

COMMERCIALIZATION HOME / FSU INVENTORS / INVENTIONS AND DISCLOSURES

## Why do I need to disclose?

The disclosure form will serve as a complete and full description of the invention to the university. Its information will aid in searching patents and the open literature in an effort to determine novelty. The completed disclosure also provides key information concerning potential applications of the technology (its utility). The disclosure and any relevant prior art discovered during the search process will then be used to assess the technology and determine patentability. In some instances a patent attorney will be engaged on behalf of the university to provide a detailed opinion on the patentability question.

It is not unusual for a researcher to be unsure as to whether a particular discovery is patentable or even worth the time and effort of disclosure. The **OC staff** is available to answer questions and can assist in the preparation of the disclosure documentation.

## When the Disclosure is Computer Software

Unlike subject matter that qualifies only for a single form of intellectual property protection, computer software generally has some copyrightable elements, and may or may not in addition have elements that are patentable. Most often, the patentable element of a computer program will be an algorithm that is used for a novel purpose. The challenge for a university is to determine whether to pursue patent protection in addition to copyright protection. While copyright protection will prevent the unlicensed copying, distribution, modification, adaptation, display of the computer code and is immediately available at virtually no cost, patenting will require a commitment of time, effort and money. The advantage of patenting, however, is that it protects against independent discovery and is generally considered a stronger form of protection than copyright. Since patent protection covers different elements than copyright protection, it is altogether possible, and may be commercially advantageous, to seek both kinds of protections.

## When the Disclosure is Multimedia

Unlike patentable inventions, or computer software, which have fairly distinguishable elements, a multimedia work is generally a collage of separately identifiable and often independent contributions. For example, a multimedia work disclosed to a university may include a computer program, a video, a digital archive, text content, recorded music, film clips, and still images, just to name some of the possibilities. Prior to considering whether a multimedia work is a viable candidate for commercialization, the university must assemble all of the components and then determine whether the university has ownership in all, some, or none of the pieces. Unless the answer to the question of university ownership is "yes" to all elements of the work, the university must determine from the non-university owners whether it is possible to acquire sufficient rights to enable the entire work to be licensed into the marketplace.

## When the Disclosure is a Web-Based Product

The licensing of web-based (or Internet) products such as digital archives, databases, learning tools, courseware and web pages intended for distributed learning environments is much like the licensing of multimedia products in that there is apt to be a tangle of separately protected elements (copyrighted and/or patented software, copyrighted text, images, film, new delivery technology that may be patented and more). And, there are additional considerations because the product will be distributed over the Internet.

## Inventors/Co-Inventors: Who They Are, Who They Aren't

Determining who should be named as an inventor on a patent application is a difficult, often subjective, task and not at all the same as deciding who should be listed as authors of a publication. But it is a matter of law. If the names on a patent don't match with the legally defined inventors, it can be invalidated with disastrous results.

Because people are co-authors of a peer-reviewed article, or students, co-workers, supervisors, or employees, doesn't entitle them to be co-inventors. For instance, sometimes students or technicians are included as co-authors on a publication to recognize their contribution for having carried out the inventor's instructions. Or a department chair or thesis adviser may be honored or shown deference in the same way. However, unless they contribute in a legally defined way, they cannot be considered co-inventors. Conversely, if they did contribute, even accidentally or in minor proportion, then they must be considered co-inventors.

"Conception" and "reduction to practice" are the two elements of inventorship. Conception is the completion of the mental part of the invention. When an inventor has a definite and permanent idea of the invention that would require only ordinary skill to reduce to practice, conception is complete. The key is that the idea must be a specific solution to a problem, not a general research goal. Reduction to practice must be carried out personally by the inventor or through someone under the inventor's direction. Reduction to practice can be actual or constructive. (Don't be confused: Physical "construction" of an invention is considered actual reduction to practice.) When an inventor files a patent application that "describes prophetically ... how to reduce the invention to practice," that application is considered the legal equivalent of actual reduction to practice. Naming co-inventors is a gray area that comes up often, says Deanna Shirley, a patent attorney for the firm of Rivkin, Radler & Kremer. Co-inventors can even change over time, as an invention is developed and as claims are allowed or disallowed, she said. (A claim is a legal term for the very precise explanations of the scope of an invention.) A co-inventor must have some role in the final conception of an invention as it is patented. "Who conceived is the critical question," Shirley said.

William H. Needie, of Needie & Rosenberg, Atlanta, Ga., suggests applying this test to help determine inventorship: Ask of a potential co-inventor's contribution: "If this idea had not been contributed, would the claimed invention exist?" If the answer is no, then that person is probably a co-inventor. When faced with a situation that may lead to an invention, Needie divides co-workers into three groups: 1) Those who contribute ideas that result in the development of an invention as claimed. Members of this group should be considered inventors; 2) Those who contribute labor, supervision, or routine techniques and other non-mental contributions. Members of this group should not be considered inventors; and 3) Those who contribute ideas while an invention is being developed, but whose ideas don't contribute directly to the claimed invention. This group also should not be considered as inventors.

The claims of the patent are the standard for determining inventorship. All inventorship questions must be analyzed against the specific steps that make the invention perform differently from any prior part. To put it simply, a sole inventor must have conceived the ideas in all of the patent's claims; a co-inventor must have conceived the idea in at least one of the patent's claims. To help avoid inventorship disputes, it's a good idea to become familiar with your institution's invention disclosure procedures. Giving clear information about your research to the patent or licensing professional in your commercialization office and keeping good records of everyone involved in the inventive process—students, engineers and technicians—can help simplify the inventorship question.

