

ATTACHMENT 4

Intellectual Property Policy: Rights and Responsibilities with Respect to Intellectual Property at the University of New England.

I. Preamble

The University of New England (“University”) seeks to encourage creativity and development of inventions and innovations among its faculty, students and staff, and makes its facilities and resources available for such activity. The University also seeks external support for related scholarship and research from private and public sources.

From time to time the creative works, inventions and discoveries (“intellectual property”) made at the University may have commercial value in addition to scholarly value. Moreover, federal research funding agencies require that the fruits of their funding be made available for public benefit (Bayh-Dole Act, 1980 and as amended, 1983). The University should attempt, when appropriate, to commercialize the products of such research.

The University, therefore, has set forth guidelines for an orderly transition of commercially viable products from the University to the public marketplace, as well as assurances that the University community will retain reasonable access to, and use of, the intellectual property created by its faculty, students and staff.

These University goals will be accomplished by providing legal protection for the Originator(s) of the intellectual property, as well as legal protection for the intellectual property against unauthorized use by patenting or copyrighting and licensing to acceptable commercial partners.

When successfully managed, commercialization of University generated intellectual property may provide professional recognition and financial compensation to faculty and financial return to University for the support of future research and commercialization.

II. Objectives of the Policy

- To encourage creativity, research and innovation among faculty, students and staff, thereby generating new knowledge;
- To facilitate the transfer of knowledge and technology, and the utilization of such knowledge and technology, for the general benefit of society;
- To safeguard intellectual property so that it may receive adequate and appropriate legal protection against unauthorized use;
- To provide an administrative system to determine the commercial significance of discoveries and new developments and to assist in bringing these into public use;
- To provide for the equitable disposition of any revenue earned from intellectual property among the developer, author, or inventor (“Originator”) and the University;
- To provide incentives to Originators in the form of personal development, professional recognition, and financial compensation;
- Assure compliance with provisions of federal law and contracts with external sponsors.

III. Definitions and Guidelines for Ownership of Intellectual Property

IP shall be determined by examining the intent and purpose of its origination, the source and terms of external sponsorship, if any; and the extent that University-owned resources were used in its creation.

Ownership of intellectual property may reside with the University employee who created the idea or invention, with the University, or with both employee and University in certain circumstances involving copyright. The IP Committee (IPC) shall establish the provisions of appropriate agreements governing each situation.

For purposes of this Policy “intellectual property” (“IP”) shall include tangible or intangible results of teaching, research, trademarks, trade secrets or other intellectual activity, including the following categories or combinations thereof:

- Written material fixed in a tangible media in which copyright vests, including textbooks, instructional materials, multi-media programs; literary works, audio and/or video recordings, films; and computer programs (both object code and source code and related documentation);
- Inventions and discoveries that may be patentable, i.e., are considered novel, useful, and non-obvious, including a machine, method, process, composition of matter; asexually reproduced plants of a distinct variety; new, useful and ornamental designs;
- Tangible research property such as biological materials, including cell lines, plasmids, hybridomas, monoclonal or polyclonal antibodies and plant varieties; data bases, mask works⁴.

The three categories above are not mutually exclusive; a given IP may include aspects of all three categories.

Ownership of intellectual property may reside with the University employee who created the property; with the University, or with both employee and University in certain circumstances involving copyright. The Intellectual Property Committee (IPC) shall establish the provisions of appropriate agreements governing such situations.

“University employee” shall be defined as any full time or part-time employee (as identified by the University Faculty Handbook) of the University, including faculty, staff, or students, or any other individuals whose primary work and/or research affiliation is with the University.

Other individuals including visiting scholars, consultants and contractors shall execute an agreement with the University regarding disposition of any intellectual property/IP that may arise from his/her affiliation with the University before the affiliation commences.

