

IX. INTELLECTUAL PROPERTY

A. BASIC INTELLECTUAL PROPERTY

1. Statement of Basic Philosophy and Objectives

While the discovery of patentable processes or inventions and the creation of other intellectual property is not the primary objective of the College, for any such discoveries or creations, it is the objective of the Board to provide an intellectual property policy which will encourage the development of inventions and other intellectual creations for the best interest of the public, the creator, and the research sponsor, if any, that will permit the timely protection and disclosure of such intellectual property whether by development and/or commercialization after securing available protection for the creation by publication. The policy is further intended to protect the respective interest of all concerned by ensuring to the public, to the inventor, to the College and to sponsors of specific research in varying degrees of protection, monetary return and recognition, as circumstances justify or require.

2. General Policy

- a. The intellectual property policy as adopted shall apply to all persons employed by the College, to anyone using College facilities under the supervision of College personnel, and to postdoctoral and predoctoral fellows.
- b. This policy shall apply to intellectual property of all types (including any invention, discovery, trade secret, technology, scientific or technological development, or computer software) regardless of whether subject to protection under the patent, trademark or copyright laws. This policy shall not apply to faculty-authored written or visual work, except computer software produced in the author's professional field, which property shall be owned by the creator. Nor shall the policy apply to intellectual property produced as a work for hire in the performance of a contract with the College or as part of an employee's assigned work responsibilities, which property shall be owned by the Board.
- c. It is the intent of this policy to permit the creator of intellectual property maximum freedom in respect to their creations, consistent with their obligations to the College. Any person affected by this policy who as a result of his/her activities creates intellectual property other than on certain government or other sponsored research projects, where individual grant agreements provide otherwise, should have a major role in the ultimate determination of how it is to be made public-by publication, by development and/or commercialization after securing available protection for the creation.
- d. Property rights in intellectual property will be based on the degree of College support, as hereinafter specified.
- e. The College, with the cooperation of the component institution, will provide review and management services for patentable inventions as well as other intellectual property either by its own staff, through a related foundation, or by other means.
- f. It is a basic policy of the College that intellectual property be developed primarily to serve the public interest. This objective usually will require development and commercialization by non-exclusive licensing, but the public interest may best be promoted by the granting of a limited exclusive license or even an exclusive license for the period of the patent. These determinations will be recommended and made in

accordance with the administrative procedures hereinafter set out and with the approval of the Board.

- g. Unless otherwise required by law or Board policy, each intellectual property agreement approved hereunder shall be construed in accordance with the Intellectual Property Policy in existence as of its approval date.

3. Institutional Patent Committees and College Intellectual Property Office

- a. Patent Committees: To help administer the intellectual property policy at the College and to make recommendations to chief administrative officers for further referral to the College administration and the Board (in those cases when action by the College administration and/or the Board is required), an Intellectual Property Committee shall be established as directed by the UTB/TSC President.
- b. The Office of the UTB/TSC President will assist the Intellectual Property Committee to provide advice to individual faculty and staff members in intellectual property matters and to coordinate details in respect to procedures for protecting and marketing intellectual property.

4. Classification of Discoveries by Source of Research Support

- a. Intellectual property that is unrelated to the individual's employment responsibility, has been developed as a result of the individual's efforts on his/her own time, with no College support or use of the College's facilities.
- b. Intellectual property that is related to the individual's employment responsibility, or has resulted either from activities performed by the individual on College time, or with support by state funds, or from using College facilities.
- c. Intellectual property that has resulted from research supported by a grant or contract with the Federal Government or an agency thereof, a nonprofit non-governmental entity or by a private gift to the College.

