor(s) to, among other things:

1. Accept an equal undivided interest and take responsibility for further assignment of rights to all inventors.
2. Accept responsibility for future patent costs as they are incurred.
3. Exclude “future” or “related inventions” which may arise out of the inventor’s research, or any “background rights” that may be needed to practice the invention.
4. Grant a non-exclusive, royalty-free right to practice the invention and any resulting patents to the University for their own internal, non-commercial research purposes, including the right to sublicense to other research entities.

#### D. MANAGING PATENTABLE INVENTIONS

Invention disclosures are forwarded by the University AO to the PASSHE Technology Transfer Office (TTO), a system-wide, central clearinghouse serving all PASSHE Universities. It is the responsibility of the University to maintain and transmit an accurate record of invention, ensuring that the University personnel has agreed to transmit and assign the invention by signing the Intellectual Property Agreement (Appendix F)

The PASSHE TTO evaluates the Invention Disclosure for patentability and market potential. (At this time, these services are contracted to a third-party.) A preliminary patent search is generally performed by the PASSHE TTO. If this process suggests that the invention has significant commercial potential, the following sequence is set in motion.

- 1) The PASSHE TTO, in concert with inventors, will attempt to identify companies whose technology interests coincide with the invention in question. A Technology Licensing Officer (TLO) will be assigned to work with the inventor(s). Non-enabling disclosures are sent to these companies to inform them of the general nature of the invention, without divulging its essential elements. Upon the expressed interest of a potential licensee, additional detailed information about the invention is released following the execution of an appropriate Confidentiality Agreement. The TLO directly negotiates any licensing (and similar) agreements, accepting input and guidance from the University AO, but University personnel do not directly enter into negotiations.
- 2) In return for rights to an invention, licensees will be expected to file a patent application at their expense in the name of the University. If an invention requires further research to bring it to the point of commercial utilization, companies will be encouraged to provide the necessary research support as part of either a Research and License

Agreement, or an Option Agreement. Where an option is involved, companies are offered an exclusive right to negotiate a license in return for a research commitment and/or appropriate payment.

3) The University (that is, the University AO) in consultation with the PASSHE TTO may, under certain circumstances, elect to apply for a patent concurrent with the search for a licensee. This option is very selectively applied as a consequence of the limited funds available for this purpose, and is restricted to unusually promising inventions in dynamic, highly competitive fields. Where this option is contemplated, the results of the preliminary patent search will be submitted to a patent attorney who specializes in the appropriate technical area for a patentability opinion. A decision to proceed will be based on a judgment that the invention is patentable, is not encumbered by other patents, and has sufficient commercial potential to justify patent expense.

4) If, in concert with inventors, the PASSHE TTO is unable to identify a licensee in a timely fashion, the disclosure will typically be returned to the University for further evaluation. The University AO, in consultation with the PASSHE TTO may thereafter elect to accept the disclosure, file a patent application, and initiate the licensing process.

The PASSHE TTO provides monitoring of licensing agreements, including paying all patent maintenance fees, performing due diligence requirements and ensuring licensee obligations are fulfilled.

5) Inventors may petition the University for the assignment of invention ownership rights to them when it -

- a) is consistent with the policies and best interests of the University,
- b) would advantage the transfer of technology to the private sector, and
- c) is in accord with the University's obligations to sponsors and other third parties.

For example, should the PASSHE TTO fail to identify a licensee, and the University AO subsequently elect not to accept the invention, inventors may petition the University for the assignment of invention ownership rights to them as described above.

The foregoing procedure is based on the premise that a close working relationship between University inventors and the PASSHE TTO is important for the successful management of inventions. The reasons are varied. Inventors' knowledge of their research areas, and of companies active in related technologies, is a key element of the technical and market assessments for an invention, and of the search for licensees. In addition, inventions can serve as powerful catalysts for industrial research support. The search for such support is greatly enhanced by close collaboration between inventors and the PASSHE TTO. Finally, the search for licensees willing to underwrite the cost of concept refinement and/or patent prosecution represents a useful "market test" for an invention.

## E. PUBLIC DISCLOSURES

The commercial exploitation of inventions, in the form of products and processes for business and industry, is a highly competitive enterprise. It is therefore critical that inventors begin the University disclosure process as soon as the possibility of an invention becomes evident. Delays give others an opportunity to establish a claim which may deprive an original inventor of his/her rightful recognition and compensation. Some other considerations follow.

In general, it is prudent to delay the oral disclosure or publication of research details that are specific to an invention until such time as the invention has been evaluated and, as appropriate, protected. Such decisions, however, should not be allowed to adversely affect the progress of students toward their degrees. In most cases, the omission of information from publications which would compromise a commercial application does not impede the free flow of fundamental knowledge. In particular, inventions in a University setting are usually practical manifestations of an underlying body of fundamental knowledge. As such, one can frequently engage in the free exchange of basic ideas without compromising the practical application. If inventors have questions about the disclosure or publication of research, they are encouraged to discuss the matter with the Technology Transfer Office.

Public disclosure of a concept in the open literature (in abstracts and texts of presentations at meetings, and in theses, etc.) generally precludes obtaining patent protection in most foreign countries. In the U.S., one may obtain a patent as long as the application is filed within one year of the date of public disclosure. The impact of the waiving of foreign rights for an invention depends upon the size of U.S. and foreign markets, the relative market shares of foreign and domestic companies in the technology in question, etc.

## F. SPONSOR AGREEMENTS

### 1) Industry sponsors

Rights to inventions arising from industrially sponsored research are usually prescribed in a research contract containing a work statement and other terms and conditions of the award. Sponsors generally receive the first option on a license to technology resulting from research which they support. As the contractor for the specified research, the University must ensure that it has not committed rights to technologies to multiple sponsors. In dealing with potential industrial sponsors, faculty investigators should thus be sensitive to this possibility. The consequences of commingling intellectual property rights can be substantial. Until such time as they are resolved, disputes over sponsor rights between or among sponsors can limit or eliminate opportunities for additional industrial support for promising research areas. Unfortunately, such disputes can last for years.

### 2) Federal agencies

Federal agencies allow contractors, including universities, to retain ownership of intellectual property arising from research which they sponsor. The government retains

non-exclusive rights to such intellectual property for its own purposes. The University has a contractual obligation to inform sponsoring agencies of inventions within two months after they are disclosed to the University Authorized Official (AO) to elect to retain title within two years, and to file a patent within one year of election.

