

The Office for Technology Licensing

POLICY ON PATENTS AND COPYRIGHTS

SUMMARY OF MAJOR PROVISIONS

ADMINISTRATIVE SCOPE--Covers all students, faculty and other employees, and all units of the University.

SUBJECT MATTER SCOPE--Covers all intellectual property matters, e. g., inventions, works of authorship, patents, copyrights, licenses, etc., relating to sponsored programs or other research activities.

INVENTIONS--Most inventions must be reported to the Director OTL. Inventions neither directly related to the inventor's University activities or responsibilities nor involving significant use of University facilities or resources will not be claimed by the University. Others may be either claimed for development through the University or released to the inventors.

WORKS OF AUTHORSHIP--Copyright in most books, papers, artistic works, etc., will belong to their individual authors (creators), but this does not extend to material contained in such works to which the University has independent rights (such as a computer program included as an appendix) nor to works produced as an integral part of a sponsored program or other specific responsibility.

COMPUTER SOFTWARE PREPARED BY A MEMBER OF THE INSTRUCTIONAL STAFF FOR INSTRUCTIONAL USE--The rights of University ownership of instructional software where the University has supported development of the software is dependent on prior written agreement between the author(s) and the university.

STUDENT INVENTIONS AND WORKS OF AUTHORSHIP--Exempt unless produced in capacity as employee, as part of a sponsored program or in certain other special circumstances.

COMPUTER SOFTWARE--Patenting, copyright protection, licensing and distribution of software is a complex and changing area; questions about this are best referred to the Director OTL.

ROYALTY SHARING--Except for on-the-job works of authorship (including computer software) of non-faculty employees, the inventors' or creators' share of royalties received by the University (including the Research Foundation) for their inventions, etc., is as follows:

For gross royalties that are up to \$75,000 the individual(s) receive one half of gross. Anything beyond \$75,000 one third of {gross in excess of \$75,000 minus any expenses in excess of \$37,500}. For example: for \$200,000 cumulative gross royalties, with \$42,500 cumulative expenses, the cumulative share for all individuals would be:

$$1/2 \times 75,000 + 1/3 \times [(200,000 - 75,000) - (42,500 - 37,500)] = \$77,500$$

An individual's share is not dependent upon continuing affiliation with the University.

ADMINISTRATION - Questions should be directed to The Office for Technology Licensing, 1960

I. PURPOSE AND SCOPE

A. Purpose of Policy

A primary mission of The Ohio State University is to encourage and support research by its faculty, students, and staff that will serve to expand the body of general knowledge and enrich the educational program of the University. As a corollary to that mission, the University is committed to facilitating the dissemination and utilization of the knowledge acquired by this research for the public good. It is recognized that this research may result in patentable inventions or copyrightable materials that will serve the public good through commercial development. Patents should be considered to be a part of the professional work of faculty members, along with journal articles, books, invited talks, and other methods of disseminating knowledge. Therefore, this Policy on Patents and Copyrights is adopted for the following purposes:

- (1) to facilitate development and utilization of the results of research carried out in connection with University activities in a manner consistent with the University's missions;
- (2) to obtain appropriate benefits for the University from commercial applications of research results and apply funds accruing to the University from such applications for the support of research and other scholarly activity at the University and for sharing with the individual inventors and creators; and
- (3) to ensure that the rights and interests of all parties concerned are fairly determined, with full consideration of the proper role of the University and the principles of academic freedom.

B. Definitions

The following definitions will be employed in interpreting and implementing this Policy.

- (1) "Sponsored Program" means a research or other activity undertaken by the University or one of its units subject to specific obligations to another party. However, the ordinary obligations of the University to students (or their parents, guardians, or dependents) solely as a consequence of enrollment or to faculty and staff (or their dependents) solely as a consequence of employment will not be construed as transforming normal enrollment or employment arrangements into agreements for Sponsored Programs.
- (2) "University Research" means any research or development activity which
 - (a) is undertaken in connection with a Sponsored Program, or
 - (b) is directly and immediately related to duties or responsibilities for which a person is compensated by the University or one of its units, or
 - (c) is conducted with more than insignificant use of facilities or equipment provided by the University or one of its units.

(3) "Researcher" means any person, whether faculty, staff, student, or other, engaging in or directing University Research.

