THE UNIVERSITY OF MISSISSIPPI MEDICAL CENTER

PATENT AND INVENTION POLICIES AND PROCEDURES

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APPENDICES

The University of Mississippi Medical Center

Patent and Invention Policies and Procedures

Summary/Purpose:

The objectives of this policy are:

- To provide incentives and assistance to inventors to develop and commercialize technology for the benefit of the inventor, the Medical Center and the public;
- To safeguard innovative technology from unauthorized use;
- To provide a framework to determine the commercial value of new technologies, bring them to public use, and provide for the equitable distribution of income, including royalties, to the inventor, the Medical Center and other applicable parties; and
- To develop a framework for encouraging research, scholarship and a spirit of entrepreneurship within the Medical Center.

PATENT AND INVENTION POLICY

I. FOREWORD

Historically, the University of Mississippi Medical Center's responsibility for the development, dissemination and transfer of new knowledge has been fulfilled through faculty teaching and publications in the professional literature. Technology-based research and development is also important to the overall mission of the institution. Universities therefore have the responsibility to bring new knowledge into use by the public, and to treat such knowledge or technology as a financial asset if it has commercial value and to use, conserve or apply in such a way as to generate appropriate financial return to the inventor, the university and, when applicable, the licensee of the technology.

The objectives of this policy, then, are:

·To provide incentives and assistance to inventors to develop and commercialize

technology for the benefit of the inventor, the Medical Center and the public;

·To safeguard innovative technology from unauthorized use;

·To provide a framework to determine the commercial value of new technologies, bring them to public use, and provide for the equitable distribution of income, including royalties, to the inventor, the Medical Center and other applicable parties; and

·To develop a framework for encouraging research, scholarship and a spirit of entrepreneurship within the Medical Center.

II. DEFINITION OF TERMS

A. Intellectual Property is defined as any technical innovation, invention, discovery, or knowhow, as well as writings and other information in various forms including computer software. It may be the product of a single inventor or a group of inventors who have collaborated on a project. The principal rights governing ownership and disposition of technology are known as "intellectual property" rights. These are derived primarily from legislation granting patent, copyright, trademark and integrated circuit mask work protection. This policy covers only tangible innovations, inventions and know-how; copyright and trademark protection may be covered in separate Medical Center policies.

B. Invention, for the purposes of this policy, refers to any item that reasonably appears to qualify for protection under the United States patent law or other protective statutes, whether or not actually patentable, or which appears to be commercially licensable.

C. Patents are issued by the United States Patent and Trademark Office to grant an inventor the right to exclude from all other claimants the right to manufacture, fabricate, use or sell an invention within the United States, its territories and possessions, generally for a period of 17 years from the date of the patent issue. This 17-year period is exclusive of certain regulatory

delays such as those sometimes imposed by the Food and Drug Administration. To be considered patentable, an invention must be useful, nonobvious and new. A patent can be issued for a process, machine, article of manufacture, composition of matter (most often a chemical), or new life form, including any new, useful and nonobvious modification or improvement of prior technology. A "utility" or "use" patent can be issued for a new use of an existing composition of matter, and a "design" patent may be obtained for any new, original and nonobvious ornamental design for an article of manufacture. "Design" patents are issued for 14 years. A grace period of up to 12 months from the first oral or written public disclosure of an invention is allowed prior to filing a patent application in the United States.

D. Foreign Patents. Patenting procedures in foreign countries vary considerably in administrative content, the length of patent grants and in the definition of what is eligible to be patented. Although grace periods for oral or written public disclosures are allowed in the United States, this is not the case in foreign countries. In most foreign countries, an invention is not patentable unless the patent application is filed prior to any public disclosure (written or oral), in the U.S. or abroad. Inventors who contemplate both foreign and domestic patents should contact the Office of Technology Transfer for further information.

E. Tangible Research Property refers to products that can be distinguished from ideas or processes that do not generate a physical artifact. Examples of such property would include prototypes and drawings from engineering and design work, circuit chips, biological organisms and other products which can be handled and transported. Computer software is a special form of tangible research property. A characteristic of tangible research property is that it may be distributed without obtaining intellectual property protection (patents or copyrights) by the use of formal contracts, user licenses or other contractual agreements.