### 3) Research Consortia

Members of research consortia are typically given non-exclusive rights to inventions conceived in whole or part with consortium funds. Such arrangements can, unfortunately, seriously compromise the commercial potential of an invention. In particular, the resulting lack of marketplace exclusivity may deter companies from investing in the production facilities and marketing strategies required to commercialize an invention. Faculty concerned about this issue may wish to restrict the use of consortium funds to the support of pre-proprietary research.

## G. CONSULTING AGREEMENTS

University faculty shall not enter into private consulting contracts that put at risk of disclosure or loss of protection University-owned Intellectual Property or Intellectual Property that the University has a potential claim to own. University faculty shall not transfer or disclose to a third party any University-owned Intellectual Property or potentially University-owned Intellectual Property through private consulting activities.

Private consulting contracts sometimes contain provisions that limit the disposition of research results, including intellectual property, in promising research areas. University faculty have the duty to ensure that the assignment of rights to intellectual property evolving from consulting activities does not conflict with the ownership rights of the University. In general, University faculty may, within the scope of a private consulting agreement, assign rights to intellectual property in their fields of expertise where organizations engaging their services have legitimate prior claims to the development(s) in question. Examples include consulting activity within a faculty's field of expertise, which leads to the refinement of an existing product or process, or to a development for which background patents or prior art claims exist (and are held by the consulting client.)

On a related note, regardless of the Intellectual Property terms and condition of the contracts, University faculty may undertake Private Consulting only **when it is done without use** of University resources, including, but not limited to equipment, staff, laboratories, equipment and computer networks. (Faculty may make incidental use of University facilities commonly available to faculty, staff or the public, such as libraries, offices, office equipment or internet services, for fulfillment of a private consulting contract.) This restriction is necessitated by compliance with conflict of interest and Pennsylvania Employees Ethics Act. However, this restriction does not preclude use of University resources when the University receives fair market value compensation from the employee pursuant to an approved written agreement between the parties; such as a faculty-owned business operating in a University-owned business incubator, paying rent according to a standard lease agreement.

## H. CONFIDENTIALITY

### 1) Material Transfer Agreements

Faculty researchers often share proprietary material with other researchers who are outside the University or PASSHE system. Whether receiving or sending proprietary material to other researchers or companies, a Material Transfer Agreement is often necessary. These agreements are commonly used for the transfer of biological materials, hazardous materials as well as proprietary information and trade secrets. They often address rights to the results of the research in which the material is used, and hence have a significant impact on patent rights. Researchers and University Officials must take care in avoiding agreements with disadvantageous or harmful terms and conditions that restrict Intellectual Property rights. These agreements can only be signed by University Officials that have contract authority, after the agreement has been reviewed by Legal Counsel. (Additional information is included in Appendix G.)

### 2) Non-Disclosure or Confidentiality Agreements

An additional tool to protect patent rights is Non-disclosure or Confidentiality agreements. These agreements are used when providing additional detailed information about inventions to potential licensees. These agreements protect the University and inventors' rights when it is necessary to disclose enabling details or essential elements about an invention. Model Confidentiality Agreements are available from the PASSHE TTO and ULC.

## I. PENNSYLVANIA STATE LAW

Employee-owned companies represent unique issues when it comes to licensing University-owned inventions. The Pennsylvania Adverse Interest Act prohibits Pennsylvania state agencies from entering into contracts with state employees. This Act covers PASSHE Universities as "state agency" and PASSHE faculty as "state employees." Therefore, a University owned invention cannot be licensed to an employee-owned company. Questions on this point should be referred to University Legal Counsel.

## III. Administration

### A. TECHNOLOGY TRANSFER OFFICE - FUNCTIONS

Upon receipt of an Invention Disclosure, the Technology Transfer Office assists University administrators and inventors relative to the implementation of patent and copyright policies, and provides counsel on Technology Transfer matters. Mechanisms for assisting University personnel with the patent and copyright processes, and subsequent licensing are described in the PATENT and COPYRIGHT sections of this document.

## B. UNIVERSITY AUTHORIZED OFFICIAL - FUNCTIONS

The University Authorized Official (AO) or designee assists University personnel with patent disclosures, ownership determinations and conflict-of-interest issues related to technology transfer and entrepreneurial activities. The University AO has a primary role in monitoring adherence to, and advising personnel on, PASSHE and University procedures in these areas.

To enhance awareness of policies and procedures, the University AO (or designee) shall organize on-campus education and outreach efforts, including collaborative efforts with the PASSHE TTO, such as information meetings on Technology Transfer matters, conflict-of-interest, and technology transfer aspects of outside activities.

The University AO makes the final determination to pursue patent filings and incur the costs associated with such action.

University administrators are encouraged to avail themselves of Technology Transfer Office and University Legal Counsel expertise particularly on the more complex issues.

## C. EMPLOYEE ACKNOWLEDGMENTS – RESPONSIBILITIES

The cooperation of all within the University community is an essential element of efforts to protect concepts with commercial potential (inventions or creations) via patents and copyrights, which is an essential aspect of the technology transfer process.

Therefore, all PASSHE and University employees (as defined in Appendix A, inclusive of faculty) will receive and acknowledge receipt of the PASSHE Technology Transfer Guidelines upon initial hire as a routine part of their orientation. It shall be the responsibility of the appropriate Human Resources executive or administrator to ensure that the PASSHE University Technology Transfer Guidelines are presented to, and the receipt acknowledged by, any covered University employee.

These Guidelines will be distributed to all current PASSHE faculty.

## D. INTELLECTUAL PROPERTY AGREEMENTS - RESPONSIBILITIES

The University Senior Sponsored Research Administrator will ensure that Faculty and all named project personnel shall acknowledge their duty to disclose and assign inventions, as appropriate, when submitting sponsored research proposals for institutional approvals, including internally sponsored research. Appropriate language is included in Appendix D-2. The Bayh-Dole Act requires inventor(s) to disclose inventions arising out of federally assisted research to the University, and to assign ownership when the University elects title, so a formal agreement pledging cooperation with these guidelines and the patent process, shall be signed at proposal submission of any federally funded grant or contract proposal, or continuation of prior federally assisted research, or any grant or contract proposal when the use of University facilities meets the threshold of substantial use. The Senior Sponsored Research Administrator shall ensure

these agreements are signed at the time of the proposal submission. (An agreement is included as Appendix F.)