5. Property Rights and Obligations

- a. Intellectual property unrelated to the individual's employment responsibility that is developed on an individual's own time and without College support or use of College facilities (see 10.041) is the exclusive property of the creator. The College has no interest in any such property and no claim to any profits resulting therefrom. Should the creator choose to offer the creation to the College, the Intellectual Property Committee shall recommend as to whether the college should support and finance a patent application or other available protective measures and manage the development and commercialization of the creation. If the creator makes the offer after obtaining a patent or other protection, the Intellectual Property Committee shall recommend as to whether the College should reimburse the creator for expenses in obtaining such protection. If the Intellectual Property Committee recommends and the creation is accepted for management by the College, the procedures to be followed and the rights of the parties shall be set out in Subsection 10.0523 following.
- b. Intellectual property either related to the individual's employment responsibility, or resulting from activities performed on College time, with support by state funds, or from using College facilities shall be subject to ownership by the College (See 10.042).
 - i. Before intellectual property covered by Section 10.022 is disclosed either to the public or for commercial purposes, and before publishing same, the creator shall submit such intellectual property to the Intellectual Property Committee for

determination of the College's interest. In those instances, however, where delay would jeopardize obtaining the appropriate protection for the property, the creator may, with the approval of the Chairperson of the Intellectual Property Committee and the chief administrative officer, file a patent application to take other steps to obtain available protection prior to the Committee and administrative review provided in the following two subsections. If the request is granted, the creator may proceed with the filing of a patent application or other available protective measures pending the determination of the College's interest; provided, however, that the creator shall be reimbursed for expenses in filing the patent application, taking other steps to obtain protection if the decision of the College is to assert and exploit its interests. The Chairperson of the Intellectual Property Committee shall notify the Office of the UTB/TSC President of any such application.

- ii. If the Intellectual Property Committee recommends that the College not assert and exploit its interest, and that recommendation is approved by the Office of the UTB/TSC President, the creator shall be notified within ninety (90) days of the date of submission that he/she is free to obtain and exploit a patent or other intellectual property in his/her own right and the College shall not have any further rights, obligations or duties thereto. In some instances, the Committee may elect to impose certain limitations or obligations, dependent upon the degree of College support.
 - iii. If the College decides to patent or seek other available protection for intellectual property in which it decides to assert and exploit its interest, it shall proceed either through its own efforts or those of an appropriate private firm or attorney to obtain protection and manage the intellectual property. Under appropriate circumstances, and with the consent of the UTB/TSC President and the Board of Trustees, the College may arrange to have services to obtain protection for intellectual property performed by a local outside attorney on a case-by-case basis. It shall be mandatory for all employees, academic and nonacademic, to assign the rights to intellectual property and patents to the Board when such creations fall within Paragraph 10.052. In those instances where the College licenses rights in intellectual property to third parties, the costs of licensing and obtaining a patent or other protection for the property on behalf of the Board shall first be recaptured from any royalties received by the College, and the remainder of such royalty income (including license fees, prepaid royalties and minimum royalties) shall be divided as follows:
 - 50% to creator
 - 50% to CollegeThe division of royalties from patents or other intellectual property managed by an intellectual property management concern will be controlled by the terms of the College's agreement with such concern, as approved by the Board. Any other deviation from this rule requires the prior approval of the Board.
- c. Intellectual property resulting from research supported by a grant or contract with the Federal Government, or an agency thereof, with a non-profit or for profit non-governmental entity, or by a private gift or grant to the College shall be subject to ownership by the Board (See 10.043).

