

University Patent Policy

Approved by the Clemson University Board of Trustees
July 12, 1991

I. Preamble

Clemson University recognizes that research and scholarship should be encouraged without regard to potential gain from licensing fees, royalties, or other such income; however, the University also recognizes that patentable inventions and discoveries may arise from staff research. The policies governing the administration of such inventions should provide adequate recognition and incentive to inventors and at the same time ensure that the University will share in the rights pertaining to inventions in which it has an equity. Any incomes accruing to the University shall be used in the furtherance of the University's academic mission, e.g. instruction, research and public service. Decisions as to the disbursement of such funds shall take into account recommendations by the Patent Committee.

II. Objectives

The basic objectives of the University's policy regarding patents include the following:

1.to maintain Clemson University's policy of encouraging research and scholarship as creative academic endeavors while recognizing that commercially viable inventions may result from such endeavors;

2.to delineate procedures to encourage inventors to report discoveries with patent potential and to assist them, while at the same time safeguarding the interests of all concerned parties;

3.to make inventions developed in the course of University research available to the public under conditions that will promote their effective utilization and development;

4.to assure that inventions developed in the course of University research shall not be used to the detriment of the public interest by the unnecessary exclusion of any qualified user or by any other means;

5.to provide adequate recognition and incentives to inventors through shares in any proceeds from their inventions, since -- unlike common commercial practices -- University charges and salary scale are not based on the expectation of income from inventions by the University;

6.to advance and encourage research and other academic activities within the University with monies accruing to the University from its equity in inventions developed in the course of research supported by funds or utilizing facilities administered by the University, or in other inventions which are handled through the University;

7.to recognize the equity of any outside sponsor by allowing reasonable and equitable provisions for the granting of patent rights to the sponsor, consistent with the University's basic

objectives outlined above and subject to the University's need to maintain the tax exempt status of financing used for certain University facilities.

III. Ownership

The rights of Clemson University in patents arising from research will vary depending on the proportionate contribution of the institution to the performance of the research projects or on the type of contract agreed upon with cooperating agencies. Research projects can vary from those wholly financed by the University or by a University administered fund to projects which receive no significant University support.

1. Clemson University will have ownership rights in all inventions of University personnel, including students, that are conceived or first actually reduced to practice as a part of or as a direct result of: (a) University research; (b) activities within the scope of the inventor's employment by, or in official association with, the University; and (c) activities involving the use of University information not available to the public, or funds administered by the University.

2. To the extent that an invention is conceived, developed and reduced to practice by a member of the faculty, staff, and students, on his/her own time, outside the scope of his/her employment or association with the University and without University facilities, materials, or resources, ownership of such invention shall belong to such member of the faculty, staff and students. They may submit their invention to the University for possible patenting and/or commercial exploitation and management under terms to be agreed upon by the inventor and the University.

3. The provisions of the Clemson Patent Procedures are subject to any applicable laws, regulations or specific provisions of the grants or contracts which govern the rights in inventions made in connection with sponsored research.

4. In order to avoid any question concerning the tax exempt status of financing used for certain University facilities, Clemson shall seek to:

1. retain ownership of inventions arising during performance of research sponsored by any private sponsor at Clemson University and/or federal Government sponsor and;

2. grant to such sponsor(s) any right in the invention only under compensation terms that are set after the time when the invention comes into existence and that are at a fair market level of compensation to Clemson. Under the terms of certain contracts and agreements between Clemson and various agencies of government, private and public corporations, and private interests, Clemson may be required to license patent rights to the contracting party. Clemson retains the right to enter into such agreements whenever such action is considered to be both in its best interest and in the public interest. The University will not agree to grant any rights in future inventions to private corporations or businesses unless such provision is included in the contract that sponsored the work leading to the invention.

5. Special cases not covered by the above statements or which arise because of conflict of interest shall be considered by the Patent Committee and an appropriate recommendation submitted to the University Administration.

IV. Patent Committee

The University's Patent Committee (see VI. D):

1. evaluates patent proposals prepared by a member of the faculty, staff, or student body and then recommends whether the University should accept the proposal and attempt to obtain the patent;

2. recommends the equity of the University and of the inventor within the limits specified in the policy statements outlined below

3. recommends how the patents of Clemson University shall be assigned

V. Intellectual Property Disclosures

Faculty members, staff, and students who believe they have patentable inventions (ideas, concepts, methods, materials, processes) in which the University has ownership rights shall bring them to the attention of the Patent Committee in accordance with the following guidelines.

