

## Georgia Tech Faculty Handbook

### 5.14 Intellectual Property Policy

#### 5.14.1 Introduction

The Georgia Institute of Technology is dedicated to teaching, research, and the extension of knowledge to the public. Its personnel recognize as two of their major objectives, the production of new knowledge and the dissemination of both old and new knowledge. Inherent in these objectives is the need to encourage the development of new and useful devices and processes, the publication of scholarly works, and the development of computer software. Such activities (1) contribute to the professional development of the faculty, staff or students involved, (2) enhance the reputation of the institutions concerned, (3) provide additional educational opportunities for participating students, and (4) promote the general welfare of the public at large.

Patentable inventions and materials often come about because of activities of GIT faculty, staff or students who have been aided wholly or in part through the use of resources of GIT. It becomes significant, therefore, to insure the utilization of such inventions for the public good and to expedite their development and marketing. The rights and privileges, as well as the incentive, of the inventor or creator must be preserved so that his or her abilities and those of other faculty, staff or students of GIT may be further encouraged and stimulated.

GIT recognizes and encourages the publication of scholarly works as an integral part of the processes of teaching, research and service. GIT acknowledges that faculty, staff or students regularly prepare for publication, usually through individual effort and initiative, articles, pamphlets, books and other scholarly works which may be subject to copyright and which may generate royalty income for the author. Publication may also result from work supported either partially or completely by the institution. With the advent of innovative techniques and procedures, the variety and number of materials which might be created in a university community have increased significantly, causing the ownership of such copyrightable materials to become increasingly complex.

GIT recognizes the need for enhanced development and dissemination of software technology as a means of expressing both old and new knowledge. Inasmuch as GIT is aware of the dynamic nature of software and that the value of intellectual property comes from the ability of its owner to control its use and that such value is directly related to the degree of protection it enjoys under the law, GIT encourages the protection of such expressions of knowledge by the utilization of appropriate intellectual property laws and the creation of comprehensive software technology transfer policies and procedures.

The Board of Regents has, by contract, granted rights to Intellectual Property created at GIT to the Georgia Tech Research Corporation (GTRC). When this policy speaks to ownership of Intellectual Property by GIT, GTRC shall be the owner.

The foregoing considered, the Georgia Institute of Technology does hereby establish the following policy with respect to the development, protection, and transfer of rights to Intellectual Property resulting from the work of its faculty, staff or students.

#### 5.14.2 Definitions

**5.14.2.1** "Intellectual Property" shall be deemed to refer to patentable materials, copyrighted materials, trademarks, software, and trade secrets, whether or not formal protection is sought.

**5.14.2.2** "Patentable Materials" shall be deemed to refer to items other than software which reasonably appear to qualify for protection under the patent laws of the United States or other protective statutes, including Novel

Plant Varieties and Patentable Plants, whether or not patentable thereunder.

**5.14.2.3** "Copyrighted Materials" shall include the following: (1) books, journal articles, texts, glossaries, atlases, graphics, study guides, laboratory manuals, syllabi, student proposals; (2) lectures, manuscripts, compositions, unpublished scripts; (3) films, filmstrips, charts, transparencies, and other visual aids; (4) video and audio tapes or cassettes; (5) live video and audio broadcasts; (6) programmed instructional materials; (7) mask works; and (8) other materials or works other than software which qualify for protection under the copyright laws of the United States (see U.S.C.102 et seq.) or other protective statutes whether or not registered thereunder. Note: Textbooks and associated electronic media will normally be treated as individual efforts owned by the author(s) under Section 5.14.6 (D) unless they are created as an assigned duty or pursuant to a sponsored contract.

**5.14.2.4** "Software" shall include one or more computer programs existing in any form, or any associated operational procedures, manuals or other documentation, whether or not protectable or protected by patent or copyright. The term "computer program" shall mean a set of instructions, statements of related data that, in actual or modified form, is capable of causing a computer or computer system to perform specified functions.

**5.14.2.5** "Trademarks" shall include all trademarks, service marks, trade names, seals, symbols, designs, slogans, or logotypes developed by or associated with the Georgia Institute of Technology. (See 17 U.S.C.1127.)

**5.14.2.6** "Trade Secrets" means information including, but not limited to, technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers which: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons, who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. (See O.C.G.A. 10-1-761.)

**5.14.2.7** "Patentable Plant" means an asexually reproduced distinct and new variety of plant. (See 35 U.S.C.161.)

**5.14.2.8** "Mask Work" means a series of related images, however fixed or encoded: (i) having or representing the predetermined, three dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a semiconductor chip product; and (ii) in which series the relation of the images to one another is that each image has the pattern of the surface of one form of the semiconductor chip product. (See 17 U.S.C. 901.)