***Please Note:** The requirement to have individuals identified above, sign an intellectual property acknowledgment and/or agreement arises from: 1) the provisions of the APSCUF Collective Bargaining Agreement 2) the University's obligations under the federal Bayh-Dole Act to patent and effectively transfer inventions arising from federally sponsored research results to industry for the public benefit and to grant the government a license to use such inventions for government purposes; 3) the University's compliance with contract terms under industry-sponsored research; and 4) the University's responsibility to protect the intellectual property of our faculty. It is not intended to restrict the free exchange of scholarly information or prohibit free and open collaborations between scholars or scientists. It is specifically directed toward those situations in which the development of new technology is targeted.*

## E. REVENUE DISTRIBUTION

The University will be the licensor for faculty patents and related copyrights when either a licensee has filed the relevant patent application in the name of the University, or the University has elected to file on its own. After recovery of any direct patent or copyright prosecution, indirect (or overhead) expenses, maintenance, or infringement litigation costs incurred by the University, royalty revenues are distributed in compliance with the APSCUF CBA<sup>21</sup> when applicable, or in compliance with mutually agreed schedules allowed under these guidelines.

The University's share of royalty revenues is utilized to support research, and a portion of the cost of contracting with the Technology Transfer Office. Funds may also be set aside to defray legal expenses associated with infringement actions and product liability litigation accruing to University patents and copyrights. All net royalty revenues received by the PASSHE Universities will be devoted to the support of scientific research and education.

## IV. Copyright Practice and Procedures

While the purpose of this document is to provide procedures to better manage patentable inventions, a note on copyrights is necessary to distinguish between the two, particularly concerning scholarly work. The University encourages faculty, staff, and students to create literary, scholarly, and artistic works and will not assert ownership, interest, or share of the proceeds in the following types of Intellectual Property which are used or created for instructional purposes or as a result of scholarly activity: (a) publications, (b) textbooks, (c) educational courseware, (d) lectures, (e) recordings [video or audio], (f) original works of art, (g) fiction, including popular fiction, novels, poems, dramatic works, (h) motion pictures and other similar audio-visual works, (i) musical compositions, or (j) computer software.<sup>22</sup> ownership of copyrights of such works rests with the creator(s).

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<sup>21</sup> APSCUF CBA, 2007-2011, Art. 39. D.1.

<sup>22</sup> APSCUF CBA, 2007-2011, Art. 39. B.2.

However, there are exceptions to this rule such as works that are generated within the scope of the creator's employment, commissioned by the University, or are subject to a sponsor's agreement which provides for a different ownership.

The University may engage ("commission") faculty on occasion to create intellectual property for the University's use or purposes. Under Copyright Law this constitutes a "Work made for hire". The University owns rights to faculty-created copyrightable materials that are created pursuant to a written work-for-hire agreement between the University and the faculty member to create or produce the specific work.<sup>23</sup> Works made for hire may be within the scope of the creator's normal duties of employment, but the agreement for the development of such work must be commissioned (by the University) and shall provide for ownership to rest with someone other than the creator. Ownership and creative control of works for hire are governed by federal copyright law and the written agreement made prior to commencement of work between the University and the creator. A work-for hire agreement template is available from the PASSHE TTO or ULC. Works created under a work-for-hire agreement may include, but are not limited to commissioned research or survey instruments (questionnaires, etc.), instructional materials (including videotapes), and computer software.

The University retains the copyrights of works-for-hire, but may grant the creator permission to use the material during the term of his/her employment with the PASSHE/University. A mutually agreed upon revenue sharing plan may be part of the work-for-hire agreement.

University personnel creating such materials are urged to contact the University AO and designees, for assistance in the copyright process and for subsequent licensing efforts.

#### A. COURSEWARE/SOFTWARE

Ownership of educational courseware created through and for distance education is governed by the provisions of the APSCUF CBA<sup>24</sup>. The exceptions are when courseware is commissioned by the University and developed by a faculty member pursuant to the terms of a work-for-hire agreement. Such work will be considered as a work for hire, or commissioned work, and the University will own the copyright. Faculty will retain a non-exclusive license to use the courseware for educational purposes, but the faculty cannot sell the courseware.

Patentable software developed for courseware purposes or for any other purpose is treated as an invention under these guidelines; disclosure is required and ownership is subsequently determined. Patentable software must meet the definition of an invention: it must be novel, useful and non-obvious. Faculty own non-patentable software they develop, unless it is developed at the initiation of the University as a work-for hire (as above.)

If any faculty wishes to pursue commercialization of courseware/software that they own and wish to utilize the resources of the Technology Transfer Office, they may voluntarily assign ownership to the University, pursuant to a revenue sharing plan that is mutually agreeable to the

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<sup>23</sup> APSCUF CBA, 2007-2011, Art. 39. B.9.

<sup>24</sup> APSCUF CBA, 2007-2011, Art.39.B.2. and Art. 42

**Creation date: 2-15-08; REV 2-3-09; 2/26/09; 3/26/09; 4/6/09**

University and inventor. The University is under no obligation to accept such an assignment. A voluntary assignment agreement template is available from the PASSHE TTO and ULC.

## APPENDIX A

### Definition of Terms and Acronyms

**Bayh-Dole Act-** Enacted on December 12, 1980 The Patent & Trademark Act (Public Law 96-517) created a uniform patent policy among Federal agencies that fund research. Bayh-Dole enables small businesses and non-profit organizations, including universities, to retain title to materials and products they invent under federal funding. Subsequent amendments created uniform licensing guidelines and expanded the law to include all federally funded contractors (Public Law 98-620). The implementing regulations for Bayh-Dole are published at 37 CFR Part 401.

**Commissioned work - See work for hire.** Commissioned works include, but are not limited to, courseware development specifically assigned or required as part of regular teaching duties.

**Copyright-** a form of protection that prevents copying of “original works of authorship” that is tangible. These works include literary works, musical works, dramatic works, sculptural works, architectural works, pantomimes, choreography, pictorials, graphics, motion pictures, sound recording and software.

**Courseware-** a complete substantially computer-based package of content, assessment materials, and structure for interaction that permits a course to be taught without requiring physical access to a student.

**Individual’s “own time”** shall mean time other than that devoted to normal and assigned functions in teaching, university service, direction and conduct of research on university premises and utilizing university facilities.

**Intellectual property-** the term used to describe the patents, copyrights, mask work protection, trade secrets, and plant variety protection certificates that cover or pertain to inventions.

**Intellectual Property Agreement** is an agreement between the University and University personnel which is signed prior to the start of research or a creative project or at the time of appointment of certain individuals (as outlined in the agreement) which outline specific duties and responsibilities in the event of a discovery or invention and binds the individual to follow these guidelines. The current form of agreement is attached as Appendix F.