F. Nonpatented Technology (Know-how) refers to unique processes or techniques that are used in the development of or in procedures followed in the course of research or in the use of an invention. Examples of know-how include a specialized technique of mounting difficult to handle specimens on a microscope slide for study, an innovative technique in distilling a

chemical compound for use in a research project, or the creative use of film, lighting and developing processes that captures photographic images on film. The key to determining if a process falls under this definition is whether the end result could be obtained in a satisfactory manner without the knowledge and correct application of this specialized process. In some cases, the know-how that accompanies a patented technology may be more valuable than the patent itself.

G. Trade Secret refers to almost any secret that is used in business or in research surrounding the development of a tangible product that will give the owner of the secret an edge over competitors. It is also used in software development. Trade secrets are under the protection of state laws; there are no federal trade secret laws. Each individual who has access to the secret information must be bound by a contractual agreement called a Nondisclosure or Confidentiality Agreement. Failure on the part of one or more individuals to adhere to the nondisclosure agreement results in violation of the state law and will nullify the protection of the trade secret.

H. Royalties are a form of income received by the inventor and the Medical Center as a result of a license granted to a company or other entity to develop, manufacture or otherwise use or produce the invention for sale or distribution. The royalty rate, usually a percentage of sales of the invention, is negotiated as part of the license agreement between the Medical Center and the licensee. This agreement is a binding contract.

I. Other Income refers to any other form of income that may be derived by the inventor or the Medical Center as a result of the development and distribution of a patented product or other invention.

J. Substantial Use of Medical Center Resources, within the context of this policy, occurs when an invention results from use of University of Mississippi Medical Center facilities, equipment, supplies in excess of $100 total value, personnel or other resources.

K. Medical Center Personnel includes all faculty, staff and student employees , with full or part-time status, and any other employee, agent or fellow of the Medical Center during the

course of employment. A student employee is defined as a person who is enrolled as a student in the Medical Center and who is employed part time by the Medical Center. Student employees include without limitation students who receive stipends, including graduate instructors, graduate assistants and teaching assistants. For the purposes of this policy, the term "employee" will be synonymous with "Medical Center Personnel."

L. General Scope of Assigned Duties is defined in Section IV.A.

III. WHO IS COVERED BY THIS POLICY

All University of Mississippi Medical Center personnel are covered by this policy.

IV. WHAT IS COVERED BY THIS POLICY

A. Inventions Resulting from Medical Center Sponsored Research. The Medical Center shall have ownership of any invention developed in the course of the assigned duties of all Medical Center personnel. Each employee is required to assign to the Medical Center all domestic and foreign rights to any invention made within the scope of his or her assigned duties, unless the Associate Vice Chancellor for Research notifies, in writing, that the Medical Center abandons its interest in the invention.

An invention will be considered as having been made within the general scope of assigned duties if:

1. The duties include research or investigation or the supervision of research or investigation, and the invention arises in the course of such research or investigation and relates to the general field of an inquiry to which the person is assigned, or;
2. The invention is to a substantial degree made or developed through the use of Medical Center financing or on Medical Center time.

B. Inventions Resulting from Externally Sponsored Research and Clinical Trials. Any discoveries or inventions (whether patentable or not) developed, made, conceived or otherwise reduced to practice that may arise out of externally sponsored research will be owned by the University of Mississippi Medical Center. The Vice Chancellor for Health Affairs or Associate Vice Chancellor for Research may enter into agreements with sponsors or other organizations that relinquish or share all or part of intellectual property that results from or may result in the future from externally sponsored research if such arrangement is determined to be in the Medical Center's best interest. Before entering into such agreements, the Associate Vice Chancellor for Research shall solicit recommendations from the inventor, department chair, dean and grants administration and obtain technical, legal, financial or other professional recommendations deemed necessary. This procedure will ensure that the interest of the inventor, the Medical Center and the sponsor are considered whenever external funds are granted to the Medical Center for research and development or clinical trials.

C. Inventions Resulting from Activities Outside the Scope of Employment. Any inventions which are developed and achieved by Medical Center personnel on their own time and at their own expense, provided that "substantial use of Medical Center resources" has not been used to develop the invention, will be the exclusive property of the inventor. The inventor is free to decide if he will copyright or patent the product. If he elects to do so, he should report the action to the Associate Vice Chancellor for Research. If the inventor desires, a request may be made to the Associate Vice Chancellor for Research to assign such an invention to the Medical Center. If assignment occurs, the inventor and the Medical Center will share any royalties or other income derived from the invention in the same manner as in all other inventions owned by the Medical Center.

