

University of Delaware

Policies and Procedures Manual

Section: Research

Policy Number: 6-6

Policy Name: Inventions, Discoveries and Patents

Date: October 1, 1981

Revisions: June 5, 1989; March 1, 1996; March 6, 2002; March 3, 2005

I. PURPOSE

The purposes of this policy are:

- A. to provide the mechanism for placing in the public realm the fruits of research, while safeguarding the interests of the University, the inventor, and the sponsor;
- B. to provide procedures by which the significance of inventions may be determined and the inventions brought to the point of commercial viability;
- C. to provide adequate patent protection for inventions falling within the scope of this policy;
- D. to establish principles for determining the rights of the University, the inventor, and the sponsor;
- E. to provide greater incentive to creative intellectual effort by University personnel;
- F. to assist the inventor in realizing tangible benefits from the invention;
- G. to satisfy requirements of certain research grants and contracts; and
- H. to provide a basis for establishment of institutional patent agreements with the federal government and other agencies.

II. POLICY

A. General policy statement

University personnel who discover or invent a device, product, plant variety, or method while associated with the University must cooperate with the University in defining and establishing the rights to such inventions. This obligation extends to any invention, whether or not made on University time with or without use of University facilities. When an invention is made, the inventor shall promptly provide the University Vice Provost for Research, or his/her designee, with a statement describing the circumstances under which the invention was conceived and reduced to practice, with particular attention to:

1. identifying the sponsor, if any, of the project or program;
2. stating whether the invention is within the inventor's normal activities and responsibilities with respect to his University employment;
3. indicating the extent to which equipment or physical facilities provided by the University were used in the work which led to the invention; and
4. indicating whether the invention was made under terms of a consulting agreement between inventor and client.

B. Administrative Responsibility

The administration of the principles and policies set forth in succeeding sections of this document is the responsibility of the Provost of the University. The Provost, however, has delegated routine administration to the Vice Provost for Research, with the understanding that no departures from the stated principles and policies will be made without his/her prior concurrence.

Inventions in which the University and the inventor(s) are the sole parties in interest shall be promptly evaluated by the Vice Provost for Research for novelty and patentability and then:

1. referred to counsel for patent filing or;
2. released to the inventor if found not to be of interest to the University or;
3. in certain cases referred to development agencies with whom the University has contracts to assess for commercial potential and interest in their filing and attempting commercial development.

C. Rights and Obligations of the University, Faculty, Staff, and Students

It is the policy of the University, with reference to all creative work of faculty, staff, and students, to recognize the interests of all parties involved, to provide the mechanism for making a proper and equitable distribution of benefits, and to assist the inventor(s) in benefiting from his or her creative efforts. The respective rights and obligations of the University, faculty, staff, and students in the following situation are as follows:

1. University-funded research

Inventions or discoveries that result from research conducted by faculty, staff, or students, which research has been financed wholly by the University or has involved the use of University facilities, equipment, or materials, are covered by section B, above.

2. Government-funded research

Inventions or discoveries that result from research financed wholly or in part by government funds will be treated in accordance with the provisions of Public Law 96-517, "The Patent and Trademark Amendments of 1980." This act provides that the contractor (University of Delaware) may retain full title, right, and interest in inventions made under contract with the government, with certain exceptions for unusual circumstances. Except as specifically superseded by provisions of a specific funding agreement, inventions and discoveries covered by this section will be treated as outlined in section B, above.

3. Research funded by grants or other contracts

Inventions or discoveries that result from research conducted by faculty, staff, or students, which research has been financed wholly or partially by industrial, philanthropic or other organizations, or by individuals, under contracts or written agreements are governed by the terms of such contracts or agreements, and the principal investigator is responsible for informing co-workers of their rights under such contracts or agreements before initiation of the research. Inventions that are not required to be assigned by contractual terms may be processed or disposed of by the University as provided in section B, above.

4. Research wholly funded by the researcher Inventions or discoveries resulting from research conducted wholly at the expense of the individual, without use of University facilities, equipment, or materials, outside the individual's normal field of activities and employment responsibilities are the property of the individual, and the University undertakes no responsibility with respect to such inventions. In all such cases the Provost will release the invention to the inventor(s) to dispose of as the inventor(s) see(s) fit.

At the sole option of the inventor(s) and with the University's prior assent, such inventions may be conveyed by assignment to the University to permit the University to proceed in accordance with section B-2, above.

D. Arbitration of Disputes

In the event the University and the inventor(s) cannot agree with respect to any of their respective rights or obligations hereunder, such dispute shall be submitted for determination to an arbitration panel of three members chosen from the University community and having a member named by the inventor(s), a member named for the University by the Provost, and a

chair selected by mutual agreement of these two nominees. The decision of a majority of such panel shall be final and binding upon both the inventor(s) and the University.

E. Division of Income

1. Income received by the University from an invention shall be used first to reimburse the University for direct assignable expenses incurred in connection with the invention plus 15 percent of the net income remaining after recovery of expenses to cover overhead. Income shall be divided one-third to the inventor(s), one-third to the appropriate administrative unit, and one-third to the University.
2. If two or more inventors are entitled to share in the portion of income earned by them under E-1, the inventors must sign, have notarized, and present to the University an agreement stipulating how such income will be shared among themselves before the University will distribute any income to the inventors.
3. In the event that compensation from the invention is in the form of restricted or unrestricted common or preferred stock, such stock will be distributed in accordance with E-1 as soon as practical after receipt by the University, or the appropriate portion of shares may be registered directly with the inventor(s). It shall be the sole responsibility of the inventor(s) to determine any personal tax obligations related to stock distributed to the inventor(s) under E-1.
4. When inventions are made under contract with an outside agency as provided in section C-2 and C-3, the division of income shall be in accordance with the terms of the contract. In the event that any contract with an outside agency provides for the University to receive unrestricted funds from an invention, such funds shall be divided as provided in E-1.
5. In the event that royalties or other income accrue under an agreement granting licenses for two or more patents, the prorating of income among the patents shall be determined by the University Patent Committee using the procedure of section B as a guide. This committee, which is composed of the Provost, the Vice Provost for Research, and the appropriate dean, shall utilize legal, accounting, and scientific consultants as it deems necessary in making its decisions. If one or more of the inventors named in the patents involved disagrees with the decision of the committee, the matter shall be resolved by arbitration as provided in section D.
6. Income received by the administrative unit as its share under section E-1, 2, 3, or 4 shall be used for administrative activities with special emphasis on research support.
7. Income received by the University as its share under section E-1, 2, 3, or 4 shall be used for general support of University activities with special emphasis on research support.

F. Additional Provisions

Whenever an invention is released to the inventor(s) the University may claim a share in any income received by the inventor(s) after the deduction of his or her expenses as a condition of such release, subject, however, to the provisions of section D in the event of dispute. Under this provision the University shall not be entitled to a share of income that would reduce the inventor's share to an amount less than that provided for under section E-1.

Submitted by: Office of the Vice Provost for Research (OVPR)