**Invention- Invention(s)** refer to any technical contribution, discovery, process, method, use, design, improvement, modification or combinations thereof, conceived of and reduced to practice during the course of research carried out for or at the University. Includes computer software, novel machines, devices, compositions of matter (compounds, mixtures, genetically engineered cells, plants or animals), genetic forms, mask works, production processes, production methods, plant varieties, etc. that did not exist before.

**Invention and Copyright Assignment Agreement** is an agreement between the University and the faculty, staff or student inventor(s) or developer(s) which allocates between the University and the inventor, the title, ownership and rights to the invention or materials that results from research carried out at or for the University in exchange for the monetary considerations..

**Inventor:** One who conceives and either personally or through someone else reduces the invention to practice. The conception of an invention is complete if the inventor is able to make a disclosure that would enable someone skilled in the art to make the invention without extensive research or experimentation. Someone who constructs the invention based on the inventor's conception or who merely assists in the reduction to practice of an invention is not an inventor. Failure to name the correct inventors can result in invalidation of the patent. It is the obligation of all inventors to adequately document their inventive contributions in laboratory notebooks. Inventorship is distinct from authorship and ownership.

**Materials** refer to those items which arise from work performed by faculty, staff or students which can lead to copyright protection and could include course work, books, films, recordings, grants, software and other publications developed outside of those needed for individual classroom instruction as defined in Article 39, Paragraph B. 2. of the APSCUF Collective Bargaining Agreement. This should not be confused with research materials described under Material Transfer Agreements.

**Material Transfer Agreements** are mechanisms for obtaining needed research materials, including but not limited to biological material. They are frequently required when a provider of material or data deems it necessary in the following circumstances:

- The material and/or information is proprietary;
- The material or information is being maintained as a trade secret;
- The material is infectious, hazardous or subject to special regulations;
- The provider is concerned about potential liability; and/or
- The provider wishes to obtain rights to the results of the research in which the material or information is to be used (COGR, 2003)

Only University officials who have contract authority can sign material Transfer Agreements after legal review.

**Net Income** as defined in the APSCUF CBA, is the total income generated by the licensing, sale, distribution or commercialization of an invention, less the direct and indirect expenses incurred by the University for:

- a. Substantial use of University resources/support/facilities.
- b. The sale or licensing of the invention.
- c. The production, development, maintenance, and distribution of the patent or copyright and/or invention.
- d. Litigation and other steps to obtain, maintain, enforce or defend the patent or copyright.

**Other Covered Individuals** - Individuals who are required to sign Intellectual Property Agreements, but are not employees or students of the University are considered “Other Covered Individuals.” This includes emeritus/retired faculty, visiting scholars/scientists, contract employees, consultants and others engaged in research at the University who are not employees or students.

**Patent-** a grant to the owner or assignee of the patent the right to exclude others from making, using or selling the invention for a term of twenty years from the date of the patent application. Provisional patents are typically filed as a “placeholder” for one year; non-provisional patents are examined and patents issued by the US Patent Office.

**Patentable invention** - a novel, non-obvious, and useful discovery. It can be: a device, a manufacturable article, a machine, a composition of matter, a process or method, or a new, useful improvement. It excludes printed matter and pure algorithms.

**Substantial Use of Institutional Resources-** Substantial use of institutional resources is a provision in the APSCUF CBA and only applies to faculty of PASSHE Universities. The term has no applicability to other employees or to students or to non-employees. It means that for the project that produced the intellectual property the faculty member/creator received staff, salary or material support beyond that normally provided to the creator (i.e. faculty) at the University. For operational purposes it is defined identically to that of Paragraph C. 4. of Article 39 of the APSCUF CBA. It is reproduced here for completeness.

Use of University resources/support/facilities will be considered substantial if the use of such resources/support/facilities is important to the creation of Intellectual Property and the University aid exceeds a cumulative total of \$40,000 per project, for any combination of the items listed below over a three-year period. Examples of such support items include but are not limited to the following:

- (1) Alternate assignment, and/or special assignment for a specific project or task.
- (2) Use of University funds designated for a specific project or task.
- (3) Use of University-owned, administered, leased equipment, facilities, materials or technological information.
- (4) Support provided by other public or private organizations when it is arranged, administered, or controlled by the University.
- (5) Assistance of one or more University employees or students, or others who are assigned to the project or task.
- (6) Cash investments or cash purchases.

Examples of such support do not include the following:

- (1) Mere incidental use of University resources/support/facilities.
- (2) Normal academic use of facilities commonly available to faculty members, staff, or the public, such as libraries, offices, office equipment, or internet services.
- (3) Use of university sabbatical leave unless there was substantial use of University resources/support/facilities as defined above.

**Technology transfer**- the process whereby University creative and scholarly works may be put to public use and/or commercial application.

**TLO** – Technology Licensing Officer. TLO’s evaluate inventions for commercialization potential and negotiates licensing agreements, among other duties.

**TTO** – PASSHE Technology Transfer Office, system-wide, central clearing-house for patent management for all PASSHE Universities. The TTO engages the services of Technology Licensing Offices and outside legal counsel.

**ULC** – University Legal Counsel

**University AO** - University Authorized Official.

**University employee** refers to part-time and full-time faculty, part-time and full-time staff and administrators, paid or otherwise compensated undergraduate and graduate students and others with a defined relation to the University. Students who receive a tuition waiver conditioned on work or service hours are considered University employees for purposes of this policy.

**University personnel** - includes University employees and other covered individuals, which are: visiting scholars/scientists and contract employees and consultants and others engaged in research at the University who are not employees or students.

**University facilities** shall mean any facility available to the inventor as a direct result of the inventor’s affiliation with the PASSHE University, or any facility available under the University’s policies on co-operative use of research equipment, or policy on use of facilities by emerging technology enterprises, and which would not otherwise be available to a non-PASSHE affiliated individual.

**University-sponsored Research**- includes research covered under an official University research contract and any research like activity or other creative endeavor carried out by employees in the course of their official duties or responsibilities, or any activity that makes substantial use of institutional resources.