(4) "Product of University Research" refers generally to inventions and other legally protectable material arising out of University Research and includes any discovery, invention, know-how, design, model work of authorship (including computer software), and any strain, variety, or culture of an organism or any portion, modification, translation, or extension of these items. It includes marks used in connection with these. It does not include works of artistry, academic instruction, or traditional scholarship (including descriptions or discussions of University Research) insofar as these works were not produced as part of a Sponsored Program or of a specific University duty or assignment. [Computer Software Prepared by a Member of the Instructional Staff for Instructional Use. Computer software prepared primarily for instructional use, and therefore similar to textbooks, shall be treated as textbooks are treated under this policy. Such work shall belong to the faculty member/author except when the work was prepared as the result of a specific assignment involving release time, or other significant University support, for which the University paid in order to get the assignment accomplished. If the work is prepared pursuant to a special assignment by the University Unit directly responsible and paid for by that Unit, then that Unit shall be treated as the Author of the work and shall be treated as owning the full rights and benefits to the work involved. If the work is prepared pursuant to a specific assignment from elsewhere in the University, the work shall be treated as University Research under this policy.

Specific assignment as used herein means that the faculty member, or other member of the instructional staff, prepared the software at the request of the University or one of its units and that it was work that the faculty member would probably not have chosen to do but for the specific assignment and the release time or other support provided. Such specific assignment shall be negotiated between the instructional staff and the University Unit making the assignment and agreed to in writing by the faculty member/author before the assignment is commenced. Such agreement shall specify the distribution of royalty income. All royalty income will be handled by the Office for Technology Licensing. Should there be no written agreement, the faculty member/author shall own the full rights and benefits of the work involved.

If, however, the University other than the Unit that has entered into a specific agreement as provided above, is asked to market the product in any way, to handle the administration of the project in any specific and significant way, or if the project involves Sponsored Research, administered by the University or the Research Foundation, then the work will be treated as University Research under this policy.

Software prepared for instructional purposes shall mean, computer software prepared with the expectation that it will be used primarily to instruct students at the primary, secondary, college or university level, including adult or continuing education programs.

C. Statement of Policy

In order to provide for the fullest realization of benefits from University Research to the public, the University and individual Researchers, this Policy reaffirms the University's right and policy, consistent with applicable law, of ownership of all legal rights in Products of University Research and establishes procedures and guidelines to assure the responsible exercise of that right.

Where the University does exercise the right of ownership, it has a commitment to taking reasonable and appropriate steps to secure legal protection through patents, copyrights, and the like and to facilitate utilization through licensing or other transfer for practical development and introduction.

Subject to the provisions of this Policy, the acquisition, protection, and disposition of rights in Products of University Research, and the collection and allocation of income therefrom, shall be under the direction of the Vice President for Research. The Vice President shall be guided by the principle that such arrangements should be consistent with the primary missions of the University to educate and to generate and disseminate knowledge.

Implementation of this Policy is dependent upon the cooperation of the University's faculty, students, and staff. Individual Researchers will share in royalty or other income from their inventions or creations according to the provisions of this Policy. They will also have an avenue for appeal from administrative actions or delays.

D. Scope of Policy

This Policy is applicable to all units of the University including its colleges, schools, departments, centers, institutes, and hospitals, and to all of the University's faculty, staff (i.e., employees who are not regular faculty members), and students. Applicable law and the terms of Sponsored Program agreements and other contractual arrangements undertaken by the University or one of its units in good faith will govern where they differ from the provisions of this Policy.

It is not intended that this Policy change the traditional relationship between the University and faculty authors of textbooks and other scholarly and artistic works. Therefore, except in those cases in which the production of such materials is a part of a Sponsored Program or of specifically assigned duties of a faculty member, copyrights in textbooks, monographs, papers, musical compositions, works of art, unpublished manuscripts, and the like will be the sole and exclusive property of the faculty creator. Use of University resources in the creation of these works varies from field to field; arrangements for such use should be approved by the chairperson, dean, or other appropriate academic officer.

Except with respect to items which qualify as works made for hire under copyright law, staff members of the University shall be fully eligible for participation in the distribution of income or the transfer of University rights under this Policy.