⁴ *Properties in the last category may or may not be patentable or be deemed to be a copyright work. From a commercial perspective, it may not be economically advisable to pursue legal protection by patent. However, Originators of copyright works are encouraged to seek necessary copyright protection as appropriate. The appropriate pathway will be determined in consultation with the Office of Sponsored Programs and the Intellectual Property Committee (IPC).*

For example:

- A. A Visiting Scholar's salary is usually paid by a non-University source, thus determining ownership of IP may become complicated. University and visiting scholar should make decisions about IP ownership prior to arrival. Will the IP belong to the Scholar or the Scholar's institution, to the University, or will it be jointly owned?
- B. If a consultant uses University resources (facilities, equipment, personnel time) to perform the contracted scope of work, who owns the IP resulting from the consultancy? Usually, if the consultant is not using University resources, the consultant will own resulting IP.
- C. If someone other than existing faculty is hired to teach an extension course and such work requires the creation of new instructional material, the contract should include "work for hire" and/or appropriate assignment language that provides for University ownership of the material. University's assertion of ownership rights might be mitigated by offering the contractor a share of any revenues derived from licensing the materials to other institutions. The contractor should be paid separately for 1) creation of teaching tools, including but not limited to: course syllabus, lecture notes, outlines, reference materials, and exercises, and 2) instruction time.
- D. Allowing graduate and undergraduate students (collectively "students") to participate in research that may involve IP may offer unique and valuable experiences for the Students. It is critical, however, for the principal investigator(s) to work with the University to structure relationships with students who may wish to be involved in entrepreneurial activities. Conflict management plans are to be put in place to assure that the formal educational requirements of each student is given the highest priority and that any entrepreneurial involvement of students will not adversely affect their academic progress or University employment. The plan will allow students under the principal investigator(s) supervision to only perform research that may directly improve the University technology licensed to a company pursuant to formal sponsored research agreements. Furthermore, students must be notified in writing prior to beginning research, that any such research may not be used to satisfy the criteria for a thesis or dissertation if the material is restricted from publication.

IV. Determination of IP Rights

1. Application to Patents

When a University employee develops or originates an item of IP that under the terms of this policy may be owned and controlled by the University, the individual shall make a disclosure of the IP to the Office of Sponsored Programs/Technology Transfer as outlined in Section V. Following review of the IP by the IPC, a decision will be made regarding its ownership and management. The Originator shall cooperate in the execution of the management plan including, where appropriate, filing of legal documents and in the review of literature and prior art. As described in Section V, the Originator will be encouraged to assist in the further commercial development of the IP. The Originator will also have an interest in and share in any income

derived from the commercialization of such property as outlined in Section VII.

Specific guidelines for the determination of IP rights are described in detail below:

- A. Rights to IP resulting from sponsored programs shall be owned and controlled by the University. In some instances, the provision of private funding, background information, product samples, or confidential proprietary data by a sponsor may create a situation in which the sponsor may claim partial or complete ownership of IP that might result from the sponsored project. In such cases, final disposition of the property may be negotiated as a part of the sponsored program agreement.
- B. The IPC shall be a standing committee appointed by the Vice President for Research and Scholarship. One faculty member from each college will serve on the committee at any given time. Ordinarily, the faculty members will serve a two-year term with a rotation schedule that staggers the turnover of its members. The Provost will serve as the Chairperson of the IPC and have full voting rights. One representative from the Office of Sponsored Programs/Technology Transfer and one representative from the Office of Institutional Advancement will also serve on this committee. One member of the Board's R&D committee will serve as well for a one-year term. If additional expertise is needed in the consideration of a particular IP matter, the Chairperson may appoint ad hoc members. These ad hoc members are non-voting members. The board must have a quorum, equal to the majority of its members, to conduct any business, which requires a vote of the committee.
- C. The legal interests of the University and its staff, faculty, and students in any IP, except traditional scholarly works as described in Section IV 2. shall be determined in accordance with this policy by the IPC.
- D. The primary responsibility of the IPC is to provide guidance in interpretation of the IP Policy and to mediate disputes regarding its implementation. The committee shall also be responsible for revision of the Policy when the changing mission and scope of the University require such revisions.
- E. If the invention is categorized as University property, the faculty member has an obligation to disclose the invention according to procedures in Section V below. An Originator may disclose to the University any personally owned material that he/she believes has commercial value (see Section VI E). Any profits derived there from will be shared according to the University revenue distribution policy, described at Section VII below.

