

CURRENT Section IV.G. Patent Policy language in Faculty Manual (as approved 050814)

G Patent Policy

An invention may be a design, process, code, biological material, or device that shows novelty, usefulness, and non-obviousness. A patent is a contract between the inventor and the government to allow the inventor exclusive rights to make, sell, or use the invention for a definite period of time (generally 20 years from the filing date). Plant Variety Protection, international Plant Variety Rights, and international patents are other forms of invention protection. Transfer of biological material, software source code, or proprietary information may be protected through confidentiality agreements. For further information about patents, refer to the U.S. Patents and Trademarks Office at <http://www.uspto.gov/>.

1. Scope of Policy

a.) This policy applies to potentially patentable discoveries and proprietary information which are developed using Washington State University equipment, supplies, facilities, employee time, or proprietary information, or which relate directly to the University's business, research, or development. The University will be assigned ownership in patents and other tangible research property developed by its employees as a result of their University research or employment. The University does not claim rights in inventions for which no equipment, supplies, facilities or proprietary information was used and which was developed entirely on the employee's own time.

2. Sponsored Research

a.) Where the invention has been developed through research sponsored by a grant or contract with the federal government (or its agencies), it must be reported to the agency and the agency joins the University to determine distribution of the rights in the invention, to determine if patent prosecution should be sought, and how the patent should be administered or disposed of in the public interest. The WSU Office of Grant and Research Development (OGRD) is responsible for the submission and acceptance of sponsored projects to the University. For further information, you may refer to OGRD's home page at <http://www.ogrd.wsu.edu/>.

b.) Where private industry or foundations have sponsored research, licensing of patents or other intellectual property shall be negotiated between the sponsor and the University, or the University's designee where appropriate. The University will strive to protect the financial interests of all and ensure that the University retains the traditions of self-governance and academic freedom. The University, on behalf of its constituent colleges, schools, or departments, will not accept grants or enter into agreements for the support of instruction or research that confer upon an external party the power to censor, unduly delay, or exercise effective veto power over either the content of instruction or the publication of research. Publication of research findings may temporarily be delayed in order to protect patent rights or permit the research sponsor to review the proposed publication for the sole purpose of identifying proprietary information furnished by or belonging to the sponsor.

c.) The University normally retains ownership of property developed under sponsorship agreements and will negotiate rights to license the property. The proprietary rights of the

University and of the University's employees shall be subject to the agreement between the sponsor and the University or its designee. Agreements with outside sponsors shall be approved by the Vice President for Research or his or her designees.

3. Disclosure of Potentially Patentable Discoveries

a.) Prior to employment by the University and for the protection of the employee's interests at the time of employment, each new employee shall disclose to OC all inventions previously developed or being developed by the employee for the purpose of establishing his or her ownership rights to developments made.

b.) While employed at the University, employees shall disclose patentable inventions and discoveries to OC for review. The Director of OC will provide assistance in filling out forms for disclosure. Invention Disclosure forms may be found at http://www.oipa.wsu.edu/Documents/IDF/Invention_Disclosure.

4. Patent Ownership

a.) The University or its assignee shall own the rights to all patentable property and other tangible research and scholarship developed as a result of University employment, or when the equipment, supplies, facilities, employee time or proprietary information of the University are used. After the employee terminates his or her Washington State University employment and is re-employed elsewhere, the University or its assignee retains ownership of subsequent inventions where the invention is a direct outgrowth of the University's business or University research and development.

b.) Under the federal patent and trademark legislation of 1980 (35 U.S.C. § 200 et seq.), the University has the right of first refusal to title in inventions made in the performance of federal grants and contracts. The University or its assignee will assert title to and attempt to license inventions made with federal government funds so that the Congressional purpose of fostering the development of industry in the United States will be furthered.

c.) For any patentable inventions and other discoveries in which the University, its assignee, or a sponsor has an interest, the employee shall execute promptly all assignments, waivers, and other legal documents necessary to vest in the University, its assignee, or the sponsor any and all rights to the invention, including assignment of any patents or patent applications.

5. Patent Ownership Appeals

a.) If there is a question of ownership, OC will determine whether the potentially patentable property is owned by the University, by the employee, jointly by the University and the employee, or by an outside sponsor. The Office may determine that the employee or sponsor is a partial owner of the intellectual property with the University in cases where it would be unfair to determine that the property is wholly owned by the University, e.g., when an employee disclosed enabling discoveries that occurred before employment with the University or when the sponsor's employees have contributed to the invention. In such cases, OC shall notify the previous employer (if any) and negotiate percentages of respective ownership. If OC deems it to be in the best interests of the University to release its rights to the invention, it may do so.

b.) When a question of ownership arises, the procedure for determination of ownership shall

be as follows. OC shall make its determination of ownership, or request additional time, within 45 business days of full disclosure. If OC asks for additional time, it must, in any event, make its determination within 35 business days of its request for additional time. The employee will be notified of OC's decision within 5 business days of its determination. The employee shall have 30 business days from the date of OC's mailing of the notice of the determination of ownership to appeal the decision to the Vice President for Research. If the Vice President for Research cannot resolve determination of ownership within 5 business days of the appeal, the appeal shall be heard by the Intellectual Property Committee within 20 business days of the notice of the appeal. The Intellectual Property Committee will make its recommendation to the Vice President for Research. The decision on appeal shall be issued within 30 business days of the deadline for submitting material. If OC fails to notify the employee in writing of determination of ownership within 50 business days of full disclosure or 80 business days if additional time is requested, then the University's rights in the patentable property shall automatically become the property of the employee or sponsor.