**Work for Hire**- The U.S. Copyright Act defines a “work made for hire” as (1) a work prepared by an employee within the scope of his her employment; or (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. For the purpose of the foregoing sentence, a “supplementary work” is a work prepared for publication as a secondary adjunct to a work by another author for the purpose of introducing, concluding, illustrating, explaining, revising, commenting upon, or assisting in the use of the other work, such as forewords, afterwords, pictorial illustrations, maps, charts, tables, editorial notes, musical arrangements, answer material for tests, bibliographies, appendixes, and indexes, and an “instructional text” is a literary, pictorial, or graphic work prepared for publication and with the purpose of use in systematic

instructional activities. The APSCUF CBA further clarifies that the creator is compensated by PASSHE. An operational definition for these guidelines is: work commissioned by the University and developed by faculty under campus consulting, extra service or technical assistance agreements regardless of the form of compensation, or work completed by non-faculty employees and personnel as part of the scope of employment. Ownership and creative control of works made for hire by PASSHE faculty will be governed by an agreement between the University and the faculty member made prior to the commencement of the work.<sup>25</sup>

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<sup>25</sup> APSCUF CBA, Art. 39.B.9

## Appendix B

### University obligations under the Bayh-Dole Act

Bayh-Dole permits universities, other nonprofits such as teaching hospitals, and, in most cases, commercial federal contractors to retain title to inventions that are conceived or first reduced to practice in the performance of a federal grant, contract, or cooperative agreement in exchange for certain obligations on the part of the contractor.

In considering Bayh-Dole's implications and requirements, it is important to keep in mind the objectives of Act as established in its preamble. They are to:

- promote the utilization of inventions arising from federally supported research and development programs;
- encourage maximum participation of small business firms in federally supported research and development efforts;
- promote collaboration between commercial concerns and nonprofit organizations;
- ensure that inventions made by nonprofit organizations and small business firms are used in a manner to promote free competition and enterprise;
- promote the commercialization and public availability of inventions made in the U.S. by U.S. industry and labor;
- ensure that the Government obtains sufficient rights in federally supported inventions to meet the needs of the Government and protect the public against nonuse or unreasonable use of inventions; and
- minimize the costs of administering policies in this area.

By accepting federal funds in support of a research project, recipient institutions assume responsibility for complying with the requirements of the Act. In general, the institutions are required to:

- obtain written agreements from all employees (except clerical and non-technical personnel) recognizing their obligations to report inventions developed under federally funded programs to the appropriate university office and assign them to the institution;
- disclose an invention to the federal agency supporting the applicable research program within two months after the inventor discloses an invention in writing to the institution;
- elect title to the invention within two years after disclosing the invention to the federal agency but no later than 60 days before the end of any statutory period in which valid patent protection can be obtained in the U.S.;
- file a patent application within one year after election of title, but no later than the end of any statutory period in which valid patent protection can be obtained in the U.S.;
- include at the beginning of the U.S. patent application and patent a statement that the U. S. Government has rights in the invention and identifying the sponsoring agency and the number of the funding award;
- submit to the funding agency a confirmatory license for each U.S. patent application;

- notify the funding agency within 10 months after filing the initial patent application whether and in which countries corresponding foreign applications will be filed;
- submit periodic reports, no more frequently than once a year, regarding the utilization of the invention as requested by the funding agency;
- notify the funding agency at least 30 days before statutory deadlines if a patent application or patent will be abandoned;
- give preference to issuing licenses to small business firms if they show they have the resources and capability to bring the invention to practical application;
- except with permission of the funding agency, not assign rights to inventions to third parties (except to patent management firms), including to the inventor;
- require any exclusive licensee to substantially manufacture in the U.S. any products that will be sold in the U.S., unless this requirement is waived by the funding agency;
- share with the inventor(s) of the invention a portion of any income the institution receives from the licensing of the invention;
- use the balance of income received from the licensing of the invention (after costs associated with patenting and licensing are reimbursed) to support education and scientific research.

These obligations are not trivial. They explain why universities and non-profit institutions must make serious resource commitments to supporting the personnel and infrastructure required to comply with the federal regulations that implement the Bayh-Dole Act.

Source: A Tutorial on Technology Transfer in U.S. Colleges and Universities, Council on Governmental Relations, September 2000

## Appendix C

4/6/2009

<b>PASSHE University</b>	<b>University Authorized Official</b>	<b>Designee to confirm Substantial Use</b>	<b>Official to sign License Agreements</b>	<b>Senior Sponsored Research Administrator</b>
<b>Bloomsburg</b>	Assistant VP/ Dean of Graduate Studies and Research	Dean of the College of Science and Technology	Director of Sponsored Programs and Research	Assistant VP/Dean of Graduate Studies and Research
<b>California</b>	Provost	Dean of the Eberly College of Science & Technology	VP for Administration and Finance	Director of Grants and Contracts
<b>Cheyney</b>	Provost/VP Academic Affairs or President	Provost/VP Academic Affairs	VP Finance and Administration	VP Institutional Advancement
<b>Clarion</b>	Provost/VP for Academic Affairs	Provost/VP for Academic Affairs	VP for Finance and Administration	Asst VPAA/Research and Graduate Studies
<b>East Stroudsburg</b>	President	Provost	VP Finance & Administration	Director Office of Sponsored Projects and Research
<b>Edinboro</b>	President or Provost	Dean, School of Science, Management & Technology	VP for Finance and Administration	Dean of Graduate Studies and Research
<b>Indiana</b>	Provost	VP for Research & Dean of Graduate Studies	VP for Administration and Finance	VP for Research & Dean of Graduate Studies
<b>Kutztown</b>	Provost	Vice Provost	VP for Administration & Finance	Director, Office of Grants & Sponsored Projects
<b>Lock Haven</b>	Provost	Vice President for Finance, Administration and Technology	President	Dean of Library Services and Associate VP of Academic Affairs
<b>Mansfield</b>	Provost	Dean of Faculty	VP Finance and Administration	Director of Grants
<b>Millersville</b>	Assistant VP of Development	Dean of Graduate Studies	Provost	Director of Government and Foundation Support
<b>Shippensburg</b>	Provost and Senior VP for Academic Affairs	Director of Purchasing & Contracting	Associate VP for Administration and Finance	Executive Director, Institute for Public Service
<b>Slippery Rock</b>	Provost and Vice President for Academic Affairs	Director of Grants & Sponsored Research	Assistant Vice President of Finance	Director of Grants & Sponsored Research
<b>West Chester</b>	Provost	Provost	VP for Admin & Finance	Associate VP, Sponsored Research and Faculty Development

## **Appendix D-1**

### **Intellectual Property policy statement for proposals for non-federal grants/contracts; to be used primarily in proposals to foundations and corporations.**

#### **I. Publications**

The University's research activities are an integral part of the total educational program, and much of it forms the basis for articles in professional Journals, seminar reports, presentations at professional society meetings, and student dissertations and theses.

