

# **POLICY OF INTELLECTUAL PROPERTY MANAGEMENT**

**Approving Authority:** Board  
**Establishment Date:** 14 November 2008  
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## **I. PREAMBLE**

Multidisciplinary research leading to creation of knowledge in medical science and biotechnology and the transfer of this new knowledge through service, education and public awareness are main objectives of the Stephen Sanig Research Institute (SSRI).

Implicit in this is also the understanding that SSRI not only has a responsibility to bring new knowledge into use by the general public, but also in some instances such knowledge or technology has commercial value and should be treated as a financial asset to be used, conserved, or applied in such a way as to generate an appropriate financial return to SSRI and nation as a whole. Transfer of such information or technology through licensing or assignment of ownership satisfies both objectives, i.e., dissemination for use and the realization of a return. Thus, the SSRI's constitution states commercialization of intellectual property as one of its objectives.

## **II. OBJECTIVES OF THE POLICY**

- A. To facilitate the transfer of knowledge and technology and the utilization of such knowledge and the technology to the general benefit of society whilst continuing to encourage research, scholarship, and a spirit of inquiry, thereby generating new knowledge.
- B. To provide for the equitable disposition of interests in new intellectual property among SSRI, inventor(s), and, where applicable, the sponsor(s).
- C. To provide incentives to the SSRI's inventors in the form of personal development, professional recognition, and financial compensation.
- D. To safeguard intellectual property so that it may receive adequate and appropriate legal protection against unauthorized use.

## **III. COVERAGE AND DEFINITION**

- A. This policy covers all intellectual property conceived, first reduced to practice, written, or otherwise produced by staff, volunteers, contactors or associated bodies of SSRI using SSRI's funds, facilities, or other resources.
- B. Intellectual property, for the purpose of this policy, is defined as the tangible or intangible results of research, development, teaching, or other intellectual activity. Intellectual property may include the following categories:
  - i. Inventions, discoveries, or other new developments which are appropriate subjects of patent applications.

- ii. Written materials, sound recordings, videotapes, films, computer programs, computer-assisted instruction materials, works of art and all other material which may be copyrightable.
- iii. Tangible research property such as biological materials including, but not limited to, cell lines, plasmids, hybridomas, monoclonal antibodies and plant varieties; computer software, data bases, integrated circuit chips, prototype devices and equipment, circuit diagrams, etc.; and analytical procedures, laboratory methods, etc. All such tangible research property may or may not be patentable or copyrightable.

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

#### **IV. GENERAL POLICY**

- A. All rights to intellectual properties as defined in Section III shall be owned and controlled by SSRI. When a SSRI staff member develops or originates an item of intellectual property which, under the terms of this policy is to be owned and controlled by SSRI, the individual shall report the intellectual property to the Executive Director(s). The originator shall: cooperate in the execution of legal documents and in the review of literature and prior art; be given opportunity to assist in the further commercial development of the intellectual property as defined in Section VI; and have an interest in and share in any income derived from the commercialization of such property.
- B. Traditional products of scholarly activity such as journal articles, textbooks, reviews, which have customarily been considered to be the unrestricted property of the author, are excluded from the general policy.
- C. Rights to intellectual property resulting from sponsored projects shall be owned and controlled by SSRI. In some instances, the provision of substantial 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 intellectual property that might result from the sponsored project. In such cases, final distribution of the property may be negotiated as a part of the sponsored project agreement.
- D. In those cases where the final disposition of the property has not been negotiated as part of a sponsored project agreement, SSRI will proceed as described in Section VI.

#### **V. COMMERCIALISATION**

- A. For purposes of protection and commercialization of intellectual property, patent or copyright coverage may be sought, or the property may be treated as proprietary information, technical know-how, or trade secret.
- B. In seeking and developing commercialization of intellectual property, SSRI shall be guided by the following principles:
  - i. A primary objective and responsibility of SSRI shall be to assure that the products of its intellectual activity are brought into the widest possible use for the general benefit of society.
  - ii. Intellectual property should be treated as an asset, and an appropriate return should be sought.