V. OBLIGATIONS OF THE INVENTOR AND THE MEDICAL CENTER

A. Obligations of the Inventor to the Medical Center

1. Disclosure. Medical Center personnel who produce an invention or discovery are obligated to disclose such inventions to the Medical Center when such an invention is first conceived or reduced to practice in the course of his or her assigned duties, or involves "substantial use of Medical Center resources," or results from externally sponsored research or Medical Center sponsored research. The disclosure must be in writing, and it must be full and complete, as determined by the Associate Vice Chancellor for Research. The mechanism for making this invention disclosure is the *Record of Invention* form (see Appendix A) or a revision of the form which may be made from time to time. The Office of Technology Transfer will acknowledge receipt of a disclosure when it is full and complete. Inventors are encouraged to contact that office for assistance in reporting any potentially patentable or otherwise commercial invention or technology.

2. Assignment of Rights. The inventor is obligated to assign the patent and all other proprietary rights of the invention to the Medical Center unless the invention was made outside the general scope of the inventor's assigned duties. If the inventor believes that the invention was made outside the general scope of his or her assigned duties and is unwilling to assign the rights of the invention to the Medical Center, the inventor can, in the *Record of Invention* form, request the Associate Vice Chancellor for Research and Associate General Counsel, with input from an ad-hoc Patent Committee, to make a determination of the respective rights of the Medical Center and the inventor in the invention. If the inventor disagrees with the decision, he or she can appeal the decision to the Vice Chancellor for Health Affairs. To assist in making decisions regarding rights of the inventor and Medical Center, the inventor should include the following information as an addendum to the *Record of Invention* form:

a. The circumstances under which the invention was made and developed.
b. The inventor's official duties, as specified on his or her contract or job description with the Medical Center or as otherwise assigned at the time of the development of the invention.

3. Cooperation in Technology Development. The inventor is obligated to assist Medical Center officers and the Associate Vice Chancellor for Research in carrying out the work necessary to patent, market, license or otherwise commercialize the invention.

4. Timely Reporting to the Medical Center. Since public disclosure (written or oral) of an invention constitutes a statutory bar to the granting of a patent for an invention, the inventor is obligated, whenever possible, to report his or her invention prior to describing the invention in public.

5. Delay in Publishing or Other Public Disclosure. To protect the interests of the inventor and the Medical Center, the Associate Vice Chancellor for Research may require a delay in making public the nature of the invention until a patent application is filed to protect the interests of the inventor and the Medical Center. Specifically, this may require that the inventor withhold, for a reasonable time, publicity concerning the invention and disclosure of the invention in a scientific or other publication. Such a delay is in no way intended to abridge the right, privilege and duty of faculty and other research personnel to publish the results of research conducted at the Medical Center and such a delay will be kept to the minimum necessary to protect the patentability of the invention.

B. Obligations of the Medical Center to the Inventor

1. Timely Determination of Interest. The Medical Center has the obligation to make a timely determination of its interest in pursuing a patent or exerting other proprietary rights concerning an invention. If the determination is made not to exert its proprietary rights in the invention, the Medical Center is obligated to release its rights, in writing, to the inventor. Normally, this determination will require no longer than 90 days from the date at which a full and complete *Record of Invention* form is submitted by the inventor.

2. Reasonable Efforts to Commercialize. The Medical Center has the obligation to make reasonable effort to commercialize any inventions to which it holds proprietary interest, or alternatively, to release all or an equitable part of that interest to the inventor.

3. Income Sharing. The Medical Center has the obligation to share with the inventor an equitable portion of the income that is generated by the commercial development of the invention. This includes the sharing of royalty or other income. (See Appendix B.)

VI. OBTAINING PATENT COVERAGE

A. Invention Disclosure. A *Record of Invention* form is submitted by the inventor to the Office of Technology Transfer. Copies of these forms are available on the UMMC Website under Research. The function of the *Record of Invention* is to clarify and describe fully and completely the proposed invention and the circumstances of its discovery. It is important to fill out the form as completely as possible since it serves as a basis for evaluation of patentability and commercial potential of the discovery or invention.

