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MEMORANDUM

To: Julio Frenk
University President

From: Tomás A. Salerno
Chair, Faculty Senate

Date: March 31, 2016

Subject: Faculty Senate Legislation #2015-26(B) – Revise Faculty Senate Policy on Inventions, Intellectual Property and Technology Transfer in the *Faculty Manual* [Replaces the section of the Faculty Handbook titled “Patent and Copyright Policy.”]

The Faculty Senate, at its March 30, 2016 meeting, unanimously approved the revised Policy on Inventions, Intellectual Property and Technology Transfer, located in the Faculty Handbook section of the *Faculty Manual*. The Policy replaces the current section of the Faculty Handbook titled “Patent and Copyright Policy.” The purpose of replacing the previous policy is to outline rights and responsibilities of members of the University of Miami community regarding inventions, intellectual property and technology transfers and to provide guidelines for the protection, management and commercial application of innovations.

The “Patent and Copyright Policy” will be replaced with the Policy on Inventions, Intellectual Property and Technology Transfer as follows:

UNIVERSITY OF MIAMI POLICY ON INVENTIONS, INTELLECTUAL PROPERTY AND TECHNOLOGY TRANSFER

I. GENERAL

- 1.1 Although the University does not undertake research or developmental work principally for the purposes of commercialization, patentable inventions and other works with commercial application may result from activities carried out by Applicable Personnel. The University has an obligation to appropriately develop Innovations to both benefit the public and generate resources that further support the academic mission of the University. The purpose of this policy is to outline rights and responsibilities regarding inventions, intellectual property and technology transfer and to provide guidelines for the protection, management and commercial application of Innovations.
- 1.2 The policy is applicable to:
 - a) all full- and part-time faculty, staff and employees, students, fellows and non-employees who use University funds, facilities or other resources, or participate in University-administered research, including visiting faculty and

industrial personnel, regardless of obligations to other companies or institutions;

- b) Innovations conceived, created, made or disclosed on or after the Effective Date of this policy, and to those prior Innovations disclosed to the Office of Technology Transfer (OTT) as agreed by Applicable Personnel.

- 1.3 Responsible Official: The Provost is responsible for administration of this policy.

Policy Review: The Technology Transfer Policy Committee (TTPC) is responsible for review of proposed changes to the Faculty Manual in relation to this policy.

II. DEFINITIONS and ABBREVIATIONS

For the purposes of this policy, the following definitions shall apply.

Applicable Personnel: all full- and part-time faculty, staff and employees, students, fellows and non-employees who use University funds, facilities or other resources, or participate in University-administered research, including visiting faculty and industrial personnel, regardless of obligations to other companies or institutions.

Commercialization Costs: costs incurred by the University for evaluating, protecting, defending, enforcing, marketing, negotiating, licensing, assigning, transferring and otherwise commercializing Innovations and/or University owned Intellectual Property.

Courseware: course syllabi, assignments, assessments, and/or other materials that are first created and made available to students as part of the educational curriculum at the University.

Creations: copyrightable works created in the course of Applicable Personnel's scholarly and artistic pursuits, including literary works, textbooks, other scholarly books, journal articles, novels, poems, plays, musical compositions and other artistic works to disseminate for scholarly study or artistic expression; a student work created using student dedicated resources, as part of the educational curriculum at the University, including Capstone projects, papers, dissertations and articles.

Gross Revenue: the amount received by the University under a license or assignment of the University's rights in Innovations, including option or license fees, milestone payments, royalties and proceeds from sale of equity.

Incidental Use: use of none of the University's resources other than its library, limited secretarial or administrative resources, the University's computers and/or Applicable Personnel's office space. Use of University laboratories, clinics and

equipment may also be construed as an incidental use in accordance with written policies jointly developed by a school or college and the TTPC.

Innovations: patentable or un-patentable inventions, discoveries, processes, compositions, research tools, data, ideas, databases, know-how, copyrightable works that are not scholarly or artistic Creations and tangible property, including biological organisms, engineering prototypes, drawings, and software created, conceived or made by Applicable Personnel within their normal duties (including clinical duties), course of studies, field of research or scholarly expertise or making more than Incidental Use of University's resources.

Intellectual Property (IP): patent applications and patents, copyright registrations and renewals, trade secrets and trademarks. IP may be categorized as Creations or Innovations as detailed in Section III.

Net Revenue: Gross Revenue, less all Commercialization Costs and a 15% deduction for administration of OTT.