2. Application to Copyright Works

Traditional products of scholarly activity that have customarily been considered to be the unrestricted property of the Originator are excluded from the general policy. Such traditional products include journal articles; textbooks; literary works; reviews; works of art including paintings, sculpture, and musical compositions; and course materials such as syllabi, workbooks, and laboratory manuals. The University has not and will not claim any ownership rights to such traditional works. It also specifically may disclaim any potential

rights to do so under the "work for hire" provisions of the U.S. Copyright Act⁵.

- A. The University may assert rights to any copyright work created by University employees under the following scenarios:
1. Material was developed by the employee under his/her own initiative with use of University resources. The University does not consider the ordinary use of University resources such as the libraries, one's office, desktop computer and University computer infrastructure, or secretarial staff and supplies, to be significant use of University resources for purposes of vesting the University with ownership of IP. In cases where significant University resources are used, the Originator(s) and University may in such cases hold joint ownership of a copyright; faculty retains publication rights, but University may retain a perpetual, royalty-free, non-exclusive license to use the material.
 2. Material was created under assignment or direction of the University and the University has negotiated an understanding or formal contract with the Originator. The University and Originator may hold joint ownership of a copyright. If there is commercial value in the material (e.g., a distance education multi-media course that could be licensed to other universities), the University shall retain a right to license the material non-exclusively to others. Such arrangement will not prohibit the Originator from using the material royalty-free for his/her own purposes at another institution. The Originator will receive a share of any revenues received by University as determined by the specific contract.
 3. Material was developed by non-faculty employees in the course of employment duties and thus falls under the "work for hire" principles of U.S. Law. These materials include, but are not limited to, instructional films and videotapes, telecourses, drawings, slides, computer programs, software, prototypes and models. Income from the University's use of such works in instructional programs may be shared with the Originator and/or Originator's department under a written agreement with the Provost's office.
 4. If the material is categorized as University property, the faculty has an obligation to disclose the material according to procedures in Section V below. Any profits derived there from will be shared according to the University revenue distribution policy, described at Section VII below.
 5. An Originator may disclose to the University any personally owned material that he/she believes has commercial value (see Section VI E). Any profits derived there from will be shared according to the University revenue distribution policy, described at Section VII below.

⁵ Copyright is determined by the act of authorship. The author(s) does not have to mark a work with a copyright symbol. However, for public information, it is advisable to mark a work with: " Copyright (or ©), Year of publication, Name of Author(s)". A work does not have to be registered with the Library of Congress until such time as an author wishes to bring suit for infringement.

V. Administrative Procedures

A. The legal interests of the University and its staff, faculty, and students in any IP, except traditional scholarly works as described in Section IV. A & B. shall be determined in accordance with this Policy by the IPC.

B. Disclosure.

1. The Originator(s) shall disclose to the IPC any invention that he/she believes has commercial potential before publicly disclosing it. The Originator(s) are required to make best efforts inform the university seven (7) days in advance of a disclosure to the public. Instructions for disclosing an invention are posted on the University website of the Office of Sponsored Programs/Technology Transfer. The IPC will advise the Originator(s) about the appropriateness of filing a provisional patent application before the first public disclosure.
2. To clarify the purpose of the above request:
 - a. All foreign patent rights will be lost with the first public disclosure (internet posting of abstract or full text; journal publication, disclosure at a conference, or disclosure to people other than University staff without a signed Confidential Disclosure Agreement).
 - b. Patent rights in the United States may be retained by filing a patent application within 12 months of the first public disclosure.

C. Determination of Rights

1. The IPC shall determine the ownership and treatment of IP, specifically a patentable invention, by examining the intent and purpose of its creation, the source and terms of external sponsorship, if any; and the extent that University-owned resources were used in its creation.
2. If the IPC determines that there has been no substantial use of University resources, the IPC shall release the property to the Originator, and the University shall not exert any further claim to the invention.
3. The IPC may determine that the University has a legal interest in the invention but that the chances of successful commercialization are minimal or that the costs of pursuing such commercialization outweigh the income potential. In such cases, the IPC shall release the IP to the Originator as above.
4. If the IPC determines that the University has a legal interest in the invention and judges that there is a reasonable chance for successful commercialization, it shall: (1) inform the Originator in writing that the University claims ownership rights to the property; (2) determine and record the rights of the Originator to share in any income in accord with

Section VII; and (3) provide recommendations as to appropriate courses of action. The Originator shall execute an assignment of ownership rights to the University.