- iii. Active inventor participation in all commercialization efforts shall be vigorously sought.
- C. SSRI will seek a variety of arrangements including licenses, both nonexclusive and exclusive; outright assignment or sale of rights; and partnerships, joint ventures, or other equity participation modes. The selection of particular arrangements will depend on the circumstances of each individual case.
- D. In some situations it may be in the best interests of SSRI, the general public, and the inventor to enter into commercialization arrangements with entities wholly or partially owned or controlled by SSRI, or its directors or staff who originated the property. 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.
- E. Commercialization of intellectual property by SSRI is a process which may take a considerable amount of time. This process may involve discussions and negotiations over months or sometimes years and, based on available data, more often fails than succeeds. Timing, market conditions, and many other factors enter into the process. Quick success is rare.

## **VI. ROYALTY INCOME SHARING POLICY**

- A. Net income is defined as gross royalties, license fees, or other such payments received by SSRI less necessary deductible costs, e.g., mailing or courier costs, interferences, licensing costs, patent enforcement, necessary travel, auditing fees, or sponsor shares. The phrase "gross royalties, license fees, or other such payments" means payments agreed upon and specified in a license or other commercialization agreement usually expressed as a percentage of sales or a fixed dollar amount per unit manufactured in return for the right to use, copy, reproduced, make, or sell an item of intellectual property or product based on such property. SSRI shall reserve the right to suspend distribution of income where there is reason to believe that substantial deductible costs will be incurred in the future. The inventor shall be informed of such decisions. An annual detailed accounting of income and costs shall be made available to the inventor(s) by SSRI.
- B. Except as otherwise provided through supplementation under Section VI.C., net calendar year royalty or license income as defined in Section VI.A. derived from commercialization of intellectual property covered by this policy shall be shared as follows: 40% to the inventor and 60% to SSRI.
- C. In certain cases, because of conditions of employment and the nature of work assignments, and the fact that inventors often assume continuing responsibilities for maintenance and periodic revision of the intellectual property, an alternate distribution of net income to the inventor(s) or employees may be appropriate. Inventors wherein this situation may occur should propose appropriate modification to the distribution scale in Section VIII.B. Upon approval by the Board, such modification shall be added and applied.
- D. The inventors' rights to share in net income as stated above shall remain with the individual or pass to the individual's heirs and assigns for so long as net income is derived from the property.
- E. Where more than one individual is considered to be the inventors, such persons will determine among themselves the individual share each will receive. In the event that

they cannot reach such agreement, the determination shall be made by SSRI after giving each individual an opportunity to present a personal position. Such determination by SSRI shall be final.

- F. Inventors are encouraged to consider making a gift of all or a part of their income shares to support SSRI's research activities. Upon request by an inventor, SSRI will retain all or a part of the investor's share in a separate account within SSRI for expenditure in accord with the inventor's wishes. The inventor may restrict such gifts to any particular program including the inventor's own research program. Such requests may be limited in duration to a specific time period or to some specific future event, e.g. the inventor's retirement or resignation from the SSRI, and may be cancelled or modified by the inventor at any time.

## **VII. SHARING OF RESEARCH MATERIALS**

There is a long tradition in some fields of sharing research materials such as reagents, cell lines, and purification media. SSRI encourages this cooperation among research scientists. However, recent conflicts over such issues as commercialization rights and personal and product liabilities suggest that the terms of such sharing be spelled out in a written agreement among the parties.

## **VIII. CONSULTING AGREEMENTS**

- G. Any SSRI's staff member engaged in consulting work or in business is responsible for ensuring that clauses in the individual's agreements are neither in conflict with this policy nor with the SSRI's commitments; and that the institution's rights and the individual's obligations to the SSRI are in no way abrogated or limited by the terms of such agreements.
- H. Staff members shall make clear to those with whom they make such agreements their obligations to SSRI and shall ensure that other parties to the agreement are provided with a current copy of this policy.

## **IX. BASIS OF THE SSRI'S EQUITY IN INTELLECTUAL PROPERTY**

The policies set forth herein constitutes an understanding which is binding on SSRI's staff as a condition of their employment and participation in SSRI's research, education, and service programs and for their use of SSRI's funds, space, or facilities.