CDA: Confidential Disclosure Agreement
IP: Intellectual Property
MTA: Material Transfer Agreement
OTT: Office of Technology Transfer
TTPC: Technology Transfer Policy Committee

III. OWNERSHIP

- 3.1 Consistent with long-standing academic tradition, Creations are owned by the author(s), unless otherwise agreed in a contract between the University and Applicable Personnel, including:
- a) the University has expressly commissioned the Applicable Personnel in writing to produce, or participate in production of, the work with University's funds for a specific University purpose;
 - b) the University has expressly assigned the Applicable Personnel in writing to produce or participate in the production of the work; or
 - c) the work is otherwise subject to contractual obligations.
- 3.2 Creations meeting one of the above criteria (a-c) will be treated as Innovations and shall be owned by the University.
- 3.3 Innovations are owned by the University; revenues derived from commercialization of Innovations will be shared with the Applicable Personnel as detailed in Section VI.
- a) Applicable Personnel are required to assign and hereby do assign to the University all Innovations. This assignment includes the right for the

University to claim priority and recover for third party infringement or misappropriation.

- b) This assignment and abiding by this policy are conditions of employment and continued employment, access to University's resources and/or receipt of funding by the University.
- c) This policy governs in the event of any inconsistent obligation to which Applicable Personnel may agree, including in any consulting agreement.

3.4 Intellectual property made or developed with not more than Incidental Use of University resources and not within normal duties (including clinical duties), course of studies, field of research and scholarly expertise of Applicable Personnel will belong to the Applicable Personnel. If Applicable Personnel are uncertain about the disposition of rights, they should make full disclosure of the potential Innovation or Creation to the OTT for determination of rights, as further described in Section 5.2.

3.5 Criteria for ownership of Courseware developed by Applicable Personnel follow the guidelines for Creations and Innovations.

IV. ADMINISTRATION OF THE POLICY

4.1 The Provost is responsible for oversight and administration of this policy. The Director of the OTT reports to the Provost or Provost's designee.

4.2 The TTPC is a committee consisting of seven voting faculty members, including the Provost or Provost's designee, the Vice Provost for Research and 5 additional faculty members, chosen by the Provost in consultation with the Faculty Senate chair. The Director of OTT and a member of the Office of General Counsel will serve as advisors to the TTPC. The five faculty members will serve two-year terms, which may be renewed.

- a) The TTPC is charged with review of proposed changes to the Faculty Manual in relation to this policy;
- b) TTPC proposed changes must be approved by the Provost and subsequently undergo the standard procedure for changes to the Faculty Manual, with final approval by the President and the Board of Trustees; and
- c) The TTPC will meet at least annually and otherwise as necessary and will be chaired by the Provost or Provost's designee.

4.3 The OTT:

- a) Evaluates Disclosure Forms and determines the commercial potential and the most appropriate mechanism, if any, for protecting each Innovation;

- b) Works with Applicable Personnel to identify and engage potential commercial partners for their Innovations;
 - c) Undertakes negotiation and execution of agreements pertaining to Innovations, including licenses, data transfers, assignments, Material Transfer Agreements (MTA) that cover transmission of Innovations (outbound MTA), as well as Confidential Disclosure Agreements (CDA);
 - d) Receives Gross Revenue and distributes Net Revenue received from commercialization of Innovations; and
 - e) Interacts with University's research, compliance and finance units, including the Office of the Vice Provost for Research, Office of General Counsel, Office of Research Administration, Business Services, University Advancement, University Compliance Services and other units to ensure appropriate conduct of business and protection of the University's interests and recommend contractual language related to all Innovations.
- 4.4 Appeal Process. Disagreements with decisions made pursuant to this policy should be addressed to the Provost for final resolution.
- 4.5 Failure by Applicable Personnel to comply with the requirements of this policy may constitute unprofessional conduct and may lead to penalties including:
- a) The individual being deemed ineligible to hold principal investigator status on sponsored projects;
 - b) The individual being deemed ineligible to enter into technology transfer agreements; and
 - c) In the case of University Faculty, referral to the Senate's Committee on Professional Conduct for such other sanctions as it may recommend to the President and/or the Senate.

V. DISCLOSURE, REVIEW AND PROTECTION OF INNOVATIONS

- 5.1 Disclosure.
- a) Applicable Personnel are required to make timely and complete disclosure of Innovations to the OTT via submission of a Disclosure Form, available on the OTT website; early disclosure facilitates engagement of the OTT and allows for specific discussion and guidance toward determination of commercial potential.
 - b) In general, disclosure to the OTT should occur at least 45 days prior to public disclosure of the Innovations, including submitting an abstract, poster, article, grant application or talking about the Innovation outside the University; this allows time for the OTT to evaluate commercial potential and identify

mechanisms for protection of the Innovation.