Students who are also employees of the University shall be treated under this Policy as staff members in connection with matters related to their employment. Students who hold awards such as scholarships or fellowships through the University upon which the funding body has placed restrictions as to items developed during the course of the award shall be treated under this Policy in the same manner as students working on Sponsored Programs.

In cases arising under Section I B(2)c, the University will ordinarily transfer or waive its rights to student inventors or creators where the use of University facilities, equipment, or other resources has been properly authorized unless:

(1) faculty or staff involvement is substantial and the University desires to exercise its rights based on this involvement, or

- (2) the work is part of a larger work over which the University intends to exercise its rights, or
- (3) the use of such University facilities, equipment, or other resources is substantially in excess of the norm for educational purposes.

Except in the circumstances described above, the University will not exercise a claim in student created textbooks, monographs, papers, musical compositions, works of art, unpublished manuscripts, and the like, arising under Section I B(2)(c) of this Policy. The properly authorized use by students of word processors, artistic studios and materials, and the like or the use of University libraries shall not constitute the basis for a University claim in items subject to this Policy.

Only trade and service marks specifically related to Products of University Research are within the scope of this Policy. Insofar as such marks involve the name or symbols associated with the University generally, or with other specific University activities, they will be dealt with in coordination with those having responsibility for matters relating to such name or symbols.

Except as to their use in University Research, questions concerning the use by or for the University, or its faculty, staff, or students, of inventions, trade secrets, plant varieties, works of authorship (including computer software), and the like belonging to others are not within the scope of this Policy. General publication, performance and/or display activities of the University, such as those of the Ohio State University Press, University Publications, the Office of Continuing Education, the Cooperative Extension Service, University Galleries, WOSU Stations, and the intercollegiate athletics program, are not within the scope of this Policy except insofar as such activities are part of a Sponsored Program or result in the publication, performance and/or display of a work that is independently a Product of University Research.

In applying this Policy to particular situations, the version in effect at the time of such application will ordinarily be employed. For this purpose, income will normally be allocated under this Policy as of the time the income is received.

II. ADMINISTRATION

The Vice President for Research shall have the primary responsibility for the implementation of this Policy on behalf of the University. All or a portion of the administration of activities with respect to this Policy may be delegated by the Vice President to the Director of the Office for Technology Licensing ("Director OTL") and to others.

A. The Director OTL

The Director OTL shall, under the general direction of the Vice President for Research:

- (1) with the Faculty Committee on Patents and Copyrights, develop standards and procedures for the implementation of this Policy for submission to the Vice President for Research;
- (2) conduct day-to-day operations relating to matters subject to this Policy;
- (3) upon request, provide advice and assistance to Researchers with respect to consulting agreements with industrial and other organizations that may involve rights to items within the scope of this Policy

and to appropriate University officials who have responsibilities with respect to the approval of consulting arrangements;

(4) maintain a file for each disclosure of an item subject to this Policy which will contain complete records of all actions;

(5) determine whether the University or any other party has rights in an item subject to this Policy, and if so, the basis and extent of such rights;

(6) where there are two or more persons associated with the University claiming to be inventors or creators of an item subject to this Policy, encourage and facilitate an early agreement (in a form acceptable to the University among them concerning which of the claimants shall be considered inventors or creators for the purposes of this Policy and in what fraction each shall share in the benefits of the Policy;

(7) in the absence of an agreement referred to in item (6) above, and after consulting with the Faculty Committee on Patents and Copyrights, recommend to the Vice President for Research for final determination on behalf of the University which of the competing claimants shall be considered inventors or creators for the purpose of this Policy and in what fraction they shall share in the benefits of the Policy;

(8) determine whether an invention, discovery, writing, or other item to which the University has rights is patentable, copyrightable, or otherwise legally protectable;

(9) for items subject to this Policy, recommend to the Vice President for Research whether

(a) the University should patent, copyright, or otherwise legally protect, or license the item, or

(b) the University should dedicate its rights to the public, adhering to the wishes of the inventor or creator where feasible, or

(c) the University should transfer or waive its rights in favor of permitting the Researcher to protect and develop the item at his or her own expense, and whether conditions should be attached to a transfer or waiver.