To fulfill the University's obligations as a publicly-aided educational institution, University research should serve a public rather than a private purpose, and the results should be disseminated on a non-discriminatory basis. The University encourages studies whose results can be freely published.

The University recognizes that the legitimate proprietary concerns of private research sponsors and the effective commercialization of research outcomes may require limited delays in publication. Where appropriate, publications can be deferred for a negotiated period of time in order to protect patent rights. Similarly, on those occasions where the University has accepted a sponsor's proprietary information as necessary background data for a research project, the sponsor may review proposed publications in order to identify any inadvertent disclosure of those specific data.

#### **II. Patents and Copyrights**

The University's policy with regard to inventions and creations resulting from research reflects the view that a university by its nature has an obligation to serve the public interest by ensuring that inventions are developed to the point of maximum utilization and availability to the public. The University, therefore, retains title to inventions and creations made under its sponsored programs with the understanding that it will license them in the public interest under an active inventions/creations management program in which licensing of industrial research sponsors is an important part. The University and the inventor share in the proceeds of royalty-bearing licenses. The licensing program includes a wide range of options depending on the circumstances. In some cases, where required for effective development of the invention, exclusive licenses for a limited term may be negotiated.

#### **III. Use of Names**

Research sponsors may not use the University's name in advertising or other product promotion activities without the University's prior written approval. Similarly, the University will not use the name of the sponsor in publicity releases without the sponsor's approval.

## Appendix D-2

### Statement for Inclusion on Proposal or Contract/Agreement Submittal/Routing Form

It is understood that the \_\_\_\_\_ University of Pennsylvania and third-parties may have rights in all discoveries and inventions made or conceived in performance of work on this project. The Principal Investigator(s) will furnish prompt and full disclosure of inventions made during performance of this project to the University's Authorized Official. I have received the Technology Transfer and Commercialization Guide for PASSHE Faculty.

I, the project director, (check one): anticipate  or do not anticipate  developing Intellectual Property during this research/project. The anticipated Intellectual Property is (check all that apply)

Publications/presentations

Software

Inventions or discoveries

Describe above Intellectual Property in general terms.

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***NOTE: The above statement is to be incorporated into each proposal or contract/ agreement submittal form that is transmitted to the CAO of each University. This statement will be signed by all faculty and staff members (except clerical and non-technical staff) who will be participating in the project.***

## **Appendix E -1 – Invention Disclosure**

Completion of this invention disclosure form does **not** abrogate faculty rights accrued under Article 39 of the collective bargaining agreement.

**Form is available as a fillable PDF**



## Technology Disclosure Form

Print Form
Disclosure Number TTO Use Only

Original signed form should be submitted to the University Authorized Official (UAO) via your dean, director, or appropriate administrative unit. We encourage you to concurrently send a signed or unsigned copy electronically directly to the UAO. Please submit form at least one month prior to any public disclosure (including web abstracts). See guidelines/instructions.

1. Title of invention/technology (brief and non-confidential)

2. Please attach a detailed description of technology (see instructions on page 5).
---

3. Disclosers/inventors (please list the primary contact first - attach additional sheets for more than five).				
	Full Name	Title (e.g. "Professor")	Dept. or Affiliation	Inv %
A				
B				
C				
D				
E				

4. Contact information:			
	Department Address	Home Address	Email Address and Phone No.
A			
B			
C			
D			
E			

5. Disclosure execution (required for PASSHE employees only):				
	Name	Signature	Citizenship	Date
A				
B				
C				
D				
E				

6. Witness (who has read and understands the disclosure, e.g. Dept. Chair, Assoc. Dean, Colleague):			
Printed Name:		Signature:	
Date:			

7. Research Dean or Administrative Officer:			
Printed Name:		Signature:	
Date:			



## Technology Disclosure Form

Print Form
Disclosure Number TTO Use Only

8. Record of Invention:		
Event	Date (m/d/yyyy)	References (e.g. lab notebooks)
A. Conception of Invention		
B. Date of Reduction to Practice		
C. Other (see pg. 5)		
D. Other (see pg. 5)		

9. Obligations to Third Parties:				
A. Is this technology the result of sponsored research (either government or industry)?			Yes <input type="checkbox"/>	No <input type="checkbox"/>
	Sponsor	Grant #, Contract #, Agreement #	Principal Investigator	
1.				
2.				
3.				
4.				
B. Are there any other agreement(s) pertaining to the technology? (include: materials bailment/transfer, consulting, confidentiality, grant-in-aid, etc.			Yes <input type="checkbox"/>	No <input type="checkbox"/>

	Agreement Type	Name of Other Party	Contact
1.			
2.			
<i>Please attach copies of any third party agreements</i>			

10. Public Disclosures (any publicly available and potentially enabling description - see guidelines, pg 4):

Event	Yes	No	Date (m/d/yyyy)	Citation and/or Explanation
A. Has the technology been published or a manuscript been submitted for publication?	<input type="checkbox"/>	<input type="checkbox"/>		
B. If not, will a manuscript for the technology be submitted in the future? Approx. when?	<input type="checkbox"/>	<input type="checkbox"/>		
C. Has the technology been described in a thesis, or will it be described in a thesis?	<input type="checkbox"/>	<input type="checkbox"/>		
D. Has the technology been presented in a public forum (e.g. speech, conference, poster, etc.)?	<input type="checkbox"/>	<input type="checkbox"/>		
E. Are there any other past or future enabling publications (e.g. online postings)?	<input type="checkbox"/>	<input type="checkbox"/>		

11. Descriptive Keywords (to be used for patent or background searching and/or marketing):			



## Technology Disclosure Form

Print Form
Disclosure Number TTO Use Only

Please attempt to answer the following questions. In addition to the detailed description that you attach, this information will assist in our assessment of the technology and may increase the likelihood of patenting and commercialization success.

12. Stage of Development: Briefly describe the status of the technology's development. Which of the following terms best describe its stage of development: concept, proof of concept, prototype, working model, demo, fully developed? Are samples, a prototype, or a demo available to share with prospective licensees?

13. Please briefly describe the problem that the technology solves and its advantages/benefits relative to competing technologies or products. What product might this invention become?

