



Patent Policy

Responsible Officer:	VP - Research & Graduate Studies
Responsible Office:	RG - Research & Graduate Studies
Issuance Date:	10/1/1997
Effective Date:	10/1/1997
Scope:	Faculty, Staff and Students

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I. POLICY SUMMARY

The purpose of the 1997 policy is to simplify and restructure the formula for distributing royalty income from inventions, and to establish a new campus and Laboratory research allocation. This policy is the result of extensive review and discussion within the University community.

The enclosed policy applies to all employees and others specified within the policy, except individuals in the following collective bargaining units: Research Support Professional, Technical, and Police. Until collective bargaining agreements have been ratified by both parties in these units, affected employees will remain subject to the requirements of the April 16, 1990 Patent Policy.

II. DEFINITIONS

Not applicable.

III. POLICY TEXT

PREAMBLE

It is the intent of the President of the University of California, in administering intellectual property rights for the public benefit, to encourage and assist members of the faculty, staff, and others associated with the University in the use of the patent system with respect to their discoveries and inventions in a manner that is equitable to all parties involved.

The University recognizes the need for and desirability of encouraging the broad utilization of the results of University research, not only by scholars but also in practical application for the general public benefit, and acknowledges the importance of the patent system in bringing innovative research findings to practical application.

Within the University, innovative research findings often give rise to patentable inventions as fortuitous by-products, even though the research was conducted for the primary purpose of gaining new knowledge.

The following University of California Patent Policy is adopted to encourage the practical application of University research for the broad public benefit; to appraise and determine relative rights and equities of all parties concerned; to facilitate patent applications, licensing, and the equitable distribution of royalties, if any; to assist in obtaining funds for research; to provide for the use of invention-related income for the further support of research and education; and to provide a uniform procedure in patent matters when the University has a right or equity.

STATEMENT OF POLICY

A. An agreement to assign inventions and patents to the University, except those resulting from permissible consulting activities without use of University facilities, shall be mandatory for all employees, for persons not employed by the University but who use University research facilities, and for those who receive gift, grant, or contract funds through the University. Such an agreement may be in the form of an acknowledgment of obligation to assign. Exemptions from such agreements to assign may be authorized in those circumstances when the mission of the University is better served by such action, provided that overriding obligations to other parties are met and such exemptions are not inconsistent with other University policies.

B. Those individuals who have so agreed to assign inventions and patents shall promptly report and fully disclose the conception and/or reduction to practice of potentially patentable inventions to the Office of Technology Transfer or authorized licensing office. They shall execute such declarations, assignments, or other documents as may be necessary in the course of invention evaluation, patent prosecution, or protection of patent or analogous property rights, to assure that title in such inventions shall be held by the University or by such other parties designated by the University as may be appropriate under the circumstances. Such circumstances would include, but not be limited to, those situations when there are overriding patent obligations of the

University arising from gifts, grants, contracts, or other agreements with outside organizations. In the absence of overriding obligations to outside sponsors of research, the University may release patent rights to the inventor in those circumstances when:

(1) the University elects not to file a patent application and the inventor is prepared to do so, or

(2) the equity of the situation clearly indicates such release should be given, provided in either case that no further research or development to develop that invention will be conducted involving University support or facilities, and provided further that a shop right is granted to the University.

C. Subject to restrictions arising from overriding obligations of the University pursuant to gifts, grants, contracts, or other agreements with outside organizations, the University agrees, following said assignment of inventions and patent rights, to pay annually to the named inventor(s), or to the inventor(s)' heirs, successors, or assigns, 35% of the net royalties and fees per invention received by the University. An additional 15% of net royalties and fees per invention shall be allocated for research-related purposes on the inventor's campus or Laboratory. Net royalties are defined as gross royalties and fees, less the costs of patenting, protecting, and preserving patent and related property rights, maintaining patents, the licensing of patent and related property rights, and such other costs, taxes, or reimbursements as may be necessary or required by law. Inventor shares paid to University employees pursuant to this paragraph represent an employee benefit.

When there are two or more inventors, each inventor shall share equally in the inventor's share of royalties, unless all inventors previously have agreed in writing to a different distribution of such share.