(10) obtain legal protection and arrange for licensing or other commercial development in those cases in which the University elects to pursue its rights, including preparing and prosecuting applications for patent, copyright registration, plant variety protection, and other legal protection, or retaining counsel or other assistance for that purpose, negotiating or assisting in negotiation of licenses and related agreements, and monitoring the collection of royalties or other related income;

(11) prepare or assist in the preparation of all required reports on inventions and discoveries, writings, and other items subject to this Policy;

(12) at the direction of the Vice President for Research assistance to other University officers and officers of related organizations including The Ohio State University Research Foundation

(13) consult with the Faculty Committee on Patents and Copyrights at least twice per year, or whenever deemed necessary by the Committee or the Vice President for Research, on matters concerning this Policy, its implementation, or administration;

(14) prepare an annual report for the Vice President for Research and for the President, the Vice President for Academic Affairs and Provost, the Vice President for Business Administration, the Vice President for Finance, and other officers or committees as designated by the Vice President for Research.

The Director OTT shall make a recommendation with regard to responsibility (9) above within ninety (90) days of the receipt of all of the required information, and advise the Researchers in writing of the decision of the Vice President for Research. The Director OTT may consult with faculty, staff, students, or others with respect to carrying out these responsibilities

B. The Faculty Committee on Patents and Copyrights

The Faculty Committee on Patents and Copyrights ("Committee") shall be composed primarily of members of the University faculty and shall elect its chair. Five members shall be elected by the Faculty Council in a manner to be determined by that Council. One graduate student shall be appointed by the Council of Graduate Students in a manner to be determined by that Council. Five members shall be appointed by the President in consultation with the Vice President for Research, the Vice President for Academic Affairs and Provost, and other appropriate officers of the University. Persons may serve no more than three consecutive years after which time they will be ineligible for service for one year. Members of the Committee shall not participate as members in deliberations or actions of the Committee concerning specific matters in which they have a beneficial interest. Official actions of the Committee shall require the concurrence of at least six members of the Committee.

The Committee shall:

- (1)** review, recommend, and advise the University on matters relating to this Policy;
- (2)** review and advise the Director OTL on the standards and procedures developed by the Director OTL for the implementation of this Policy;
- (3)** convene at least twice per year to review the procedures used in implementing and administering this Policy, and where deemed necessary, develop and recommend changes in standards and procedures to the Vice President for Research, the Vice President for Academic Affairs and Provost, the Director OTL, and other appropriate officers of the University;
- (4)** consult with the Vice President for Research or the Director OTL when requested; and
- (5)** serve as a board to which a Researcher may appeal actions of the Director OTL, subject to appropriate review standards and procedures .

C. Variation of Policy for Special Situations

The Vice President for Research, with the concurrence of the Committee, may authorize variations from this Policy for good cause. Such variations shall be restricted to special situations.

D. Appeal of Actions by the Director OTL

A Researcher may appeal actions of the Director OTL to the Committee. Grounds for such appeal are alleged failure of the Director OTL to fulfill the provisions of this Policy to follow appropriate implementing guidelines, or to demonstrate reasonable diligence.

The Researcher shall submit the appeal in writing to the Chairperson of the Committee, who shall determine whether the Researcher has made a reasonable effort to resolve the complaint with the Director OTL and whether the substance of the appeal appears to be within the scope of this Policy. Proceedings shall be informal, but all parties shall have adequate notice and an opportunity to be heard.

After considering all relevant information the Committee shall prepare and send to the Vice President for Research a report of its findings and decision on the issues raised by the Researcher and any corrective action it recommends. The Vice President shall promptly review the report and may adopt or modify it on behalf of the University. The Committee's finding as to whether an item is subject to ownership by the University under Section I B(2)(b) or (c) shall be final and conclusive on the part of the University unless appealed by the Researcher.

The decision of the Vice President for Research shall be communicated to the Researcher and the Director OTL within thirty (30) days of receipt of the Committee's report, and shall be final unless appealed to the President of the University by the Researcher or another interested party within thirty (30) days following the issuance. If so appealed, the decision of the President shall be final.

If the Researcher, the Director OTL, or any other person is concerned about protection of academic freedom as a result of the interpretation, implementation, or use of this Policy, the matter may be referred to the Committee for appropriate action.

III. RESPONSIBILITIES OF THE RESEARCHER

A. Disclosure

Responsibility for timely disclosure of items subject to this Policy, such as copyrightable material and marks, inventions, discoveries, and related know-how, rests with the inventors or creators. They shall take all reasonable steps requested by the Director OTL including the execution of assignments and the like necessary for evaluation of the item and the perfection of patent or other rights.

