

POLICY ON PATENTS AND LICENSING AGREEMENTS

ALBERT EINSTEIN COLLEGE OF MEDICINE

of Yeshiva University



THE ALBERT EINSTEIN COLLEGE OF MEDICINE  
OFFICIAL POLICY ON PATENTS AND LICENSING AGREEMENTS

Table of Contents

	Page
I. General Policy.....	1
II. Disclosure of Invention to the College.....	1
III. Title of Patents and Licensing Agreements.....	2
IV. Management of Patents.....	3
V. Licenses.....	3
VI. Distribution of Income.....	3
VII. Publication.....	4
VIII. Committee on Patents.....	5
IX. Agreement with College.....	6
X. Where the College Declines to Patent.....	6
XI. Management of Licenses.....	6
Schedule A.....	7-8

THE ALBERT EINSTEIN COLLEGE OF MEDICINE  
OFFICIAL POLICY ON PATENTS AND LICENSING AGREEMENTS

I. General Policy

- A. The Albert Einstein College of Medicine of Yeshiva University (hereinafter referred to as the "College") encourages and supports research relating to the advancement of medical knowledge and the publication and the use of the results of such research. It recognizes that the research conducted by its faculty, its technical staff and its students may lead to inventions and discoveries by inventor(s) (hereinafter referred to as "Inventor") which should be patented or licensed for one or more of the following reasons:
- (1) to protect the public interest;
  - (2) to comply with the requirements of sponsored research grants, fellowship awards and contracts for research;
  - (3) to promote the development of useful apparatus, processes and drugs which would not be developed without patent protection;
  - (4) to encourage invention and insure rewards for the Inventor as herein provided; and
  - (5) to support facilities and the research and education programs of the College of Medicine by means of its share of income derived from commercial licensing and royalties paid for the use of inventions and patents.
- B. The Patent Policy of the College is intended to be consistent with these principles and purposes and not to fetter scientific endeavor or inhibit pursuit of further related research.
- C. The provisions relating to patents and patent royalties shall whenever used in this Policy Statement, whether specifically mentioned or not, shall also apply to the commercial licensing and the royalties obtained therefrom for inventions which are not patented but which have commercial value or special technology or special art.

II. Disclosure of Invention to the College

- A. Faculty, staff and all students and visiting faculty are required to report to the Dean of the College and/or the Committee on Patents, all inventions resulting from research carried on in connection with projects supported entirely or partly by College resources and as soon as possible after conception or first actual reduction to practice. Such reports, on standard forms, should be made sufficiently

descriptive to permit the invention to be understood and evaluated for possible filing of a patent application or the development of a commercial licensing agreement.

- B. In the case of supported research, the Committee on Patents must be advised of any invention disclosure requirements of the granting or sponsoring agency.
- C. It will be the responsibility of the Dean of the College to determine if the College is interested in pursuing a patent or licensing agreement for any invention disclosure. Until the College declines to patent, the following shall apply:

### III. Title of Patents and Licensing Agreements

- A. Patent rights or licensing agreements resulting from research carried on by faculty members, technical staff members or students in connection with projects supported entirely or partly by College resources shall be assigned to the College, which shall pay to the Inventor a fixed proportion of the financial returns from the sale or exploitation of such patents in accordance with the provisions of Section VI hereof.
- B. Patents or licensing agreements resulting from research carried on by a student in fulfillment of course requirements or other requirements for a degree or in connection with a formal training program including the preparation of a thesis or dissertation, shall be construed as making use of College resources and shall be subject to the provisions of Section A above.
- C. Patents or licensing agreements resulting from inventions and discoveries made by members of the faculty, the technical staff or by students in connection with government-sponsored research contracts, grants, fellowships or other such arrangements, shall be controlled by the terms of those arrangements. Faculty or staff members accepting government-sponsored research shall execute such agreements as will enable the College to meet its obligations to the sponsoring agencies.
- D. Since the College carries on research for the purposes of extending medical knowledge and educating students, it accepts research grants or contracts from non-government sources with these purposes primarily in view. If inventions result from such research grants or contracts, the College and the Inventor will handle these inventions in accordance with the terms of Section A above, unless the terms of the grant or contract pertaining to the above research are in conflict with Section A, in which case the terms of the grant or contract shall govern.