Distribution of the inventor's share of royalties shall be made annually in November from the amount received during the previous fiscal year ending June 30th, except as provided for in Section II.D. below. In the event of any litigation, actual or imminent, or any other action to protect patent rights, the University may withhold distribution and impound royalties until resolution of the matter.

D. The DOE Laboratories may establish separate royalty distribution formulas, subject to approval by the President. Distribution of the inventor's share of DOE Laboratory royalties shall be made annually in February from the amount received during the previous fiscal year ending September 30th. All other elements of this policy shall continue to apply.

E. Equity received by the University in licensing transactions, whether in the form of stock or any other instrument conveying ownership interest in a corporation, shall be distributed in accordance with the Policy on Accepting Equity When Licensing University Technology.

F. In the disposition of any net income accruing to the University from patents, first consideration shall be given to the support of research.

PATENT RESPONSIBILITIES AND ADMINISTRATION

A. Pursuant to Regents' Standing Order 100.4(mm), the President has responsibility for all matters relating to patents in which the University of California is in any way concerned. This policy is an exercise of that responsibility, and the President may make changes to any part of this policy from time to time, including the percentage of net royalties paid to inventors.

B. The President is advised on such matters by the Technology Transfer Advisory Committee (TTAC), which is chaired by the Provost and Executive Vice President -- Academic and Health Affairs. The membership of TTAC includes the Executive Vice President - Business Operations, the Director of the Office of Technology Transfer, and representatives from the campuses, DOE Laboratories, Academic Senate, the Division of Agriculture and Natural Resources and the Office of the General Counsel.¹ TTAC is responsible for:

1. reviewing and proposing University policy on intellectual property matters including patents, copyrights, trademarks, and tangible research products;
2. reviewing the administration of intellectual property operations to ensure consistent application of policy and effective progress toward program objectives; and
3. advising the President on related matters as requested.

C. The Provost and Executive Vice President-- Academic and Health Affairs is responsible for implementation of this Policy, including the following:

1. Evaluating inventions and discoveries for patentability, as well as scientific merit and practical application, and requesting the filing and prosecution of patent applications.
2. Evaluating the patent or analogous property rights or equities held by the University in an invention, and negotiating agreements with cooperating organizations, if any, with respect to such rights or equities.
3. Negotiating licenses and license option agreements with other parties concerning patent and or analogous property rights held by the University.

¹ Titles updated June 5, 2008

4. Directing and arranging for the collection and appropriate distribution of royalties and fees.

5. Assisting University officers in negotiating agreements with cooperating organizations concerning prospective rights to patentable inventions or discoveries made as a result of research carried out under gifts, grants, contracts, or other agreements to be funded in whole or in part by such cooperating organizations, and negotiating with Federal agencies regarding the disposition of patent rights.

6. Approving exemptions from the agreement to assign inventions and patents to the University as required by Section II.A. above.

7. Approving exceptions to University policy on intellectual property matters including patents, copyrights, trademarks, and tangible research products.

IV. COMPLIANCE / RESPONSIBILITIES

See Patent Responsibilities, above

V. PROCEDURES

Not applicable

VI. RELATED INFORMATION

UC Patent Policy 1985

University of California State Oath of Allegiance. Patent Policy, and Patent Acknowledgement [UPAY585 (R 11/2011)]

Business and Finance Bulletin G-40, University of California Patent Program (August 1, 1994)

VII. FREQUENTLY ASKED QUESTIONS

Not applicable

VIII. REVISION HISTORY

June 5, 2008

On May 1, 2007, the newly created position of Executive Vice President -- Business Operations assumed responsibility for the implementation of the University Patent Policy with the elimination of the Senior Vice President -- Business & Finance position within the organizational structure of the Office of the President. On August 13, 2007, responsibility for the implementation of the University Patent Policy was transferred to the Provost and Executive Vice President --Academic and Health Affairs in conjunction

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with the transfer of the overall responsibility for the University's technology transfer program. The Patent Policy has been updated to reflect this reorganization.

September 4, 1997

This policy supersedes the November 18, 1985 policy, and rescinds the April 16, 1990 revision to that policy. Inventions reported on or after October 1, 1997 will be subject to the new policy. Inventions reported before the effective date will be governed by the November 18, 1985 policy. Also enclosed is a "Patent Acknowledgment" to be signed by all new employees as of October 1st. This form replaces the "Patent Agreement."