5. In some instances the IPC may find that the University has an ownership right in a discovery but that the discovery can not yet be reduced to practice as that a decision as to patentability or commercialization is possible. In such cases, the IPC shall place the discovery in a pending status, provide the Originator reasons for taking such action and suggestions as to additional information or data that might be helpful, and request the Originator to report to the IPC at some specified interval if and when the discovery is brought to a more advanced stage.
6. Except for Section V.B.5., if the IPC takes no action within six months after receiving the initial report of the new discovery, right to the discovery shall be deemed to be released to the Originator.

VI. Commercialization Procedure

The Office of Sponsored Programs and Technology Transfer will seek the best commercial partner or partners that can demonstrate that it can fund additional research and development if necessary, and, in most cases, maintain a proven record of accomplishment in marketing and distribution of similar products.

A corporate sponsored research agreement usually requires that the sponsor have a first option to license any technology resulting from the funded research. In such cases, the University is allowed to retain legal ownership of the technology but exclusively licenses the technology to the sponsor.

The Office of Sponsored Programs and Technology Transfer will have full authority to manage the patent prosecution and licensing of all disclosed IP. When an entity is not the potential licensee, the Originator will be asked to participate in the licensing process, as he/she is often the person most familiar with the research, commercial applications, and potential licensees. However, to avoid conflict of interest, the Originator(s) may not participate in the selection of the licensee or in the license negotiation process.

- A. In seeking and developing commercialization of IP, the Office of Sponsored Programs and Technology Transfer shall be guided by the following principles:
 1. A primary objective and responsibility of the University shall be to assure that the products of its intellectual activity are brought into the widest possible use for the general benefit of society;
 2. IP should be treated as an asset and an appropriate return should be sought. Responsibility for this provision of the document rests with the IPC;
 3. Universities are required to give preference for technology developed with federal funding to small businesses;
 4. Actively encourage Originator participation in the commercialization efforts.

- B. In some situations it may be in the best interests of the University, the general public, and the Originator to enter into commercialization arrangements with entities wholly or partially owned or controlled by employee who originated the invention. Due to the potential of such arrangements for contributing to the economic development of the state and local areas, such arrangements may be considered and accepted, provided these are not specifically prohibited by law and that adequate provisions, including full disclosure of interests, are made to avoid or otherwise protect against conflict of interest on the part of those involved. Such negotiations for the creation of new commercial entities arising directly from the University's IP or arising from a potential collaboration between the University's employees and some outside entity will be handled by the IPC in consultation with the University's legal counsel.
- C. Commercialization of IP is a process that may take a considerable amount of time. This process may involve discussions and negotiations over months or sometimes years and, based on national data, more often fails than succeeds. Timing, market conditions, and many other factors enter into the process. Quick success is rare. However, to protect the Originator, if no commercialization has occurred within two years after the property has been assigned to the University, the Originator may request that all rights be returned. Such requests should be directed to the IPC. The IPC shall require the Office of Sponsored Programs and Technology Transfer to explain what efforts have been made and what additional efforts are planned. If the IPC determines that there is little chance of successful commercialization, it shall direct the University to return all rights to the Originator, and the University shall no longer claim any rights to the property. If, on the other hand, the IPC determines that the Office of Sponsored Programs and Technology Transfer has undertaken reasonable efforts to commercialize and that further efforts offer reasonable chances of success, it shall deny the Originator's request. Such denials will be accompanied by a report summarizing the factors considered by the IPC in arriving at the decision. If the Originator remains unsatisfied with the commercialization efforts, this process may be repeated at six-month intervals.
- D. The Office of Sponsored Programs and Technology Transfer, as the designated agent for the University in the management of the IP program, shall receive by assignment ownership rights from the Originator(s). The Office of Sponsored Programs and Technology Transfer will have the responsibility for valuing the IP and protecting the University's interests. The process for licensing, selling, or otherwise conveying IP will not involve the use of sealed bids. With close consultation and collaboration with the Originator(s), the Office of Sponsored Programs and Technology Transfer shall determine the appropriate method of protection of the property and, where appropriate, obtain such protection. The Office of Sponsored Programs and Technology Transfer will license, sell, or otherwise convey the IP and will distribute any net income from commercialization in accordance with this Policy and the determinations of the IPC. All costs associated with these actions shall be borne by the Office of Sponsored Programs and Technology Transfer, except that such costs shall be offset against future income in accordance with Section VII.