#### IV. Management of Patents

- A. The College shall have the responsibility for the management of patents and licensing. All determination and action concerning the management of patents and licensing agreements shall remain with the College.

#### V. Licenses

- A. Licenses for commercial development of patents shall be sought to ensure that useful inventions shall be made available in products or services beneficial to the public at reasonable prices. In cases involving substantial developmental expenditures by the licensee, or for other special reasons, an exclusive license may be given, subject to the terms of an applicable grant or contract. All such licensing agreements shall be negotiated by the Office of Industrial Liaison of the College and approved and executed by the appropriate officer of the University.

#### VI. Distribution of Income

Income shall mean all funds derived by the College from an invention or any licensed product or technology.

- A. If income is received from the sale or licensing of patent rights derived from contracts between a third party and the College, the College, its agents and/or any outside agencies will pay and reward the Inventor within 90 days of receipt of funds by the College in accordance with the provisions below.
- B. After deduction by the College of direct assignable expenses incurred (including but not limited to specialized attorney's fees), which shall be determined in the College's sole, but reasonable discretion, the net income will be distributed in the following manner:
  - a. One-third will be allocated to the Inventor or his/her estate and/or heirs. All payments due an Inventor under this policy will be transmitted via a separate payment outside of the payroll system. Fringe benefits will not therefore be applicable to such payments, they will however be reported annually to the individual and to the Internal Revenue Service on Form 1099 or on such other forms as may from time to time be required by the Internal Revenue Service.

- b. One-third (cf. Schedule A) will be allocated to the Inventor's department for support of the Inventor's academic/research pursuits or, with the consent of the Inventor, for other academic/research programs of the Inventor's department. Such income will be considered incremental funding for the department. In the event that an Inventor leaves the College, the disposition of such income will be determined by the College administration. The departmental allocation as described above, and the indirect costs to be assessed on this portion of the distribution are as follows:
- (1) The first \$30,000 of cumulative income will be free of indirect costs.
  - (2) The second \$30,000 will be subject to indirect costs at one-half the prevailing institutional rate.
  - (3) Cumulative income in excess of \$60,000 will be subject to indirect costs at the prevailing institutional rate.
- c. One-third will be allocated to the unrestricted funds of the College to be used by the College in the pursuit of its education, research and clinical missions.

Exception to the method of income distribution described above will be made in the case of sponsored support if the terms of the agreement between the College and the sponsor do not permit such a distribution. In that event the terms of the agreement between the College and the sponsor will govern. This exception will apply to funding from both governmental and non-governmental sources.

## VII. Publication

The right to publish the results of sponsored research where patents may be involved shall be subject to the following conditions:

- A. The College shall not bar or prohibit publication of disclosures and inventions on which patent applications have been filed.
- B. An Inventor has the obligation to file an invention disclosure statement with the College as soon as it is possible to do so simultaneous with or prior to the submission of a paper for publication disclosing the invention. In order to obtain protection for foreign patent rights, which are lost upon publication or public disclosure prior to filing a patent application in the

United States, the Inventor shall disclose his invention to the College through its Committee on Patents a minimum of 60 days in advance of printed or oral disclosure, so that an application for a patent may be filed prior to public disclosure.

- C. The College will, if requested, supply to a sponsor a copy of the proposed publication prior to publication.

#### VIII. Committee on Patents

The Dean of the College of Medicine will appoint a Committee on Patents and such other committees as are deemed appropriate to implement the College's patent and licensing agreement policies. Among the Committee(s) responsibilities will be the following:

- A. To recommend to the Dean which inventions should be processed in accordance with the applicable Sections of this Policy on Patents and Licensing Agreements, and which the Inventor should be permitted to deal with as he or she deems appropriate. Recommendations to the Dean shall be made by the Committee(s) within 90 days after an invention is brought to the Committee(s) notice.
- B. To determine, when necessary, whether a given invention by a faculty or technical staff member or a student resulted from research carried out in connection with project(s) supported in whole or in part by College resources, or whether such invention was unrelated to College activities and resources.
- C. To make general recommendations regarding proposals to patent, or proposals which may lead to patenting of inventions or discoveries related to the health field.
- D. To make recommendations in regard to patents requested by non-government sources.
- E. To act in an advisory capacity to the Dean with regard to patents or licensing agreements assigned to the College or in which the College otherwise has a claim or interest.
- F. To assist the Dean to resolve disputes arising on patent and licensing matters in accordance with this Policy on Patents and Licensing Agreements.