- c) On the Disclosure Form, the Applicable Personnel will report
 - 1) the percent contribution of each of the Applicable Personnel to the Innovation;
 - 2) primary department and school for each Applicable Personnel;
 - 3) any center, institute or other department that supported the work that led to the Innovation;
 - 4) any Intellectual Property or tangible materials of a third party, including those that were generated at a previous institution or place of employment that has relevance to the disclosure;
 - 5) any non-University inventors (i.e., inventors who are not Applicable Personnel as defined in this policy), including, individuals acting as independent contractors, or individuals at other universities, institutions, companies, foundations or other entities; and
 - 6) the source of funding for the work that led to the Innovation and details regarding specific technology transfer language (for example, ownership of allocations, sharing of revenue or licensing of Intellectual Property) in the funding agreements.

5.2 Review and Protection of Innovations

- a) The OTT will evaluate each Innovation Disclosure Form to determine
 - 1) commercial potential;
 - 2) what Intellectual Property protection, if any, would be appropriate to facilitate the University's ability to incentivize investment in the commercial development of the Innovation; and
 - 3) whether or not the Disclosure Form is premature or incomplete, in which case, the Applicable Personnel may be asked to resubmit the Disclosure Form when additional information is obtained.
- b) Evaluation for such Innovation as described in Section 5.2(a) will be made to Applicable Personnel within 90 days of receipt of a complete Disclosure Form.
- c) Applicable Personnel will cooperate with the OTT in its efforts to evaluate, protect and transfer Innovations, including executing documents and taking other actions as reasonably requested by OTT. The University encourages Applicable Personnel to participate through the OTT in the process of commercialization.

- d) Applicable Personnel are required to consult with the OTT to ensure that appropriate agreements are in place prior to disclosing the University's Innovations or sending materials embodying Innovations outside the University (for example, to another university, institution, company, foundation or other entity).
- e) Lack of patentability need not eliminate commercial potential for an Innovation and will not alter the University's ownership of the Innovation.
- f) The OTT is responsible for directing the filing of University-owned Intellectual Property. The OTT may delegate this authority including by written agreement in connection with commercializing an Innovation. As an example, the University retains qualified law firms to draft, submit and prosecute patents.
- g) The OTT decides when and whether to enter into agreements conveying Innovations and the terms and conditions in such agreements.
- h) Applicable Personnel are required to record all research data and information accurately and clearly and to keep all such data in a permanent and retrievable form. In addition, with regard to a patentable Innovation, original laboratory data must be kept for the life of the patent. Tangible property, including biological materials, chemical compounds, etc., must be securely stored. All of the foregoing are the University's property. Exceptions to these requirements may be adopted in writing by the TTPC.
- i) It is the University's policy to publish research results as soon as possible; however, if publication may reveal an Innovation, Applicable Personnel should seek advice from OTT as to how and when to publish the results in order that patent or other protection is not compromised.
- j) Applicable Personnel are obligated to refrain from any act that would impair the University's rights in any Innovations and must maintain the confidentiality of Innovations, along with custody of applicable data and tangible property, consistent with the University's decisions regarding protection and commercialization. This is especially important when the Innovations have been supported by outside entities through a grant or contract.
- k) If Applicable Personnel leaves the University, all the Innovations arising prior to their departure remain the property of the University, and cannot be practiced, including being commercialized, without the University's written agreement;

5.3 Release of Technology.

- a) In rare cases, the OTT may recommend that the University return the rights to an Innovation to the Applicable Personnel. When this situation occurs, the

University will generally transfer its rights, and if so by in a written agreement that will allow the University to practice and have practiced the Innovation for research, education and/or patient care, at no cost, and may include other provisions to protect the University's interests;

- b) Such a release will not be given until all pre-existing commitments to third parties, including sponsoring agencies, with regard to Innovations have been cleared;
- c) Prior to conducting activities, including research and clinical trials, that could reasonably appear to influence the financial value of the released Innovation, the Applicable Personnel must disclose the potential conflict of interest.
- d) Improvements, new developments and modifications to these returned rights, otherwise satisfying the definition of Innovations, remain subject to this policy;
- e) Release may be conditioned upon reimbursement to the University for all Commercialization Costs and 10% of the Applicable Personnel's net income from the released Innovation.

VI. DISTRIBUTION OF REVENUE DERIVED FROM COMMERCIALIZATION OF INNOVATIONS

6.1 Sharing of Revenue - Guidelines

- a) Multiple units may contribute to the support of work that leads to an Innovation, including the departments and schools/colleges of Applicable Personnel, as well as centers or institutes of which the Applicable Personnel are members.
- b) Distribution of Net Revenue will follow the percent allocation for Applicable Personnel as agreed upon on the Disclosure Form. Absent agreement on the percent allocation among Applicable Personnel, and subject to notice of a dispute being resolved pursuant to Section 6.1(i), the Applicable Personnel will share equally.
- c) Distribution to departments will follow the percent allocation for Applicable Personnel. For those schools/colleges without departments, the department share will be distributed to the school/college.
- d) The Applicable Personnel are responsible for disclosing whether a center or institute has provided financial or other support for the work that led to the Innovation, including laboratory space, supplies or significant administrative support. In such cases, upon disclosure of the Innovation, the involved department (or school/college in the absence of departments) will work with the center or institute to agree upon sharing of the department Net Revenue with the center or institute. As centers and institutes often include faculty

from more than one school or college, the Provost or Provost's designee will mediate disputes related to the department's share.