When a potential patent application is received by the Patent Committee, the Chair shall convene a sub-group to recommend a preliminary course of action. The sub-group shall consist of the Patent Committee Chair, the Patent Committee representative from the college of the candidate patent application, and one other member of the Patent Committee to be selected by the Chair. If the particular college or unit is not represented on the Patent Committee, the sub-group will be composed of the Chair and two members of the Patent Committee appointed by the Chair. After reviewing the relevant materials and discussions with the inventor(s), the sub-group will recommend to the Patent Committee one of three courses of action: (a) return of the idea/invention to the inventor(s) for their own patent pursuits, relinquishing University rights and subsequent responsibilities for costs and incomes; (b) referral of the patent application package to a research corporation or foundation acting as agent for its pursuit, with associated University and inventor(s) PATENT INCOME sharing as determined by Clemson's agreement with that agent, or, (c) recommend the University pursue the patent application using its own financial and legal resources (when intellectual property originates in the South Carolina Agricultural Experiment Station (SCAES) then SCAES will pay all costs associated with the patent). If actions (a) or (b) are recommended by the sub-group and the inventor(s) accept this recommendation, the Chair will present the recommendation to the Patent Committee, at its next regular meeting, for action. The Patent Committee will have a maximum of 45 days to complete the review and take action on a particular disclosure. If action (c) is recommended, or the inventor(s) disagree with the sub-group recommendation, then the inventor(s) will present their disclosure before the full Patent Committee for its consideration and action. In each case, the Patent Committee's recommendations will be sent to the Vice President for Research for approval prior to further action.

In these cases where a Federal agency sponsored all or a part of the research, that agency will be informed of patent action(s) within 60 days of such action(s).

VI. Patent Income

1. "PATENT INCOME" is defined to include income associated with any patent disclosure made to the Patent Committee for exploitation, even if the income is received before a patent application has been filed or a patent issues, and includes such monies received as royalties, fees, advanced payments, court awarded infringement damages, payments received in settlement of infringement disputes, and the like, calculated after the costs of exploiting the disclosure have been reimbursed to the University, some examples of such costs are the cost of securing the patent, appropriate licenses, and other legal efforts as required. PATENT INCOME shall not include indirect economic benefits resulting from the technological position established by the patented technology or the sale of derived articles or concepts, including such items as a follow-on NSF Grant that use the patented technology as a basis for future work.

2. PATENT INCOME shall be divided into an INVENTOR(S) SHARE, a UNIVERSITY SHARE, the INVENTOR(S)' HOME COLLEGE(S)' SHARE, and DISCRETIONARY FUNDS. The INVENTOR(S)' SHARE is the portion of PATENT INCOME paid directly to the inventor(s) as a group for their personal income. The determination of who is an "inventor" shall be made in accordance with the patent laws of the United States. The INVENTOR(S)' HOME COLLEGE(S)' SHARE is the portion of the PATENT INCOME payable to the home colleges of the inventor(s) as a group. The UNIVERSITY SHARE is the portion of PATENT INCOME paid to the University (or SCAES). **DISCRETIONARY FUNDS is the portion of PATENT INCOME paid to the home college(s) of the inventor(s)' for the inventor(s)' use as discretionary scholarship/research support.**

3. The percentage allocations of the various shares of PATENT INCOME shall be calculated as follows:

For the first \$50,000 of PATENT INCOME: INVENTOR(S)' SHARE equals 40%; INVENTOR(S)' HOME COLLEGE(S)' SHARE equals 20%; UNIVERSITY SHARE equals 40%.

For PATENT INCOME in excess of \$50,000, the allocation is as follows:

INVENTOR(S)' SHARE equals 20%; DISCRETIONARY FUNDS equals 20%; INVENTOR(S)' HOME COLLEGE(S)' SHARE equals 20%; UNIVERSITY SHARE equals 40%.