Faculty or staff members, including students in their capacity as employees of the University, who believe that they have invented items outside the scope of this Policy shall not file, or permit others to file in their names patent applications without providing at least thirty (30) days notice and a statement of the circumstances of the invention to the Director OTL. At the Director OTL's request, additional information as to the nature and circumstances under which the item was developed and a copy of the invention disclosure or proposed patent application, whichever the Director OTL may deem appropriate under the circumstances, shall be provided.

B. Consulting and Business Activities

Faculty or staff engaging in consulting or in business and those charged with approving such activities on behalf of the University are responsible for ensuring that any related agreements with external entities are

not in conflict with this Policy or other commitments involving the University Faculty and staff members should make their obligations to the University clear to those with whom they make agreements and should provide other parties to the agreement with a current statement of this Policy. The Director OTL upon request, will provide assistance in this respect.

The University's rights and the individual's obligations to the University which are subject to this Policy are in no way abrogated or limited by the terms of such agreements with third parties, except insofar as the Vice President for Research may specifically authorize in writing. Requests for authorization to abrogate or limit the University's rights or the individual's obligations are to be submitted to the Director OTL.

IV. RESPONSIBILITIES OF THE UNIVERSITY

When the University makes the determination to exercise its rights to an item, it will promptly make appropriate efforts to legally protect the item and, with the assistance of the inventor or creator, it will search out and initiate negotiations with prospective licensees.

If the University does not choose to exercise its rights in an item through pursuit of legal protection and commercial development or otherwise or to transfer its rights to another party or to dedicate its rights to the public, or if the University chooses to protect an item, but does not arrange for its commercial development or dedication to the public within a reasonable time, then the inventor's or creator's may make a written request to the Director OTL for transfer or waiver of the University's rights to themselves, and the Director OTL will either recommend to the Vice President for Research that the request be granted, subject to any conditions deemed appropriate, or advise the requestor(s) of the University's plans for the item. Such transfers and waivers shall be subject to the retention of a non-transferable royalty-free license and to other reasonable conditions, but Researchers shall have the right in accord with Section II D to appeal any conditions, as well as any other aspect of the request, to the Committee.

The University shall treat disclosures of items subject to this Policy as confidential and shall make reasonable efforts to avoid loss of rights due to lack of appropriate documentation or to improper or premature disclosure or to publication without proper copyright notice.

V. TRANSFER OF UNIVERSITY PROPERTY

The University must preserve any basis that may exist for protecting items subject to this Policy. In some cases, tangible property belonging to the University, including models, devices, designs, computer programs, cell lines, antibodies, recombinant materials, chemical compounds, compositions, formulations, plant varieties, and records concerning inventions or discoveries, constitutes a portion of that basis. Therefore, written approval of the Vice President for Research, or his or her delegate, must be obtained before tangible property associated with Products of University Research is removed from University facilities or transferred to any person or entity for commercial purposes. The Policy does not modify any existing requirements concerning the transfer of University property to others for non-commercial purposes.

Where required by a Sponsored Program agreement or where publication may affect the ability to legally

protect an item subject to this Policy, timely prior written notice of any proposed publication reporting or describing any Product of University Research should be given to the Director OTL so that patent applications may be filed in a timely fashion, appropriate copyright notices provided for, and any relevant obligations under a Sponsored Program agreement satisfied.

VI. DISTRIBUTION OF INCOME

A royalty account will be established for each Product of University Research for which any royalty or other income for rights in such Product is received or for which any authorized expense for protecting or licensing such Product is incurred, and all such income and expenses shall be recorded therein. A single royalty account may be established for more than one such Product where they are so closely related that individual items of such income or expenses are applicable to them in common.

Income to each royalty account shall be allocated as follows, and the allocated amounts distributed at least annually:

(1) Of the first \$75,000.00 of income,

(a) fifty per cent shall be allocated to the individual inventor(s) or creator(s), or their heirs. and

(b) the other fifty per cent shall be allocated (i) first to defray the authorized expenses chargeable to that royalty account, including reserves for anticipated expenses, (ii) next to defray the authorized expenses of other royalty accounts that have not realized sufficient income to fully defray their own expenses, and finally, (iii) any remainder shall be allocated proportionately according to the provisions of VI(2) and (iii).