c.) Following this internal appeal process, the employee will have recourse to settle ownership by binding arbitration administered by the American Arbitration Association (AAA) under AAA Patent Arbitration Rules. The employee shall file his or her claim with any Washington office of the AAA within 60 business days of the Vice President's decision, and provide a copy of such claim to OC within the same period of time. Costs of the arbitration shall be shared equally by the parties.

d.) After the determination by OC and exhaustion of the employee's right of internal and external appeal, the employee shall execute documents of assignment to convey to the University, its assignee, or the sponsor all of the employee's interest in the invention determined to be owned by the University, its assignee or the sponsor and assist in obtaining, protecting, and maintaining patent rights.

e.) In the event an appeal results in ownership by the employee, the University shall formally release all claims to the employee's invention.

6. Publication and Disclosure to Third Parties

a.) Once an invention is identified as potentially patentable, premature publication, public use, or disclosure of an invention can jeopardize the rights of the employee, or the university or its assignee to secure patent protection - particularly patent protection in other countries. In close consultation with the employee inventor and for the benefit of employee inventor, University, and possible Licensee, there shall be no publicity or disclosure concerning the invention until patent applications have been filed. OC shall act in a timely fashion in such cases so as to not unreasonably delay employee publications. All publicity, public reports, interviews, news releases, speeches, public disclosures, or public demonstrations of the invention subsequent to the filing of the application shall have prior clearance in writing from the University or its assignee.

b.) This section shall not be applicable to sponsorship agreements that impose different obligations on disclosure.

7. Management of Patents

a.) Patent protection prosecution and commercialization through licensing are complex and expensive endeavors requiring active participation by the inventors and the University over a period of 20 years after patent filing. For inventions that were enabled through sponsored

research, the federal, state, or private sponsoring agency must be notified and allowed the right to patent the invention. If there was no enabling sponsored research, or the sponsor or the University declines to pursue the invention, then the invention rights will be returned to the inventor.

8. Division of Patent Royalties

a.) All monetary proceeds from commercialization of University-owned inventions are the property of the University or its assignee. The University or its designee will collect and distribute royalties, fees, equity interests, or dividends to inventors and University in accordance with procedures established by the University.

(1) The University or its designee will deduct the costs of obtaining and maintaining legal protection for each invention to arrive at “adjusted income.”

(2) The University or its designee will deduct twenty percent (20%) from adjusted income and the remainder will be “net income.” This deduction is directed toward covering the expenses (excluding direct patent expenses) for administering OC and provides initial funds for patent prosecution for other inventions without obvious commercial partners.

(3) Distribute net income according to the following schedule.

Cumulative Net Income	Inventor	University
\$1-\$10,000	100%	
\$10,001 - \$200,000	50%	50%
Above \$200,000	25%	75%

(4) With consideration to other University priorities and policies, the University or its designee will distribute a portion of its share to the Office of the Vice President for Research to be invested in further research and technology efforts for the University and at least 20% of its share to be split equally between the inventor's department and College (or relevant branch campus when appropriate) for further research.

b.) Inventors, whose technology was previously assigned to the former non-profit intellectual property manager for WSU, the WSU Research Foundation for administration, will be given the one-time option of selecting the above Division of Royalty policy over any pre-existing royalty policy.

c.) In the event of multiple inventors, the inventors will agree among themselves as to the distribution of the income accruing to the inventors; distribution of the inventors’ share shall be made only upon receipt of a signed agreement among the inventors.

d.) The University or its designee may negotiate, but shall not be obligated to negotiate, for equity interests in lieu of or in addition to royalty and/or monetary consideration as a part of an agreement relating to inventions or Copyrighted Works. Any equity interests acquired pursuant to this section shall be held and managed by the Washington State University Foundation. Neither the Washington State University Foundation nor University acts as a fiduciary for any person concerning equity nor other consideration received under the terms of this regulation.

9. Public Released Agricultural Research Center Plant Varieties

a.) The research and development, patent or plant variety protection, and public release of plant varieties requires the cooperation of the plant breeder(s), funding agency (USDA), Variety Release Committees, WSU Agricultural Research Center (ARC), Washington State Crop Improvement Association (WSCIA) or similar commodity groups, and OC. The distribution of Research Fees and Royalties will follow this schedule:

b.) Seed Propagated Crops

(1) The University or its designee will deduct the costs of obtaining and maintaining legal protection for each plant variety.

(2) WSCIA typically collects a two percent (2%) management fee for its services in producing and distributing seeds, and collection and distribution of research fees.

(3) Seventy percent (70%) of the adjusted income will be distributed to the Agricultural Research Center for enhancement of plant variety programs.

(4) The remaining thirty percent (30%) of the adjusted income will be distributed
10% to OC
10% to WSU-ARC
10% to plant breeder(s)

c.) Vegetatively propagated crops

(1) The University or its designee will deduct the costs of obtaining and maintaining legal protection for each plant variety.

(2) Fifty percent (50%) of the adjusted income will be distributed to the Agricultural Research Center for enhancement of plant variety programs.

(3) The remaining fifty percent (50%) will be distributed as follows:
10% to OC
10% to WSU-ARC
30% for breeder(s)