4. College/Department Priorities: (A) The INVENTOR(S)' SHARE will be shared equally among all inventors, unless they agree otherwise. (B) Inventor(s) may always arrange for his/her/their personal share(s) to be retained by the University, e.g., to support his/her/their research. (C) The INVENTOR(S) SHARE will continue even though the individual may have left the University. (D) When an inventor leaves the University, the discretionary funds are added to the UNIVERSITY SHARE. (E) When SCAES, and not the University, pays all of the costs associated with exploiting the invention, then SCAES stands in the shoes of the University and thus receives the UNIVERSITY SHARE. (F) When none of the inventors has a home

college, the INVENTOR(S)' HOME COLLEGE(S)' SHARE and/or DISCRETIONARY FUNDS are/is added to the UNIVERSITY SHARE.

VII. Licensing Restriction

No assignment of or license for (or agreement to assign or license) any invention developed in the course of research supported by funds or utilizing facilities administered by the University may be entered into by any faculty member, staff member, or student without the written consent of the University. The University shall have the ultimate right to resolve any conflict of interest arising in this connection with third parties or organizations. The basic objectives of the patent policy stated above shall serve as the criteria for approval of assignments, licenses, and agreements to assign or license.

VIII. Foreign Applications

Foreign patent applications will not be filed unless: a) substantial justification exists relative to the commercial potential of the invention; b) one or more firms have expressed their intent to license the technology; or c) the college/department/unit assume all filing and other foreign application costs.

There will be an annual review of foreign application/patent status. Foreign applications/patents that are not active with respect to license or license potential may be dropped.

Foreign application/foreign rights will be released to the inventor(s) if the Committee does not recommend initial or continued pursuit by the University and provided that the inventor(s) sign an agreement including the following provisions:

If the foreign rights generate income in the hands of the inventors, then such income would be applied initially to the outlays made by the inventors to secure such income, secondly to the expenses incurred by the University regarding such foreign rights prior to conveying same to the inventors with any remaining income shared as follows: 60% to the inventor(s) and 40% to the University for net income.

The inventor(s) will maintain market and accounting records that will be available for review by the University on request.

IX. Maintenance Fees. An increasing number of the University's U. S. patents are subject to the payment of maintenance fees in order to keep such patents in force. Accordingly, there may be instances in which the University decides to abandon some of its non-producing U. S. patents. Regarding such non-producing U. S. patents to be abandoned by the University, the University will offer to convey such patents to the inventors under the arrangement described for foreign patents described in Section VIII.

X. Infringements

No University personnel shall accuse any third party of infringing any patent owned by the University unless express written permission has previously been obtained from the President of the University to make such allegation or accusation of infringement. Prior to granting such permission and prior to initiating litigation to resolve infringement of a University patent, the President shall consult with legal counsel and other counsel, as the President deems appropriate.

XI. Chair Responsibilities

During the summer sessions and extended university holiday periods, the Chair will have the authority to: a) Expedite the review of patent disclosures deemed time critical, in terms of negotiations with prospective licensees, meeting filing deadlines, and the like; b) Initiate negotiations with prospective licensees for patent filing/processing fees or the like; and c) Such other activities that are time critical and cannot be delayed for handling at a regular or special called meeting of the committee.

XII. Record Keeping Guidelines

Good laboratory practice dictates the use of bound notebooks for record keeping, making entries on a daily basis. This "diary" format provides a day-to-day chronology. Use the notebook to record a conception (a complete description of a means to accomplish a particular purpose or result), laboratory data and drawings. Each entry should be headed with a title and continued on successive pages. Make entries in ink and do not erase; draw a line through text or drawings to be deleted, and enter the material in corrected form. Draw a line through blank spaces on the page. Separate sheets and photographs pasted to notebook pages should be referred to in an entry. Material that cannot be incorporated in the notebook should be keyed to an entry. Sign and date all entries at the time they are made, and have them witnessed. A witness must be someone who has read the material and is capable of understanding it, yet had nothing to do with producing it. Secure additional witnesses when something important or highly unusual is discovered. Remember that an inventor and his or her co-inventor(s) cannot serve as their own witnesses. Records - when made a matter of routine - take only a small amount of time and effort, become an invaluable asset to work in progress, and may ultimately reserve for the inventor those rights to which he or she is, by priority, entitled. Records that support the conception, development and demonstration of a particular intellectual property should be available for review by the Patent committee and patent counsel at each stage of review of a particular disclosure.