(2) Of income beyond the first \$75,000.00.

(a) an amount equal to any excess of authorized expenses of that royalty account over previous allocations of income from that royalty account to defray such expenses, shall first be allocated to cover such excess expenses, and

(b) any remainder shall be allocated

(i) one-third to the individual inventor(s) or creator(s) or their heirs,

(ii) one-fourth to be used for the support of research and other scholarly activities as determined by the Vice President for Research in light of needs throughout the University, and

(iii) the balance to the college and department of the inventor(s) or creator(s), divided equally unless some other division is authorized by the Vice President for Research, to be used for the support of research and other scholarly activities.

Where revenue, other than as part of the payment for conducting a Sponsored Program, is received by the University or one of its units for providing physical embodiments of, or services involving the use of, a Product of University Research, the amount charged for such embodiments or services shall include the estimated value of the (intangible) rights involved, established with the approval of the Vice President for Research or designee, and the corresponding proportion of such revenue shall be transferred as income to a royalty account.

Where income is received for rights in possible future inventions, works of authorship, etc., it shall be held in a royalty account until completion or termination of the project or other activities to which the rights relate. If, as determined by the Director OTL, no invention, work, etc.. to which such rights apply is in fact produced, any portion of such income designated by VI(1) or (2) for allocation to individual inventor(s) or creator(s) shall instead be allocated equally to the college(s) and department(s) of the principal participant(s).

Awards, prizes, honoraria, and the like received by individuals primarily as recognition for achievement are not considered to be royalty income subject to this policy, even if a transfer of rights in an invention, plant variety design, work of authorship, etc. is a condition of the award, but any such transfer of rights in a Product of University Research is subject to the other provisions of this Policy.

Authorized expenses shall include expenditures for preparing and prosecuting applications for patent, plant variety protection, mask work protection, and the like, including searches; official filing, registration, recording, issue and maintenance fees; legal services and other extraordinary expenses in connection with licensing and collection of income; and litigation. Ordinary administrative expenses will not be charged to royalty accounts, but where services that would normally incur chargeable expenses are provided internally, an appropriate charge may be levied as an expense against the relevant royalty account(s) to avoid discriminatory results. Where such expenses are incurred by a licensee under an agreement made subsequent to May 4, 1989, the royalty account will recognize as expenses any portion offset against accrued royalties and as income any accrued royalties not paid because of such offset.

Amounts allocated to individual inventors or creators will ordinarily be divided equally among them, or their respective heirs. However, individual inventors or creators, or their heirs, may enter into agreements to reallocate such amounts among themselves and/or other contributing Researchers, but unless such agreements are in writing, signed by all of those affected and submitted to the Director OTL and are acceptable to the University as to unambiguity of the reallocation, absence of burdensome administrative requirements and assurance that no coercion is implicated, the University will not be required to honor them. Where any amount allocated to an individual cannot be distributed within five years because of inability to locate such individual, or heirs, such amount shall be reallocated proportionately according to the provisions of VI(2)(b) and (iii).

Where rights in a Product of University Research are transferred or waived to the Researcher(s), the allocation of expenses and income relating to such rights as between the University and the Researcher(s), and the allocation of any University income to the Researcher(s) under VI(1)(a) and VI(2)(b)(i), shall be specified in writing.

When there is a reasonable basis for believing that amounts subject to allocation and distribution under this Policy may be required to be refunded or otherwise expended, or that others may have a claim to such amounts, allocation and distribution may be delayed for a reasonable period required for resolution of the matter. No person shall have a right to receive payment or other benefit under this Policy before the Director OTL has been notified in writing by that person of his or her basis for a claim. Upon good faith determination by the Vice President for Research that an individual has not contributed significantly to the invention or creation of the item in question and has no other valid basis for a claim, that person shall not be eligible for payment or other benefit under this Policy with respect to such item. Payments made in good faith to one or more claimants shall fully satisfy any obligations on the part of the University to all claimants for the amounts so paid.

VII. REVIEW OF POLICY

This Policy shall be reviewed from time to time by the Faculty Committee on Patents and Copyrights and a report made to the Vice President for Research. The report shall form the basis for any revision in the Policy that may be appropriate.