## IX. Agreement with College

- A. A form of agreement with the College shall be signed and entered into by all faculty, students and staff acknowledging that such personnel have received and read a copy of this Official Policy on Patents and Licensing Agreements and agree to abide thereby, and, further, that such personnel agree to disclose in writing promptly to the College any invention or discovery made by such personnel and to assign to the College the entire right, title and interest in and thereto as required and defined in the Policy on Patents and Licensing Agreements.

## X. Where the College Declines to Patent

- A. Upon disclosure of an invention to the College, it will be the responsibility of the Dean to determine if the College declines to pursue a patent. The Dean shall notify, in writing, the Inventor of this decision within 90 days of disclosure. If the Dean declines pursuit of a patent, then the opportunity to pursue a patent reverts to the Inventor.
- B. If at any time during the patent application process, the College decides to discontinue pursuit of the application, the Dean shall notify, in writing, the Inventor within 15 days of this decision. The opportunity to pursue a patent shall then revert to the Inventor. All information, held by the College, pertinent to the patent application will be made available to the Inventor.
- C. If income is derived from a patent declined by the College, it will be distributed as follows:

After reimbursement of the Inventor and then the College of direct assignable expenses incurred, the net cumulative income will be distributed in the following manner:

- (1) The first \$15,000 will be allocated exclusively to the Inventor or his/her estate and/or heirs;
- (2) Two-thirds of the additional income will be allocated to the Inventor or his/her estate and/or heirs;
- (3) The remaining one-third of income will be allocated to the College.

## XI. Management of Licenses

- A. Management of all licensing agreements for products, processes and technology derived from discoveries made in the College, whether or not they are based upon patents, remains with the College.



SCHEDULE A

A. The cumulative proceeds will be distributed according to the following formulae:

I. For  $\text{Net}^1 \leq \$90,000$

- a) Indirect Costs = 0
- b) College Proceeds =  $\frac{\text{Net}}{3}$
- c) Net-Academic Proceeds =  $\frac{\text{Net}}{3}$
- d) Inventor Proceeds =  $\frac{\text{Net}}{3}$

II. For  $\$90,000 < \text{Net} < \$180,000$

- a) College Proceeds =  $\frac{\text{Net}}{3}$
- b) Inventor Proceeds =  $\frac{\text{Net}}{3}$
- c) Indirect Costs =  $\left[ \frac{\text{PVR}/2}{1 + \text{PVR}/2} \right] \times \frac{(\text{Net} - \$30,000)}{3}$
- d) Net-Academic Proceeds =  $\frac{\text{Net}}{3} - \text{Indirect Costs}$

III. For  $\text{Net} > \$180,000$

- a) College Proceeds =  $\frac{\text{Net}}{3}$
- b) Inventor Proceeds =  $\frac{\text{Net}}{3}$
- c) Indirect Costs =  $\left[ \frac{\text{PVR}}{1 + \text{PVR}} \right] \times \frac{(\text{Net} - \$60,000)}{3} + \left[ \frac{\text{PVR}/2}{1 + \text{PVR}/2} \right] \times \$30,000$
- d) Net-Academic Proceeds =  $\frac{\text{Net}}{3} - \text{Indirect Costs}$

1. Income after reimbursement of costs paid or incurred in connection with patenting and commercial development.

B. The following table shows the distribution of cumulative net income according to Section VI.B(b) assuming a prevailing institutional rate (PVR) of 0.89 percent (89%).

CUMULATIVE NET PROCEEDS

NET	INVENTOR	NET-ACADEMIC	INDIRECT	COLLEGE
30,000	10,000	10,000	0	10,000
60,000	20,000	20,000	0	20,000
90,000	30,000	30,000	0	30,000
120,000	40,000	36,920	3,079	40,000
150,000	50,000	43,840	6,159	50,000
180,000	60,000	50,761	9,238	60,000
210,000	70,000	56,052	13,947	70,000
240,000	80,000	61,343	18,656	80,000
270,000	90,000	66,634	23,365	90,000