14. Please list key prior art references:

15. Please list the companies or industries that are most likely to be interested in licensing this technology:


16. Please list any contacts that you have (and their contact information) that we may approach in our marketing efforts (to learn more about the market potential of the technology or to reach potential licensees):

17. Please check the reason(s) that best describe why you submitted this invention disclosure:

<input type="checkbox"/>	I/we believe that the invention has significant commercial potential
<input type="checkbox"/>	I/we believe that this invention is a platform and/or pioneering technology
<input type="checkbox"/>	I/we are aware of a specific company that is interested in licensing the technology
<input type="checkbox"/>	I/we are interested in being involved with a startup company based on this technology
<input type="checkbox"/>	To comply with the requirements of an existing research agreement and/or University policy
<input type="checkbox"/>	Other (please specify):



## Technology Disclosure Form

Print Form
Disclosure Number TTO Use Only

18. What University resources/support/facilities (including external, University-administered resources) were utilized in the research leading to this invention?		
<b>Grants/Contract Value</b>		
Grant/Contract Value	Grant/Contract Value	Dollar Value
<b>Release Time</b>		
Percentage	Term	
<b>Materials</b>		
Identify Materials		Value
<b>Equipment</b>		
Identify Equipment		Time Period
<b>Laboratories</b>		
Name		Time Period
<b>Student Assistants</b>		
Name		Time Period
<b>Staff Assistants</b>		
Name		Time Period
<b>Computer Network</b>		
Time Period		
<b>Other</b>		

## Instructions/Guidelines

The Technology Transfer Office (TTO) promotes beneficial use of PASSHE technology by protecting, marketing, and licensing University technologies to companies for further development and commercialization. This disclosure is valuable because it establishes a legal record of the invention while helping to facilitate the TTO's assessment and management of the technology. After reviewing the disclosure form, the TTO will contact the discloser(s)/inventor(s) to review the technology and discuss possible protection and commercialization strategies. Below are instructions or guidelines for each section of the form.

1. The title should be descriptive but must not be "enabling" as defined in item 10 below.
  2. Attach a description of the technology/invention that is sufficiently detailed to allow someone of standard skill in your field of expertise to readily (without substantial experimentation) put the technology/invention into practice (at least to the extent that you are able to do so yourself). The description should cover at least: a) brief background and general purpose; b) technical description; and c) advantages and improvements over existing methods or products. Please include diagrams of apparatuses, chemical structures, and flow charts of processes. Often a draft journal article is sufficient.
  3. List those individuals who may be considered potential inventors or who contributed to the conception or creative development of the technology. In general terms, an inventor is someone who contributed to the conception of the invention or to the creative further development of an important element of the invention in reducing it to practice. Note that this is not the same as authorship. A "pair of hands" who only carried out the orders of another person is not an inventor, even though such a person may be considered a co-author or contributor in a scholarly sense. Inventorship has a legal definition and will be determined by a patent attorney at the time of filing of any patent application. If needed, please contact the TTO. A new website will be developed for further guidance. Include individuals who are not employees of PASSHE (although they are not required to sign the form). In the last column, please indicate the agreed upon percent (%) contribution of each discloser of the technology disclosed. These numbers aid in determining any monetary distributions to the disclosers. They may be changed by mutual agreement at a later date. Each inventor who signs this invention disclosure form must agree and be able to provide supporting material if requested for his/her contribution as stated here.
  4. Since correspondence, patent application materials, and royalty checks are sent to the inventor's home, each inventor must provide and maintain a current home address with the Technology Transfer Office.
  5. By signing here, each individual indicates approval of the disclosure, attesting that the disclosure is true, accurate, and fully describes the invention to the best of his/her knowledge.
  6. The witness must not be directly involved with the invention but must have read and understood the disclosure.
  7. The disclosure form should be submitted for signature to your dean, director or other administrative unit responsible for handling invention disclosures and forwarded to the University Authorized Official.
  8. After recording the date of each event, indicate where records of the event may be located. "Reduction to practice" is the physical part of the inventive process during which the invention is shown to work as described (at least for the initial concept). After a reduction to practice, the invention is complete for patent law purposes in that a proof of concept test, prototype, model, or biological strain exists that fulfills the invention's intended purpose. "Other" events may include any other milestones that you achieved in your continued development of the technology that you believe relevant to the record of the invention.
  9. There may be obligations to third parties if the research that led to the invention used resources, facilities, staff, funding, or material of another institution, whether it is a corporation, university, foundation, or government agency. Please include support for continued development or evaluation ("Other" events) as listed in items 8C and 8D.
  10. "Public Disclosure" means any instance in which someone outside the PASSHE community, without being restricted by confidentiality, would have been able to legally gain access to your presented, written or printed enabling description of the technology/invention - where "enabling" means sufficiently described to allow someone of average skill in the relevant field of expertise to practice the invention. The public disclosure dates, especially the first one, are important for patent considerations. In the United States, a patent application must be filed within one (1) calendar year of first public disclosure; however, in most other countries, a patent application must be filed before any public disclosure. An inventor who publicly discloses his/her invention before obtaining protection can lose rights to his/her invention anywhere else in the world. It is therefore requested that inventors contact the Technology Transfer Office for assistance prior to public disclosure. Note that many journals now publish online, sometimes weeks before publishing in print. The inventor must be aware of the potential for online publishing, including enabling abstracts/posters, and indicate these in section 10. This helps to ensure adequate protection for the invention.
  11. Enter some keywords useful for our background searching, patent searching, and/or categorizing the technology for marketing purposes. An ideal set of keywords includes terms very likely to occur in publications and patents related to the field of your invention as well as terms likely to occur only in publications describing specific solutions to the problem very similar to yours.
- 12-17. Self explanatory

## Appendix E-2

UNIVERSITY OF PENNSYLVANIA  
PENNSYLVANIA STATE SYSTEM OF HIGHER EDUCATION

### SOFTWARE DISCLOSURE

Use this form to disclose software inventions to the University's Authorized Official . Prompt disclosure allows the University to secure intellectual property rights as appropriate and to fulfill obligations to external sponsors of research. Completion of this software disclosure form does **not** abrogate faculty rights accrued under Article 39 of the collective bargaining agreement.