**5.14.2.9** "Novel Plant Variety" means a novel variety of sexually reproduced plant. (See 7 U.S.C.2321 et seq.)

### **5.14.3 Intellectual Property Committee**

**5.14.3.1** Intellectual Property activities shall be under the general cognizance of an institutional Intellectual Property Committee. This Committee shall be appointed by the President after consultation with the Faculty Executive Board; one representative shall be selected from the Office of Business and Finance, one representative shall be selected from the Office of Legal Affairs, one representative shall be selected from the Georgia Tech Research Corporation, one representative shall be selected from each of the colleges, one representative from the Georgia Tech Research Institute, and one representative shall be selected from the student body. The President shall appoint the Chair of the Committee. Committee appointments will be for three (3) years. Provided, however, that of the original members of the Committee, three shall be appointed for a term of one (1) year, three shall be appointed for a term of two (2) years, and the remainder shall be appointed for a term of three (3) years; the student representative shall be appointed for a term of three years or until he or she graduates, whichever comes first. Members of the Committee may be appointed to serve successive terms. In the event any seat on the Committee is vacated prior to expiration of the normal term, the Chair may appoint a successor to fill the unexpired term of the seat vacated.

**5.14.3.2** The role of the Intellectual Property Committee is to:

- a) Advise the President on policy matters relating to intellectual property.
- b) Propose amendments considered necessary to the intellectual property policy.
- c) Arbitrate disputes.

The Committee shall meet as necessary but at least once a year.

### 5.14.4 Policy Applicability to Faculty, Staff and Students

This policy shall be applicable to all full or part-time faculty, staff or students of the Georgia Institute of Technology.

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 All full or part-time faculty or staff shall, as a condition of employment with the Institute of Technology, assign all rights, title and interest, to the extent prescribed in this policy, in any intellectual property to the Georgia Tech Research Corporation. Students shall not be required to execute an Assignment of Rights Form. This policy shall, however, be applicable to them and shall be set forth in the General Catalog and Student Handbook.

### 5.14.6 Determination of Rights and Equities in Intellectual Property

#### A. Sponsor-Supported Efforts

The grant or contract between the sponsor and GIT, under which Intellectual Property is produced, may contain specific provisions with respect to disposition of rights to these materials. The sponsor (1) may specify that the materials be placed in the public domain, (2) may claim reproduction, license-free use, or other rights, or (3) may assign all rights to GIT. In those cases where income is realized by GIT (through GTRC), the inventor or creator may appropriately share in the income. The nature and extent of inventor or creator participation in income is set forth in Section 5.14.7 below.

#### B. Institution-Assigned Efforts

Ownership of Intellectual Property developed as a result of assigned institutional effort shall reside with GIT. The general obligation to produce scholarly and creative works does not constitute a specific assignment for this purpose.

#### C. Institution-Assisted Individual Effort

Ownership of Intellectual Property developed by faculty, staff or students of GIT where GIT provides support of their efforts or use of institutional resources in more than a purely incidental way (unless such resources are available without charge to the public) shall be shared by the inventor or creator and the institution. The nature and extent of inventor or creator participation in income is set forth in Section 5.17.7 below.

#### D. Individual Effort

Ownership rights to Intellectual Property developed by faculty, staff or students of GIT shall reside with the inventor or creator of such Intellectual Property provided that: (1) there is no use, except in a purely incidental way, of GIT resources in the creation of such Intellectual Property (unless such resources are available without charge to the public); (2) the Intellectual Property is not prepared in accordance with the terms of GIT contract or grant; (3) the Intellectual Property is not developed by faculty, staff or students as a specific institution assignment. The nature and extent of the use of Institution resources shall be subject to institution regulations.

#### E. Other Efforts

Ownership rights to Intellectual Property developed under any circumstances other than those listed in Section 5.5.6 A-D of this policy shall be determined on an individual basis and approved by the President or his or her

designated representative. The nature and extent of inventor or creator participation in income shall, however, be as set forth in Section 5.14.7.

**5.14.7.1** Georgia Tech Research Corporation (GTRC) is responsible for implementation of the Institute's intellectual property policy other than the management of trademarks pertaining to the name, emblem, insignias and logos of the Georgia Institute of Technology, which trademarks shall be managed by the Georgia Tech Foundation.

**5.14.7.2** GTRC is authorized to seek intellectual property protection for potential licensing purposes only. Intellectual property protection for reasons other than such purposes must be funded by the relevant school, laboratory, center, or individual inventor/creator.

**5.14.7.3** GTRC will advise the inventors or creators of its decision to accept intellectual property for administration within ninety (90) days of receipt of the complete intellectual property disclosure. Should GTRC decide not to accept the intellectual property for administration, or if it at any future time decides not to take any further action in marketing, or encouraging further development as a prelude to marketing, the intellectual property, it shall within thirty (30) days of such decision notify the inventors or creators and, should the inventors or creators so request, release the intellectual property to the inventors or creators.

**5.14.7.4** On acceptance by GTRC of any intellectual property for administration, the inventors or creators shall do all things necessary and comply with reasonable requests by GTRC, to assist in obtaining intellectual property protection and/or marketing the intellectual property. Such assistance will be at no cost to the inventors or creators.

**5.14.7.5** No Institute personnel shall take any action to seek commercialization of, or receive any benefit from, any invention other than in accordance with Georgia Institute of Technology policy.