- e) In the event that departments, centers or institutes from different schools/colleges contribute to an Innovation, sharing of Net Revenue will follow the allocation as determined in 6.1(c) and (d).
- f) University may make alternative arrangements for distribution of Gross Revenue or Net Revenue, whether due to co-ownership, grant, funding contract, gift or other agreement, only after review and approval of the Provost or Provost's designee.
- g) The OTT is authorized to delay distribution where additional expenses are anticipated, including those associated with filing for patent protection in foreign countries.
- h) The University has no fiduciary or other duty regarding whether or when to liquidate equity. Unless equity is liquidated, there is no Net Revenue to distribute.
- i) Any dispute regarding the distribution of Net Revenue may be addressed as set forth in Section 4.4 of this policy.

6.2 Formula for Sharing of Revenue

- a) Accrued as a result of Innovations licensed or assigned **prior to** the effective date of this policy, and in the absence of special funding/gift agreements:
 - 1) Commercialization Costs will be deducted from Gross Revenue; this does not include 15% for administration of OTT; and
 - 2) The first \$1,000 of cumulative Net Revenue shall be paid to the Applicable Personnel
 - 3) Cumulative Net Revenue will then be distributed 1/3 to the Applicable Personnel; 1/3 to the departments of the Applicable Personnel and 1/3 to the University.
- b) Accrued as a result of Innovations licensed or assigned **on or after** the effective date of this policy, and in the absence of special funding/gift agreements:
 - 1) Commercialization Costs will be deducted from Gross Revenue; however, the 15% for administration of OTT will not be deducted from Gross Revenue until initial cumulative Net Revenue equal to \$25,000 has been distributed to the Applicable Personnel; after which

- 2) Ongoing Commercialization Costs will be deducted from cumulative Gross Revenue, followed by deduction of 15% for administration of OTT;
- 3) Cumulative Net Revenue greater than \$25,000 and up to \$2 million will be distributed 1/3 to the Applicable Personnel, 1/3 to the department(s), as well as institutes and centers, as described in Sections 6.1c - 6.1e and 1/3 to the University.
- 4) Cumulative Net Revenue greater than \$2 million will be distributed 1/3 to Applicable Personnel; 1/3 to the school/college, with the Dean of the Applicable Personnel school/college having the authority to determine sharing of Net Revenue between department(s)/center(s)/institute(s) within the school/college; 1/3 to the University.

6.3 Additional Information

- a) In the absence of extenuating circumstances, distributions of Net Revenue will generally be made within three months of receipt but no less than semi-annually.
- b) If Applicable Personnel should change departments within the University, the department share of revenue will generally not follow the Applicable Personnel, except under special circumstances and only as agreed upon by the Dean of the school/college in which the original department resides.
- c) If an Applicable Personnel should leave the University, the portion allocated to the Applicable Personnel's department will remain with the department.
- d) Payments made to Applicable Personnel must be made to the Applicable Personnel and cannot be assigned by the Applicable Personnel to other parties or entities, except upon the Applicable Personnel's death, in which case the personal representative of the Applicable Personnel's estate will notify the University Controller's Office, in order to ensure that the appropriate paperwork and permissions are received for distribution of the revenue to the Applicable Personnel's estate/heirs.

This legislation is now forwarded to you for your action.

TAS/rh

cc: Thomas LeBlanc, Executive Vice President and Provost
Norma Kenyon, Vice Provost for Innovation
Linda Neider, Senate member, ad hoc Technology Transfer Policy Committee
JoNel Newman, Senate member, ad hoc Technology Transfer Policy Committee
Glen Wiley, Senate member, ad hoc Technology Transfer Policy Committee

CAPSULE: Faculty Senate Legislation #2015-26(B) – Revise Faculty Senate Policy on Inventions, Intellectual Property and Technology Transfer in the *Faculty Manual* [Replaces the section of the Faculty Handbook titled “Patent and Copyright Policy.”]

APPROVED:  DATE: 4/4/16
(President's Signature)

OFFICE OR INDIVIDUAL TO IMPLEMENT: Faculty Senate

EFFECTIVE DATE OF LEGISLATION: _____
(if other than June 1 next following)

NOT APPROVED AND REFERRED TO: _____

REMARKS (IF NOT APPROVED): _____