B. Evaluation.

1. If the inventor asserts in the *Record of Invention* form that the invention resulted from activities outside the scope of Medical Center employment, the Associate Vice Chancellor for Research and Associate General Counsel with input from an ad-hoc Patent Committee, will determine the respective rights of the Medical Center and inventor in the invention.

2. Once it has been determined that the *Record of Invention* is full and complete, the Associate Vice Chancellor for Research and Associate General Counsel, with input from an ad-hoc Patent Committee, will examine the invention from legal, patentability, technological and marketing standpoints and recommend to the Vice Chancellor for Health Affairs a determination of the Medical Center's interest in pursuing a patent or exerting other proprietary rights concerning the invention. Staff also may recommend additional R&D steps that must be completed prior to submitting a patent application. If a determination is made not to pursue the Medical Center's proprietary rights, the Vice Chancellor for Health Affairs or Associate Vice Chancellor for

Research will notify the inventor, in writing, that the Medical Center releases its rights to the inventor provided that all further development of the invention will be at the expense of the inventor, on his or her own time, and will not entail the "substantial use of Medical Center resources."

3. If a disclosed invention is determined to be more appropriately "know-how" or tangible research property, the inventor will be notified, and steps will be taken to investigate the possibilities of licensing the invention as nonpatented technology.

4. Normally, these determinations will require no longer than 90 days from the date at which a completed *Record of Invention* form is submitted by the inventor.

C. Patenting and Licensing. If a decision is made to file a patent application, the Medical Center will file the application within 270 days of making the determination that a patent will be pursued, unless delays are caused because the application requires more information that must be provided by the inventor or for other reasonable circumstances that delay the filing. In many instances, the Medical Center will attempt to negotiate a license agreement in which the licensee pays the costs of filing the patent application. If an application is not filed after 270 days, the Associate Vice Chancellor for Research will inform the inventor about the cause of any delays or, alternatively, if the Medical Center determines that it wishes to abandon its efforts to file a patent application, the institution will inform the inventor subject to the same conditions that were outlined in Paragraph VI.B.2.

The inventor and respective department head will almost always be asked to assist by providing necessary information for various stages of the patent application process. Patent examinations frequently offer a detailed rejection of all or part of the patent claims, which may require extensive written responses until the factual and legal issues are resolved. This process typically requires two years or more. Licensing negotiations may begin before, during or after the patent application process occurs.

D. Decision to Terminate Proprietary Interest. If, at any stage of the patent application process, a decision is made not to continue, the Associate Vice Chancellor for Research will notify the inventor, in writing, that the Medical Center releases its proprietary rights to the inventor provided that all further development of the invention will be at the expense of the inventor, on his or her own time, and will not entail the "substantial use of Medical Center resources." If sponsoring agencies are involved, commitments also may need to be resolved between the Medical Center and the agency.

VII. ROYALTIES AND OTHER INCOME

A. Royalties. If the Medical Center receives a patent, negotiates a license agreement, or otherwise exploits an invention, the first royalty income will be applied to the reimbursement of out-of-pocket expenses entailed by the Associate Vice Chancellor for Research and other Medical Center sources for patenting and licensing the invention. Thereafter, the next $5,000 of royalty income will be given to the inventor(s). After the first $5,000 and through the first $100,000 of royalty income, the inventor(s) and the Medical Center will receive the following proportion of the royalties, as long as the payments continue: 50% to the inventor(s), 25% to the inventor's department and 25% to the Office of Technology Transfer. After the first $100,000 of royalty income, the inventor(s) and the Medical Center will receive the following proportion of the royalties: 30% to the inventor(s), 25% to the inventor's department, and 45% to the Office of Technology Transfer. If two or more inventors collaborated on the invention and are listed as co-inventors on the patent application, the inventors' share of royalties will be distributed in accordance with a *Letter of Agreement* which will be signed prior to submitting the patent application. This *Letter of Agreement* will reflect equitably the contribution of each inventor to the invention. Disagreements concerning relative contribution to the invention, if any, will be arbitrated by the Associate Vice Chancellor for Research and Associate General Counsel, with input from an ad-hoc Patent Committee. If the inventors are from different schools or departments, the departments' share will be distributed in the same relative proportions as that of

the inventors. Any or all of the institutional royalty income can be assigned to the University of Mississippi Medical Center Research Development Foundation.