- E. Faculty, staff or students of the University may request that the University accept, for management and commercialization, intellectual property that is owned personally and not originally subject to this Policy. Given such a request, the Office of Sponsored Programs and Technology Transfer, with advice of the IPC, shall determine if there is a reasonable expectation that the property can be commercialized successfully. If the University accepts management and commercialization responsibilities for such IP, that IP shall become subject to, and shall be treated in accordance with, all provisions of this Policy.
- F. IP referred to or offered to the University by third parties ("off the street") shall be treated as any other gift offer and shall be channeled through the Office of Institutional Advancement. If accepted by the University, the property shall be managed by the Office of Sponsored Programs and Technology Transfer in accordance with appropriate parts of this Policy and the terms of the gift agreement.

VII. Revenue Distribution Policy

- A. Net income is defined as license fees, milestone fees, gross royalties, or other payments received by the University, less deductibles such as, but not limited to, costs of mailing or courier services, interferences, patent prosecution and maintenance, licensing costs, and auditing fees. The Office of Sponsored Programs and Technology Transfer will provide the Originator(s) an annual accounting of income and costs associated with the management of the IP.
- B. Except as otherwise provided in this section, net income shall be distributed according to the following table:

Originator Share	33.3%
College/Department Share	33.3%
Sponsored Programs/University Share ⁶	33.3%

- C. The Originator's share of net income shall remain with the individual if he/she retires or leaves the University or bequeaths to the individual's heirs for so long as net income is derived from the IP.
- D. Where there is more than one Originator, the persons shall determine among themselves the percentage of the Originator's royalty share each shall receive. If the Originators cannot reach such agreement within sixty (60) days of disclosing the IP to the University, the University shall, by default, divide the shares equally among the Originators.
- E. The Originator(s) may request that all or a portion of his/her personal share be distributed to his/her laboratory/office account to support furthering research and development of new IP. The Originator thereby enjoys the financial benefits of the revenue and may reduce payment

⁶ To be reinvested in the university's research and/or technology transfer activities through programs administered by the Office of Sponsored Programs and Technology Transfer.

of personal income tax. Such requests may be limited in duration to a specific time period or to some specific future event, e.g., the Originator's retirement or resignation from the University, and may be cancelled or modified by the Originator at any time.

- F. Distribution of net proceeds over \$1,000,000.00 will be negotiated with the University of New England.

VIII. Sharing of Research Materials

Transfer of materials created at the University should be conducted under a Materials Transfer Agreement that clarifies commercialization rights, as well as personal and product liabilities. Life Science Departments should use a Biological Material Transfer Agreement. The Physical Science Departments should use a similar Agreement. Computer software programs or experimental research equipment should be transferred under Beta Test Site Agreements.

IX. Consulting Agreements and Outside Business Relationships

- A. Consulting for outside organizations is encouraged and may be performed by university employees pursuant to applicable university policies as outlined in the Faculty handbook, including policies on consulting, conflict of interest, and this IP Policy. If the employee's obligations under this IP Policy conflict with the employee's obligations to the consulting entity, the obligations under this IP Policy will take precedence.
- B. Any fulltime University employee who consults with, or who has an ownership interest in, an outside business is responsible for ensuring that the consulting activity or the conduct of outside business is not in conflict with the terms of this Policy or with his/her employment commitments to the University. He/She must determine that neither the University's rights nor his/her obligations to the University are limited by the terms of such agreements or conduct of outside business interests. The faculty will be careful not to employ any students whom he/she is currently supervising academically or may supervise academically in the future. The University will provide such agreements and/or review any such proposed agreements.

Supporting Documents that will be required for implementation of Policy:

1. Invention Disclosure Form
2. Confidential Disclosure Agreement (one-way and two-way)
3. Biological Material Transfer Agreements
4. NIH approved Uniform BMTA (see AUTM website)
5. BMTA for non-signatories to the UMBTA
6. Beta Test Site Agreement
7. Conflict of Interest Disclosure Form
8. Visiting Scholar Agreement (HR)
9. Consulting Agreement (HR)