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1. **Title of Software:**

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2. **Description** – Briefly describe general nature, primary functions, and areas of principal use  
(Attach additional page if necessary):

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3. **Further development** necessary before licensing: (Attach additional page if necessary)

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4. **Names and addresses** (if known) of potential licenses (especially in PA):

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5. **Estimated price range** of product:

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6. **Funding Source(s)** – Was work leading to the invention supported by:

A. Internal University Funds:

Project

Title: \_\_\_\_\_

B. External Funds from:

Federal Agencies? Yes

No

Corporate Sponsors: Yes

No

Sponsor: \_\_\_\_\_ Grant/Contract # \_\_\_\_\_

Sponsor: \_\_\_\_\_ Grant/Contract# \_\_\_\_\_

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7. **Principal Developer(s)** – List those making substantial contributions (use second page if necessary):

a. Name \_\_\_\_\_  
Title \_\_\_\_\_  
Dept. \_\_\_\_\_  
Campus Address \_\_\_\_\_  
Work Phone \_\_\_\_\_  
Home Address \_\_\_\_\_  
Home Phone \_\_\_\_\_  
Citizenship \_\_\_\_\_

b. Name \_\_\_\_\_  
Title \_\_\_\_\_  
Dept. \_\_\_\_\_  
Campus Address \_\_\_\_\_  
Work Phone \_\_\_\_\_  
Home Address \_\_\_\_\_  
Home Phone \_\_\_\_\_  
Citizenship \_\_\_\_\_

c. Name \_\_\_\_\_  
Title \_\_\_\_\_  
Dept. \_\_\_\_\_  
Campus Address \_\_\_\_\_  
Work Phone \_\_\_\_\_  
Home Address \_\_\_\_\_  
Home Phone \_\_\_\_\_  
Citizenship \_\_\_\_\_

d. Name \_\_\_\_\_  
Title \_\_\_\_\_  
Dept. \_\_\_\_\_  
Campus Address \_\_\_\_\_  
Work Phone \_\_\_\_\_  
Home Address \_\_\_\_\_  
Home Phone \_\_\_\_\_  
Citizenship \_\_\_\_\_

e. Name \_\_\_\_\_  
Title \_\_\_\_\_  
Dept. \_\_\_\_\_  
Campus Address \_\_\_\_\_  
Work Phone \_\_\_\_\_  
Home Address \_\_\_\_\_  
Home Phone \_\_\_\_\_  
Citizenship \_\_\_\_\_

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8. **Contribution** of each co-developer:

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9. **Remarks:**

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Signature of Discloser(s)	Date
_____	_____
_____	_____
_____	_____
_____	_____

\*indicate discloser to be contacted for additional information

## Appendix F – Intellectual Property Agreement PASSHE FACULTY

### UNIVERSITY INTELLECTUAL PROPERTY AGREEMENT

**Purpose:** This form is required to be completed and signed by University faculty engaged in covered research. Covered research includes

- (1) any federally funded grant or contract proposal,
- (2) any non-federal grant or contract proposal with applicable sponsor requirements,
- (3) continuation of prior federally assisted research, or
- (4) any grant or contract proposal, when the use of University facilities and resources meets the threshold of substantial use by the named faculty.
- (5) any independent, self-directed faculty research, when the use of University facilities meets the threshold of substantial use by the named faculty.
- (6) a work-for hire.

University Faculty include “tenured”, “probationary non-tenured faculty” and “non-tenure track faculty”<sup>26</sup> who may be in a position to make, conceive or reduce to practice inventions or otherwise develop technology. This agreement must be signed prior to the initiation of covered research or a work-for-hire, therefore it should **be signed by all University faculty at the time of proposal submission for sponsored research awards, including internally sponsored research, or at the time of initiation of research which potentially utilizes substantial use of University Resources, facilities. (Non-faculty personnel involved in the project, except clerical and non-technical staff, sign the Intellectual Property Agreement – PASSHE NON-FACULTY PERSONNEL)**

**Instructions:** The original signed agreement should be returned to the Sponsored Research Office or equivalent via your department of employment.

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I agree, as a condition of my association on the following project \_\_\_[PROJECT NAME]\_\_\_ to abide by the terms of the PASSHE Technology Transfer Guidelines currently in effect, as well as any subsequent revisions thereto. In so agreeing, I especially note the responsibilities set forth below.

- (1) to submit invention disclosures to the University promptly following the completion of conception or the first reduction-to-practice of any invention, discovery, rights of patent or software (hereinafter “Intellectual Property”);
- (2) to assign to the University (or its designee) all rights which I have or may acquire in inventions, discoveries, rights of patent therein, or software which are conceived and reduced-to-practice by me:
  - a. with the Substantial Use of University facilities or resources , or
  - b. with the assistance of federal funds and/or the continuation of a previously federally funded research, or
  - c. with the support of a non-federal sponsor according to the terms of the sponsorship agreement, or
  - d. completed under a Work-for-Hire agreement.(Items (2)a. through (2)d. are hereinafter referred to as University Intellectual Property.)
- (3) to do whatever is required to enable the University (or its designee), at its expense, to protect the \_\_\_\_\_ University Intellectual Property, whether by patent, copyright or otherwise; including:

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<sup>26</sup> APSCUF CBA 2007-2011, page 1, 2

- a. making myself available to meet with patent attorney and provide necessary documentation, data and research results to support the filing or prosecution of patent applications or
  - b. reviewing and signing documents from patent attorney retained by \_\_\_\_\_ University (or its designee) to seek protection of \_\_\_\_\_ University Intellectual Property., or
  - c. to assist the University (or its designee) in seeking licensees to commercialize \_\_\_\_\_ University inventions;
- (4) to maintain laboratory documentation, including laboratory notebooks, where appropriate, to adequately demonstrate that inventions or discoveries were conceived or first reduced-to-practice by me including clear identification of any sponsorship;
- (5) prior to completion of my association with work contracted pursuant to contracts or grants, a complete disclosure of all software, instructional materials, inventions or discoveries conceived or first reduced-to-practice by me with the utilization of time, money or facilities charged to contracts or grants, and copyrightable works vested there under, must be submitted to the University.
- (6) If I serve as a principal investigator or director of a University research, development, or other type of project, I will determine whether each person who performs any part of the research or development work on the project for which I am responsible has signed an appropriate Intellectual Property Agreement; and if not, will obtain such additional Intellectual Property Agreements as are necessary, and forward them to the University Authorized Official .

I agree it is my responsibility to read and understand PASSHE policies governing IP, including University policies.

I understand that this agreement is part of the terms of my association with the above stated project and is limited to University IP resulting from such project.  
My responsibility set forth in Section (3), will continue after termination of my association with the University.

I intend to be legally bound by this agreement.

\_\_\_\_\_  
**Faculty** Printed Name

\_\_\_\_\_  
University ID # or Individual Taxpayer Identification Number

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Appendix G – Guidance on Material Transfer Agreements – to be developed.