**5.14.7.6** The first Two Thousand Five Hundred Dollars (\$2,500.00) of gross income derived from the commercialization of any intellectual property other than video tapes/multimedia material shall be paid to the inventors/developers. Thereafter, the net income shall be distributed as follows:

	Next \$100K	\$101-500K	\$501-1,000K	Over \$1 Million
Inventor	30%	25%	20%	10%
Reinvest	15%	15%	15%	20%
Development Fund	5%	20%	35%	50%
GTRC	50%	40%	30%	20%

In the case of the death of an inventor, any payment due, or which would have been due to such inventor, shall be made to the inventor's estate.

**Net Income** All licensing income less all expenses attributable to that specific disclosure (e.g., patent costs, attorney costs, marketing cost, reproduction, mailing, consumables, etc.) Shall be distributed quarterly by GTRC.

### **Inventor**

The inventor will be the inventor or inventors of record listed on the original invention disclosure. When more than one inventor/developer is listed, the allocation will be determined by the percentage of ownership listed in the original invention disclosure. That allocation may only be altered for future royalty distribution by written request signed by all inventors listed on the original invention disclosure. In the case of the death of an inventor, any payment due, or which would have been due, to such inventor shall be made to the inventor's estate.

### **Reinvest**

Royalty distribution for reinvestment payment will be made in the form of a GTRC grant to the school, center, or laboratory of the principal inventor/developer for use in funding additional or similar development activities at the unit level.

Reinvestment funds are intended to seed additional development of new intellectual property. Funds will expire eighteen months from the date of the grant.

Reinvestment fund accounts will be set up to be managed by the individual inventor/developer. In the event the inventor/developer leaves Georgia Tech, the accounts will be managed by the unit head.

#### **5.14.7.7 Development Fund Committee**

Expenditure of funds held in the Development Fund shall be approved by the Development Fund Committee. Six members of this Committee shall be appointed by the Vice Provost of Research, and shall be selected from the general faculty and shall be appointed for three (3) years; provided, however, that of the original six (6) general faculty members of the Committee, two shall be appointed for a term of one (1) year, two shall be appointed for a term of two (2) years, and two appointed for a term of three (3) years. Two members of the Committee shall be appointed by GTRC. Members of the committee may be appointed to serve successive terms.

The Development Fund Committee may authorize payment from the Development Fund for the further development of intellectual properties which appear to have significant commercial potential, but are not yet at the stage where they can be effectively evaluated by third parties.

**5.14.7.8** Of the net revenue received by the Institute from the sale of any video tapes/multi-media materials, up to twenty percent (20%) of such net revenue received, to be determined by the school/laboratory/center director, shall be distributed to the presenters of the video tapes. If not distributed to such presenters, this percentage shall accrue to the Dean/School/Center or Lab in addition to the percentage specified below. Thirty percent (30%) of the net revenue received by the Institute shall be distributed to the presenters' Dean/School/Center or Lab in which the presenters are employed. Should the Department of Continuing Education (DCE) act on behalf of GTRC in undertaking production, marketing and/or distribution services then, in consideration of such services, DCE shall as determined by GTRC receive up to thirty percent (30%) of the net revenue received. All awards of revenue distribution to presenters will cease when the presenters' connection with the Institute ceases, except for the reasons of death, disability, retirement, graduation or other exceptional circumstances. If exceptional circumstances exist, distribution may continue for no longer than three (3) years after the presenters' connection with the Institute has ceased.

**5.14.7.9** GTRC may, at the request of a sponsor, agree to sell intellectual property rights arising from a sponsored project. The consideration for such sale shall be negotiated on a case by case basis, and shall take into account any GTRC background technology which may be utilized in the project. Fifty percent (50%) of the consideration received from the sale of such intellectual property rights will be set aside in a special account within GTRC. The laboratory/center/school director may submit, through appropriate channels to the Vice Provost for Research, proposals for the use of such set aside funds for a period of one year from their receipt. Any funds set aside for an individual unit's use that have not been expended within eighteen (18) months of establishing the account will lapse.

Ownership of Intellectual Property Rights will normally be retained by GTRC. This is to ensure that all licensable knowledge created or invented will be available for public consumption. Exclusive licensing agreements by GTRC will contain a due diligence provision to require the license to revert to GTRC within a reasonable period of time if the licensee does not make the technology available to the public.

In the event that it is determined by GTRC that the sale of future property rights is appropriate, any fees or income derived from the sale of rights will be shared equally by the school, center, or laboratory originating the research contract and GTRC.

#### **5.14.8 Appeals and Conflicts**

Institute personnel shall have the right to appeal from decisions of the Intellectual Property Committee. Appeals shall be made to the President of the Institute. Institute personnel may, in accordance with Article IX of the ByLaws of the Board of Regents, apply to the Board of Regents for a review of the decision of the President.

#### **5.14.9 Changes in Policy**

This policy may be changed by the President on the recommendation of the Intellectual Property Committee, with the endorsement of the Faculty Executive Board, or on his or her own initiative, after consulting with the Intellectual Property Policy Committee and the Faculty Executive Board.

#### **5.14.10 Conflict**

In the event of conflict, between this policy and any policy of the Board of Regents, the latter shall prevail. "Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title." United States Code Annotated, Title 35, Section 101, as amended.

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