Appendix B contains a more detailed depiction of royalty distribution.

B. Other Income. Other income refers to nonroyalty income that results from licensing a patent or exploiting other forms of technology for the benefit of the inventor and the Medical Center. Examples include, but are not limited to, nonroyalty income from spinoff technologies and equity income. These forms of income and the equity income can be assigned to the University of Mississippi Medical Center Research Development Foundation

The University of Mississippi Medical Center

APPENDIX A

THE UNIVERSITY OF MISSISSIPPI MEDICAL CENTER
RECORD OF INVENTION

I. Description

Please provide a title for your invention and a brief description. Inventions include new processes, products, apparatus, compositions of matter, living organisms--OR improvements to (or new uses of) things that already exist. Use additional sheets and attach descriptive materials to expand answers to questions. (Sketches, drawings, photos, reports and manuscripts will be helpful).

A. Invention Title _____

B. Description _____

C. Who first conceived the invention? _____

On what date? _____

D. What are the immediate and/or future applications of the invention?

E. Why is the invention better--more advantageous--than the present technology? What are its novel features? What problems does it solve?

F. Has the scientific literature been searched with respect to the invention? Has a patent search been conducted? (Please attach copies of literature and descriptions, if available).

G. What alternative forms or variations can you envision for the invention? List applications or alternatives (such as analog/derivatives of a chemical invention) whether proven or not. Be speculative.

H. Is work on the invention continuing? Are there limitations to be overcome or other tasks to be done prior to practical application? Are there any test data? Describe.

I. Has the invention actually been made and tested? Describe tests and results.

J. Should the invention be reviewed from the standpoint of federal security regulations?

II. Publications, Public Use, and Sale

Note: Valid patent protection depends on accurate answers to the following items. Please contact the Office of Technology Transfer or the Associate Vice Chancellor for Research if you plan any future disclosure of the invention.

A. Has the invention been disclosed in an abstract, paper, talk, news story or a thesis?

Type of disclosure: _____ Disclosure Date: _____
(Please enclose a copy)

B. Is a publication or other disclosure planned in the next six months?
Type of disclosure: _____ Disclosure Date: _____
(Enclose drafts, abstracts, reprints)

C. Has there been any public use or sale of products embodying the invention? _____
Describe, giving dates

III. Sponsorship
Please list below **all** sources of funding for materials, equipment and/or personnel involved in making the invention:

The University of Mississippi Medical Center

A. Government Agency: _____Contract/Grant No.: _____

B. Industry, university, foundation or other sponsor:

C. Has the invention been disclosed to industry representatives? If yes, please provide details, including the names of companies and their representatives.

IV. For Our Records

A. Names of inventors (please print; sign where indicated)

1. _____Signature: _____ Date: _____

Mailing address: _____

2. _____Signature: _____ Date: _____

Mailing address: _____

V. Approvals

Reviewed and approved for transmittal:

_____ _____

Department Chairman Date

_____ _____

Dean Date

APPENDIX B

ROYALTY SHARING POLICY SUMMARY

The net income (gross royalties minus out-of-pocket expenses for patents, licensing, legal fees and related expenses) resulting from an invention to which the Medical Center has exercised its rights of title will be divided as follows:

	First $5,000	$5,001 to $100,000	Above $100,000
Inventor	100%	50%	30%
Inventor's Department(s)	0%	25%	25%
Office of Technology Transfer	0%	25%	45%

1. The inventor's share will be distributed among all inventors in accordance with a letter of agreement signed by all inventors and approved by Associate Vice Chancellor for Research prior to submitting the patent application or licensing agreement.

2. Inventors may always arrange for their personal shares to be retained by the Medical Center (e.g., to support their research).

3. The inventor's share will continue even if the inventors have left the Medical Center.

4. The portion of the departmental share will ordinarily continue to be paid to the Department where the invention was made even if the inventor has moved to another Department or to another institution. However, the Dean may recommend alternate treatment where warranted. Such recommendations for alternate treatment will be acted upon by the Vice Chancellor for Health Affairs.

5. In cases of large sums of income, departments are encouraged to consider capitalizing the Departmental share to create an endowment fund for support of the department.

6. Disposition of royalty income received from patents assisted with sponsored program funds shall be subject to the policies of the respective sponsor and the Medical Center.