- i. Administrative approval of application requests to, and acceptance of grants or contracts with, the Federal Government, or any agency thereof, with a nonprofit or for profit non-governmental entity, or a private donor that contain provisions that are not consistent with this policy, or other policies and guidelines adopted by the Board from time to time implies a definite decision that the value to the College of receiving the grant and performing the contract outweighs the impact of any non-conforming provisions of the grant or contract on the basic intellectual property policies and guidelines of the College.
 - ii. The intellectual property policies and guidelines of the College are subject to, and thus amended and superseded by, the specific terms pertaining to intellectual property rights included in federal grants and contracts, or grants and contracts with nonprofit and for profit non-governmental entities or private donors, to the extent of any conflict.
 - iii. In those instances where it is possible to negotiate College-wide intellectual property agreements with federal agencies or nonprofit and for profit non-governmental entities, or private donors and thereby obtain more favorable treatment for the creator and the College, every effort will be made to do so with the cooperation and concurrence of the Office of the UTB/TSC President after consultation with the Intellectual Property Committee.
 - iv. Employees of the College whose intellectual property creations result from a grant or contract with the Federal Government, or any agency thereof, with a nonprofit or for profit non-governmental entity, or by private gift to the College shall make such assignment of such creations as is necessary in each case in order that the College may discharge its obligation, expressed or implied, under the particular agreement.
- 6. Equity Interests**
- a. In agreements with business entities relating to rights in intellectual property owned by the Board, the College may receive equity interest as partial or total compensation for the rights conveyed.
 - b. Consistent with Section 51.912, Texas Education Code, and subject to review and approval by the UTB/TSC President and the Board, employees of the College who conceive, create, discover, invent or develop intellectual property may hold an equity interest in a business entity that has an agreement with the College relating to the research, development, licensing or exploitation of that intellectual property.
 - c. The College may negotiate, but shall not be obligated to negotiate, an equity interest on behalf of any employee as part of an agreement between the College and a business entity relating to intellectual property conceived, created, discovered, invented or developed by the employee and owned by the Board.
 - d. Dividend income and income from the sale or distribution of an equity interest held by the Board pursuant to agreements relating to intellectual property shall belong to the College and shall be distributed in accordance with the provisions of Section 10.1 below.
 - e. Dividend income and income from the sale or disposition of an equity interest held by a College employee pursuant to an agreement between the College and a business entity relating to rights in intellectual property conceived, created, discovered, invented or developed by such employee shall belong to the employee.

7. Business Participation

- a. Any College employee who conceives, creates, discovers, invents or develops intellectual property shall not serve as a member of the board of directors or other governing board or as an officer or an employee (other than as a consultant) of a business entity that has an agreement with the College relating to the research, development, licensing, or exploitation of that intellectual property without prior review and approval by the UTB/TSC President and the Board as an agenda item.
- b. When requested and authorized by the Board, an employee may serve on behalf of the Board as a member of the board of directors or other governing board of a business entity that has an agreement with the College relating to the research, development, licensing or exploitation of intellectual property.

8. Reporting

- a. Any employee covered by Section 10.062, 10.071 or 10.072 shall report in writing to the UTB/TSC President, or to such other person as may be designated by the UTB/TSC President the name of any business entity as referred to therein in which the person has an interest or for which the person serves as a director, officer, or employee and shall be responsible for submitting a revised written report upon any change in the interest or position held by such person in such business entity.
- b. These reports shall be accumulated in the office of the UTB/TSC President or designee by September 1 of each year so that the UTB/TSC President may file a report with the Board at its October meeting. After the report has been approved by the Board, the e UTB/TSC President shall prepare the report to the Governor and the Legislature required by Section 51.912©, Texas Education Code.

9. Approval of Agreements Relating to Rights in Intellectual Property

- a. Agreements relating to rights in intellectual property shall ordinarily be approved by the Board following review and approval by the UTB/TSC President.
- b. Any agreement altering substantially the basic intellectual property policy of the College as set out in the preceding sections and other policies and guidelines that may be adopted by the Board shall have the advance approval of the UTB/TSC President and the Board as a agenda item. Such an alteration in a sponsored research agreement shall not be considered substantial and may be approved by the Board if, in the judgment of the UTB/TSC President, the benefits from the level of funding for the proposed research and/or other consideration from the sponsor outweigh any potential disadvantage that may result from the policy deviation.

10. Income from Intellectual Property

- a. The portion of the net income the College retains from royalties and any other intellectual property-related income shall be used first to defray the expenses, if any, of the Office of the UTB/TSC President and thereafter, as approved by the Board, for research purposes at the College where the income providing creation originated.
- b. At the option of the College, such income may be accumulated in an endowment fund administered by the SUJCD office with the income to be distributed to the College for such purposes as may be approved by the Board.

11. Implementation of Intellectual Property Policy

The Office of the UTB/TSC President shall prepare and distribute such model agreements and recommended procedures as may be considered appropriate for the implementation

of the provisions of this policy as well as other policies and guidelines adopted by the Board.

Unless otherwise required by law or board Policy, each intellectual property agreement approved hereunder shall be construed in accordance with the Intellectual Property Policy in existence as of its approval date.

Authority: SUJCD Board of Trustees
Originally approved: July 15, 1992
Amended: July 21, 1992
Amended: November 1, 2001