From the *Oklahoma State University Technology Nexus Newsletter*.

## Intellectual Property and FSU

- Employee Guidelines:** US laws state that inventors (relevant to patent protection) or authors (relevant to copyright protection) own what they invent or create, except when they are employees, where employment policies come into play. Most universities like FSU request disclosure and can waive ownership back to the individual in certain circumstances, otherwise will ask to have it assigned to FSU in return for an active commercialization program. If successful, royalties on sales are split with the inventors or authors. The relevant FSU policies are found at (<http://facultyhandbook.fsu.edu/Section-6-Policies-and-Procedures#Patents>) for both copyright and patent protected materials).
- Exemption for academic use.** On the above web page under Scope of Statement, section C, there is a list of items excluded from the Policy.
- For certainty and recognition, employees are encouraged to fill out the appropriate form on the disclosures page. By reviewing the information and the circumstance, the OC staff can advise you of the next step.
- Relevant Circumstances:**
  - Funded by grant: many times, research monies have lead to the invention or creative work. The award terms may dictate ownership.
  - Inventing at home in your work requirements: employment policy states that if it in your employment area, it needs to be disclosed to FSU. In cases where it is outside your employment area, if should be disclosed with a request to have ownership waived back to the individual.
  - Requested by FSU: needs to be disclosed, likely assigned to FSU.
  - Students: not employees and thus not covered by the preceding employment policies, except when they are employed as research assistants, or are on scholarships or awards administered by FSU.
- Rare situation waive back to author or inventors:** From time to time, a disclosure will lead to the ownership of the disclosed item being returned to the author(s) or inventor(s).

## Guidelines

- Copyright Guidelines
- Patent Guidelines
- Human Subjects
- Outside Employment
- Conflict of Interest Guideline
- Royalty Sharing
- Sponsored Research
- Signature Authority
- S. Government Funded Inventions
- Material Transfer Agreements

Copyright Policy Describes:

- The types of material that are and are not governed by Copyright policy
- How these materials may be used internally and externally, and who controls such uses
- Establishes compensation and royalty sharing terms. (Broadly, authors get 50% of net royalties)
- Establishes procedures for assigning ownership to the University and administering the process

**Patent Policy** Describes:

For all inventions, whether or not patentable:

- The right of the University to claim title, and its obligation to pursue patent protection and public use of inventions made by faculty or staff within the scope of skill and activity implied by their duties as employees
- Assigns responsibility for managing prosecution and licensing of patents to the Vice President for Research
- Establishes the division of net royalty proceeds among the inventor, his academic unit, and the University as a whole, represented by its Research Foundation
- Establishes procedures for disclosure, evaluation, and management of inventions

**Human Subjects**

Requires review by a **human subjects committee** appointed by the Vice President for Research of all proposals that involve Human Subjects in research. Administration of this activity is assigned to Legal Counsel within the Office of Research.

**Outside Employment**

Provides that faculty and staff may engage in reasonable and appropriate outside employment, subject to specific approval and reporting actions.

**Conflict of Interest**

Identifies the circumstances in which faculty or staff may find that outside activities or interest present a potential conflict of personal interest with the interests of the University or other agencies of the State of Florida. Such activities or interests may still be permitted, if they are disclosed, monitored, and reported according to policy provisions outlined here.

**Royalty Sharing****For Inventions:**

FSU Policy allows for named inventors to share in a \$500 award for each issued U.S. patent. Royalties or other income resulting from inventions in which the University takes title will be distributed as follows:

**For the first \$10,000:**

- 85% to Inventor(s)
- 15% to University (FSU Research Foundation)

**Once the \$10,000 plateau has been reached, net income (gross royalties minus direct costs of patenting, licensing, legal, and other related expenses will be divided as follows:**

- 40% to Inventor(s)
- 30% to Inventor(s) Academic Unit(s)
- 30% to University (FSU Research Foundation)

**For Works:**

- 50% to Author(s)
- 50% to University to be divided as follows:
  - 25% to FSU Research Foundation
  - 25% to the Author(s) Academic Unit(s)

**Sponsored Research**

Sometimes corporate sponsors wish to sponsor research related to FSU innovations and patents. Occasionally, FSU faculty/inventors wish to use intellectual property rights to leverage research funding or affiliate industrial memberships. While the FSU OTT recognizes such connections, license agreements are completely separate and distinct from sponsored research or membership agreements. Sponsored research funds are not royalties and are not shared with inventors. Sponsored Research contracts are handled by the **Sponsored Research Office**

**Signature Authority**

The VP of the Research has signature authority on behalf of the Florida State University and Florida State University Research Foundation for licenses, material transfer agreements, industrial contracts, and other agreements relating to intellectual property. While the University does encourage faculty to establish industrial contacts, faculty are not authorized to sign agreements that obligate the University to assign or license intellectual property rights to another entity

**Federally-Funded Inventions**

FSU, like all other research Universities, is governed by the **Bayh-Dole Act**, which provides that any inventions made with assistance from the U.S. Government shall be disclosed in a timely manner, and comply with other regulatory actions. The Act allows for FSU to elect to retain title to inventions conceived or reduced to practice. In addition, FSU must grant the U.S. government a royalty free license for governmental purposes, give preference to U.S. manufacturers; give preference to small businesses and share royalties with inventors. We must periodically report our licensing activity to the Government.